MEMORANDUM

YH18-0037, Third Party Liability and Recovery Audit Services

TO: Meggan Harley, CPPO, MSW
Chief Procurement Officer

FROM: Jennifer Roberts, CPPB
Sr. Procurement Specialist

SUBJECT: Executive Summary for Request for Proposals
YH18-0037 Third Party Liability and Recovery Audit Services

DATE: May 16, 2018

The Request for Proposal (RFP) commenced in accordance with A.R.S. § 36-2906.

Timeline

1. Procurement Disclosure Statements were signed between September 20th – October 12th, 2017 by individuals involved in the Solicitation;
2. The RFP Notice of Intent to Issue a Solicitation (NIS) was sent to vendors via email on January 29, 2018. Vendors included the current Contractor, Health Management Systems, Inc., and 284 vendors selected from the ProcureAZ commodity code listing for *946-10, Accounting and Billing Services (Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc.).* Notice of the RFP was posted on the AHCCCS website on January 29, 2018;
3. A request to advertise the RFP via statewide contract ADSPO17-178012 was submitted to the Record Reporter on January 29, 2018. The Record Reporter advertised the RFP on February 5, 2018;
4. No Pre-Offer conference was held;
5. Solicitation Amendment One (1) extended the Proposal Due Date from March 7, 2018 to March 22, 2018 and was published on the AHCCCS website on February 22, 2018;
6. Solicitation Amendment Two (2) provided AHCCCS Answers to Vendor Questions and was published on the AHCCCS website on March 2, 2018;
7. The RFP closed on March 22, 2018 at 3:00 PM (AZ time) and one (1) proposal was received.

Evaluation Process

1. The Evaluation Committee consisted of three (3) members as listed below (see page 2);
2. The Kick-Off meeting was held on January 11, 2018;
3. The Scoring Methodology was agreed upon during the meeting held on February 1, 2018;
4. RFP YH18-0037 was publicly opened March 22, 2018 and the electronic version of the proposal was posted on the "TPL RFP 2018" SharePoint site for review by the Evaluation Team Members;
5. The proposal hard copies were distributed to the Evaluation Team Members on March 23, 2018;
6. Consensus meetings were held April 19, 2018 and April 25, 2018;

7. No Request for Clarification was issued;
8. A letter of Request for Best and Final Offer was sent to Health Management Systems, Inc. on May 2, 2018 and their response was due by 5:00 PM on May 8, 2018;
9. Health Management Systems, Inc. submitted their Best and Final Offer by the May 8, 2018 deadline. They did not lower their cost proposal for the TPL Services percentage, which remained at 19%. However, they did lower their RAC Services – Overpayments percentage from 17.5% to 16.5%. The RAC Services – Underpayments remained the same at 12.5%.

The Evaluation Committee consisted of:

NAME	DIVISION	JOB TITLE
Gina Aker	DHCM	Encounter Manager
Mark Heck	DBF/TPL	TPL Administrator
John Leatherwood	OIG	Deputy Inspector General

Scoring Tabulation

The Offeror achieved the following final scores:

Offeror	Evaluation Criteria			
	Method of Approach	Experience and Expertise	Cost	Grand Total
	(450 possible points)	(300 possible points)	(250 possible points)	
Health Management Systems, Inc.	324	240	161	725

Please see attached for the Scoring Methodology and the official Evaluation Report, which has been signed by the Committee Members.

Contract Award

It is determined that it is in the best interest of the State to issue an Award as follows:

- Health Management Systems, Inc.

Health Management Systems, Inc. was determined to be susceptible for award and it is in the best interest of the State to award to Health Management Systems, Inc. An exclusion and debarment check were completed to confirm Health Management Systems, Inc. is in good standing and a responsible vendor.

Approved by:

Meggan Harley, Chief Procurement Officer

5/17/18
Date

SCORING METHODOLOGY
Solicitation # YH18-0037
Third Party Liability and Recovery Audit Services

450	Method of Approach
300	Experience and Expertise of the Firm and Key Personnel
250	Cost
1000	Total Possible Points Available

450 METHOD OF APPROACH

1. **Commercial Insurance Data Matching, Collection, Verification, and Recovery**
   150 pts.

2. **Third Party Liability Recovery Programs**
   150 pts.

3. **Reports, Computer Systems, Finances, and Other**
   70 pts.

4. **Operations**
   40 pts.

5. **Recovery Audit Contractors**
   40 pts.

300 Experience & Expertise of the Firm and Key Personnel

1. **Firm 200**
2. **Key Personnel 100**

250 COST (TPL Only)

There are 14 possible outcomes. The Cost Proposal for TPL only will be calculated. This is because RAC is rarely utilized. TPL cost will be in relationship to the below chart. Ranking of the percentage offered will be subtracted from the possible 250 points available. For example, if the offer is 20%, the ranking is 6th so 6/14 is subtracted from the possible 250: 6 x 250 = 1500; 1500/14 = 107; 250 – 107 = 143 points.

a. 15% and Below: 250
b. 16%
c. 17%
d. 18%
e. 19%
f. 20%
g. 21%
h. 22%
i. 23%
j. 24%
k. 25%
l. 26%
m. 27%
n. > 27% 0

SCORING SUMMARY

RFP # YH18-0037 - Third Party Liability and Recovery Audit Services

	Max Points	HMS						
METHOD OF APPROACH	***450***	**324**						
EXPERIENCE & EXPERTISE	***300***	240						
COST	***250***	**161**						
TOTAL SCORE	**1000**	**725**						

Evaluation Committee Members Attestation: We hereby attest that the points awarded to each offeror listed on this Scoring Sheet were scored in accordance with the established evaluation criteria and represent our best judgment of each offeror's proposal.
As indicated by the scores and the justification in the Executive Summary, our recommendation for contract award is:

Health Management Systems, Inc. (HMS)

Signature Name: Mark Heck — Date: 4-25-18

Signature Name: John Leatherwood — Date: 4-25-18

Signature Name: Gina Alker — Date: 4-26-18

Signature — Date: