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9.0 HMS Proposed Method of Approach

RFP Reference: 3.1, 3.1.2

The mission of the Arizona Health Care Cost Containment System (AHCCCS) is to reach across Arizona to provide comprehensive, quality health care for those in need. Health Management Systems, Inc. (HMS) shares a vision with AHCCCS through our commitment to making the healthcare system work better, containing costs, and protecting the integrity of healthcare programs.

HMS is a long-term partner of Arizona, having begun work with AHCCCS in 1993. HMS provides AHCCCS with a comprehensive TPL identification through our robust data exchange network and recovery services. Since we are the incumbent, all systems are already established to satisfy the entire scope of work. In a new contract term, we are ready to expand our current services by offering comprehensive workers' compensation recovery for the Managed Care Organizations (MCOs) as well. No other vendor is more qualified, and we are eager to continue to partner with AHCCCS in achieving its mission.

HMS's Objectives Align with AHCCCS's Needs

AHCCCS provides a healthcare safety net for low-income members and for people with disabilities. Every state, including Arizona, faces the need to balance the desire to provide these services for as many citizens as possible with increasingly strained budgets.

As the leader in healthcare cost containment, particularly for government programs, HMS is uniquely qualified to assist AHCCCS in striking this balance by recovering monies paid for claims that were the responsibility of another liable third party payer so they can be reinvested in Arizona's Medicaid program. In effect, HMS's primary corporate mission—to make efficient and appropriate use of healthcare funds—directly assists AHCCCS in meeting its goals. Every dollar that we have recovered for AHCCCS is a dollar that can be spent supporting Arizona's healthcare safety net. **HMS has recovered over $165 million on behalf of the State since 1993.**

HMS has the financial capacity to perform the tasks related to the continuation of benefits coordination and recovery services for AHCCCS. As a public corporation, we are committed to high standards of business ethics and integrity. We observe and comply with the laws and regulations governing fully transparent business operations. We recognize the importance of credibility and trustworthiness in building business relationships with our clients and their stakeholders.

We are a completely independent company. Unlike some of our competitors, we are not owned by an insurance company that could also be a third party liable for reimbursing AHCCCS. HMS avoids these types of potential conflict of interest, particularly when pursuing recovery.

We have demonstrated our ability to provide a strong return on investment**. In the last state fiscal year alone, we recovered more than $11.2 million on behalf of AHCCCS.** Our unique solution successfully leverages knowledge and technology, with the following features:

- Thorough knowledge and understanding of the TPL landscape in Arizona

- Responsive HMS project team with unsurpassed TPL knowledge and experience
- Expertise in AHCCCS-specific billing and payment methodologies
- Established relationships with the Arizona carrier and provider communities
- Multiple methods to identify casualty, tortfeasor, restitution, TEFRA, trust, workers' compensation, and estate recovery opportunities
- Effective case management with Maestro™, our web-based case management system
- Comprehensive credit balance offering focused on overpayment identification and recovery
- Expansive Arizona-covered lives eligibility data through our robust data exchange network (our data match network includes 100% of the top 20 carriers in Arizona)
- Extensive technological and analytical capability, enabling us to transform data into information, solutions, and savings
- Broad familiarity with the intersection of government policy and healthcare delivery and a demonstrated ability to provide AHCCCS with data and insights in support of sound decision making
- A fully tested and operational infrastructure that supports all stages of the cost containment process in a powerful, efficient, and automated fashion

Our understanding of Arizona's Medicaid program, national best practices, and the federal legislative and regulatory environment enables HMS to be a valued partner to AHCCCS. No other vendor is better equipped to assist AHCCCS in ensuring that its TPL programs are efficient, accurate, and produce consistent quality recoveries.

HMS Can Deliver the Entire Scope of Work

HMS has been dedicated to Medicaid cost containment and recovery initiatives since our founding in 1974, and we have successfully implemented each of the services requested in the RFP to over 40 state and Medicaid programs nationwide, including Arizona. We offer proven and comprehensive solutions to meet AHCCCS's requirements with Arizona-experienced talent and resources. **HMS's Technical Proposal describes how we will seamlessly maintain the administration of the current TPL processes that produce average savings of $129 million annually for AHCCCS.**

Key Scope of Work Approach Advantages

Table 9.0-1 identifies key advantages and differentiators of HMS's TPL solutions compared with those presented by other vendors and summarizes why AHCCCS should select HMS to continue to provide its benefits coordination and recovery services.

Table 9.0-1. HMS's Advantages to AHCCCS

HMS Advantage	Benefit to AHCCCS
More than 30 years of experience providing TPL services nationwide, including more than 25 years in Arizona	▪ Uninterrupted, reliable stream of recovery dollars provided to Arizona ▪ HMS and AHCCCS's goals aligned to focus on delivery of policy information and recoveries ▪ In-depth knowledge of Arizona's Medicaid environment ▪ Tested, proven performance and year over year results
Demonstrated commitment to the success of state government-administered healthcare programs	▪ Best practices developed through service to over 40 Medicaid and state agencies ▪ Nationwide experience applied to fulfill unique client requirements ▪ Proven Medicaid subrogation processes and tools ▪ Specialized service expertise: cost containment and program integrity for healthcare programs ▪ Medicaid service experts
Fully developed identification, verification, and recovery processes	▪ Continued timely discovery of other health coverage data ▪ Uninterrupted revenue stream ▪ Tested, proven solutions that are in place and operational nationwide
Established casualty and tortfeasor case, workers' compensation case, and restitution case identification and recovery processes and tools	▪ Our web-based case management system, Maestro, is subrogation-specific for casualty, restitution, and workers' compensation recovery ▪ Strong attorney referral network ▪ Subrogation specialists with Arizona-specific knowledge ▪ Department-specific casualty web portal
Established annuity, trust, TEFRA, and estate recovery processes and tools	▪ Maestro is subrogation-specific and interrelated for estates, TEFRA, trusts, and annuity recoveries ▪ Proven ability to manage and administer Arizona's estate recovery program ▪ Benefit of program oversite by the most experienced estate recovery contractor in the United States who also has Arizona-specific experience
In-place Data Sharing Agreements with carriers to support a robust data exchange network	▪ Contractual basis for data access ▪ Widest access to third party eligibility for TPL purposes ▪ Regularly scheduled receipt of carrier data ensuring early TPL identification

HMS Advantage	Benefit to AHCCCS
Technical Infrastructure	▪ State-of-the-art data processing tools ▪ Established security controls exceeding AHCCCS and government standards ▪ Health Insurance Portability and Accountability Act (HIPAA) and other privacy and security compliance ▪ Ongoing Information Technology (IT) development/programming results ▪ Dedicated research and development resources ▪ Business continuity processes ensuring continuity of service delivery and results
Experienced Arizona Project team	▪ Seamless implementation of new initiatives ▪ Continuity of operations with the benefit of historical knowledge ▪ Established relationships with Arizona stakeholders ▪ Accessible project team with knowledge of AHCCCS's programs and services ▪ Consistent communication with AHCCCS and other project stakeholders, including regular status meetings
In-depth knowledge of the AHCCCS program as well as state and federal policies and regulations	▪ Compliance with Medicaid, State of Arizona, and CMS standards and regulations ▪ Reduced program risk ▪ Protection of constituencies and stakeholders
National operations center in Irving, Texas dedicated to Cost Containment	▪ Ability to employ best practices to maximize results for Arizona ▪ Unsurpassed ability to access and handle large sets of data

TPL METHODOLOGY AND APPROACH TO FULFILLING THE STATEMENT OF WORK

In this section, we will provide a brief recap of each statement of work product and HMS's experience and historical recoveries for AHCCCS. Detailed narrative of the steps and processes utilized to get to results are included in **Sections 9.0.01 through 9.0.010**.

CASUALTY, TORTFEASOR, AND RESTITUTION

[redacted]

[redacted]

TEFRA LIENS, ESTATE RECOVERY, TRUSTS, AND ANNUITIES

[redacted]

[redacted]

[redacted]

CREDIT BALANCE

[redacted]

HMS is the only company with the experience, infrastructure, and data mining tools necessary to provide comprehensive overpayment identification and recovery services and apply them in the context of a comprehensive Medicaid TPL and RAC solution.

[redacted]

COMMERCIAL INSURANCE BILLING

[redacted]

[redacted]

[redacted]

HMS's successful TPL processes and tools are already in place and producing value for AHCCCS and Arizona.

COMMERCIAL INSURANCE VERIFICATION/DATA MATCH

We understand Arizona's business needs and expectations related to identifying third party coverage and delivering all of the required information to AHCCCS. We have and will continue to add value by identifying and validating information before it is added to the AHCCCS third party leads file database with the following:

[redacted]

[redacted]

RECOVERY AUDIT SERVICES

[redacted]

In the following sections, we provide our method of approach to meeting AHCCCS and the State of Arizona scope of work and continuing to provide industry-leading TPL, commercial insurance verifications/data match, and Medicaid RAC services. Also, in response **Sections 9.1, 9.2, and 9.3,** we provide a quick reference cross-walk to the requirements from AHCCCS's scope of work, listed in **Table 9.0-2** below.

Table 9.0-2. HMS Cross-walk for Quick Reference to AHCCCS Scope of Work Requirements

Section	Scope of Work Requirements
9.1	First Party Liability and Third Party Liability
9.1.1	Casualty and Tortfeasor
9.1.2	Restitution
9.1.3	Estate Recovery
9.1.4	TEFRA Liens
9.1.5	Trusts
9.1.6	Annuities
9.1.7	Credit Balance Recovery Program
9.1.8	Commercial Insurance Recovery
9.2	Commercial Insurance Coverage Verification/Data Match
9.3	Medicaid Recovery Audit Contractor RAC Services

LEGISLATIVE SUPPORT

HMS has a team of experts that analyze proposed legislation and the impact it may have on the TPL and RAC programs within the States. During the current contract, we provided analysis and feedback to AHCCCS on various legislative or congressional activities, including:

- The Mega Rule
- CHIP reauthorization modifications
- Impact of the Ahlborn changes
- DRA legislative support

We provide the following assistance to our clients to assist them in navigating the legislative landscape:

- HMS can provide comments to proposed changes in state and federal legislation, rules, policies, and procedures
- HMS will research and analyze proposed or required program or process changes and develop appropriate implementation strategies in conjunction with AHCCCS
- HMS will reply timely to requests for information (RFIs), surveys, and other correspondence related to legislative changes