



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
PURCHASE BUREAU
P.O. Box 230
TRENTON, NEW JERSEY 08625-0230

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Governor

BRADLEY I. ABELow
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To: All Interested Bidders

Re: RFP # 07-X-38991
Medical Consulting: External Quality Review Organization, DMAHS
Bid Due Date: September 26, 2006 (2:00 p.m.)

ADDENDUM #2

Note: The bidder's electronic question due date is extended through 5 p.m. on August 29, 2006.

Note: The bid submission due date is changed to 2 p.m. on September 26, 2006.

The following constitutes Addendum #2 to the above referenced solicitation. This addendum is divided into the following parts:

Part 1: Answers to questions

Part 2: Additions, deletions, clarifications, and modifications to the RFP

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFP.

All other instructions, terms, and conditions of the RFP shall remain the same.

PART 1

**Medical Consulting: External Quality Review Organization, DMAHS
Bid Number 07-X-38991**

Answers to Questions

Note: Some of the questions have been paraphrased in the interest of readability and clarity. Each question is referenced by the appropriate RFP page number(s) and section(s) where applicable.

#	Page #	RFP Section Reference	Question	Answer
1	-	-	The RFP does not mention CMS mandated activities specifically. Is the contractor responsible for conducting the three (3) mandatory activities (regulatory compliance, validation of performance improvement projects, and validation of performance measures) (and evaluation of quality strategy) in a manner consistent with the protocols through the various contract activities, or is the State meeting these CMS obligations through other means?	The contractor will satisfy the CMS mandated activities in a manner consistent with the protocols through the various contract activities.
2	-	-	Please confirm or correct the following understanding. A. Deliverables 4 and 5 each have five (5) separate reports (one (1) for each HMO). B. Deliverable 6 is a single report incorporating information from Deliverables 4 and 5 (that also provides information to be included in Deliverable 2). C. Deliverable 2 has five (5) separate reports. D. Deliverable 8 has five (5) separate reports and includes information from Deliverables 2 and 9.	A. Yes, Deliverables 4 and 5 each comprise five (5) reports. B. This is confirmed, but Deliverable 6 comprises five (5) reports. C. Yes, Deliverable 2 comprises five (5) reports. D. Yes, Deliverable 8 comprises five (5) summary reports under one (1) cover.
3	-	-	Please provide the names of the organizations that submitted bidder's questions.	The names of the firms submitting questions are not known to the buyer and will not be revealed to the buyer.
4	-	-	Who is the incumbent for this contract?	The contract is with PRONJ, The Healthcare Quality Improvement Organization of New Jersey, Inc., Suite 21, 557 Cranbury Road, East Brunswick, NJ 08816. The firm is presently known as Healthcare Quality Strategies, Inc.
5	6	1.2	Reprocurement of the contract. Please compare the current scope of work to T-1619 in terms of requirements and cost. T-1619 is for a period of six months with relatively few tasks compared to the current RFP, and it is therefore difficult to estimate the level of effort required based on previous work.	This RFP is completely restructured from the previous contract. The RFP meets DMAHS current business needs.
6	6	1.2	Contract T-1619 lists three (3) payments for the period of April 1, 2006 through September 30, 2006. Is this payment for work conducted only in this six (6) month period, or is the	Notices of Award do not reflect a payment schedule. Price lines are estimates based on bids.

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			payment for work conducted in totality for the full year?	
7	16	3.1.1	The contractor "shall be available for approximately two (2) meetings a month." Depending upon the subject matter of each of these meetings, can some be done via conference call or video conference?	Yes, some meetings can be conducted via conference call or video conference with the approval of the State Contract Manager.
8	18	3.2.2.1	Please clarify the intent of this Section. Does it refer to the selection of software for analytical purposes, flowcharting, office support, or other system/application software?	The contractor is required to propose all the software described in the question to the State Contract Manager as part of the Annual Work Plan. Software must be compatible with the State's system.
9	18	3.2.2.1	Please provide examples of the type of software the State has in mind.	The State has no specific types of software in mind.
10	18	3.2.2.2	Is the "retrospective quality review of the medical care provided to NJFC/Medicaid clients" separate from that requested for focused studies or should individual case reviews be performed as part of this task?	The "retrospective quality review of the medical care provided to NJFC/Medicaid clients" is separate from any other requested review or study.
11	18	3.2.2.2	Are there separate deliverables for this task?	The Annual Work Plan comprises a number of deliverables each of which is noted in the RFP as "Deliverable"; there are ten (10) of them. The criteria noted in the last paragraph of this Section relate to a specific task that is incorporated into the deliverable.
12	18	3.2.2.2	Please provide more information regarding the focus of the medical review. Does the State want information segmented by any subgroups such as the five (5) HMOs, age ranges, sex, specific diseases, etc? The scope of work (and pricing) for this deliverable could vary considerably depending on the structure of the review.	Further clarification from the questioner is needed to answer this question. Please clarify whether the question pertains to the Medical Review Plan or medical review used in studies.
13	18	3.2.2.2	A. Does the term "criteria" refer to clinical criteria such as InterQual or to the standards for evaluating MCO performance? B. Does medical review encompass utilization and/or quality review of individual encounters outside of the task for Individual Case Review?	A. "Criteria" refers to HEDIS or any other nationally recognized standard criterion, as applicable. B. Medical review may encompass utilization and quality review as required according to the study, outside of the Individual Case Review.
14	18	3.2.2.2	Please offer examples of specific review criteria used during the current contract year for the Medical Review Plan.	The primary example is HEDIS. Other criteria may be created by the bidder in concert with the State Contract Manager.
15	20	3.2.2.3	The written review and analysis of findings suggests the contractor conducts utilization and quality review. Is the MCO the unit of analysis for this report?	The contractor conducts the utilization and quality review. The MCO is the subject of this report.
16	20	3.2.2.3	The RFP states, "...within forty-five (45) days, the contractor shall provide a written review and analysis of the findings..." Does the State want draft individual reports within forty-	Following each HMO review, an individual report is due within forty-five (45) days.

#	Page #	RFP Section Reference	Question	Answer
			five (45) days of each HMO review or all the reports collectively within forty-five (45) days of the final HMO review?	
17	20 22	3.2.2.3 3.2.2.7	Deliverable 2 indicates that a separate report is to be submitted for each HMO's Annual Assessment of HMO Operations and Deliverables. Deliverables 4, 5, and 6 also indicate that separate reports are to be submitted for each HMO's QIPs. The first page of the Price Schedule, however, shows an estimated quantity of "1" for each of these deliverables. Should the estimated quantity for these deliverables be "5"?	Yes. The number of these specific deliverables is five (5) because there are five (5) HMOs. See Part 2 of this Addendum.
18	21	3.2.2.5	Where do data for the Managed Care Program Quality Report regarding pediatric dental care utilization come from?	Data for the Managed Care Program Quality Report regarding pediatric dental care utilization come from the EPSDT Focused Quality Study.
19	21	3.2.2.5	A. Is the 2005 New Jersey HMO Performance Report an example of the document referenced in the RFP as a "Managed Care Program Quality Report"? If this is not the correct report, please provide a copy of the most recent report. B. For this deliverable, is the contractor responsible for design, printing, and publishing costs or just for submission of data in an acceptable report format?	A. No, there is no previous copy. B. The contractor is responsible for design, printing, and publishing costs.
20	21	3.2.2.5	Does the State have preferences regarding data sources and/or statistical significance for the Managed Care Program Quality Report (e.g. record abstraction, administrative data, and summary of MCO HEDIS measures)?	The appropriate data sources should be used accordingly. Regarding statistical significance, the State requires a 95% confidence level.
21	21	3.2.2.5	How many copies of the Report is the contractor required to provide?	The contractor shall provide ten (10) copies of the Managed Care Program Quality Report. See Part 2 of this Addendum.
22	21	3.2.2.5	Is the MCO the unit of analysis for this report?	The MCO is the subject of this report.
23	22	3.2.2.6	Will initial requests for medical records/data be made directly to physicians and other providers as opposed to the HMOs?	Yes, initial requests for medical records/data will be made directly to physicians and other providers.
24	22	3.2.2.6	What has been the rate of success in obtaining all necessary medical records within ninety (90) days?	This is a new process and there is no history.
25	22	3.2.2.7	A. How many QIPs from each individual MCO are required for review? B. Are the QIP study questions the same across MCOs?	A. The number can vary as stated in the State/MCO Contract. Currently, there are two (2) QIPs per HMO. B. No, the QIP study questions are not the same across MCOs.
26	23	3.2.2.8	Will the Summary of Quality Care Review include separate collection of data in order to review and analyze the quality of care that has been provided to DMAHS clients, or do the records/data reviewed refer to those collected during the performance of other tasks?	The Summary of Quality Care Review does not entail a separate collection of data apart from data collected during the performance of other tasks.

#	Page #	RFP Section Reference	Question	Answer
27	23	3.2.2.8	The RFP states, "The contractor shall obtain and review medical records, administrative data, HMO encounter data, and FFS claim data..." A. Will data be provided in a summarized format? B. What is the State's expectation concerning validating encounter data?	A. No B. More information on the circumstances is needed from the questioner in order to answer this question.
28	23	3.2.2.8 and 3.2.2.9	Regarding deliverables 7 and 8, does the State require an aggregate report of annual HMO activities?	No.
29	23	3.2.2.10	Are four (4) new focused quality studies desired, or will some be repeats of studies conducted in a prior year?	Some will be repeats.
30	23	3.2.2.10	EPSDT services include lead screening, which is also addressed by a different focused study. To what extent are the studies independent in target populations?	Target populations differ in age.
31	24	3.2.2.11	A. Will the State provide relevant encounter data specific to each case review? B. Please provide examples of the types of reviews that might be necessary for this task. C. Do the individual cases have a common theme, or do they consist of a variety of issues such as quality of care concerns, denials for medical necessity, experimental treatment, complaints, or other issues? D. What types of clinical specialists are anticipated to be necessary for these types of reviews? E. Have healthcare facilities (hospitals, nursing homes, etc.) and practitioners been willing to send copies of medical records to reviewers, or must they be reviewed on-site? F. Should the contractor include costs of copying medical records in the contract bid?	A. Yes, for individual case reviews. B. Examples include death of a child, allegations of child abuse, and allegations of a provider giving substandard care. C. They consist of a variety of issues. D. Appropriate peer review. E. Both methods have been used to obtain medical records. F. Yes, but not as a separate line item. Refer to Section 2.1 for the definition of Firm Fixed Price.
32	25	3.2.2.12	A. Is the sample stratified by the eligibility categories listed on page 25? B. Is the 95% confidence level applicable to these categories?	A. No, the State provides all encounter data. The contractor is responsible for various levels of stratification appropriate for each task. B. Yes.
33	25	3.2.2.12	Which precision (confidence interval) is desired for the sample sizes that are to be statistically valid at the 95% confidence level?	The contractor shall suggest an appropriate confidence interval as part of the proposal for sample selection presented to the State Contract Manager for review and approval.
34	27	4.4.1.4	Do bidders receive a stronger evaluation or more points for using a small business subcontractor?	Small business contracting is encouraged and is one of many factors that has a positive effect on the evaluation of bid proposals.
35	28	4.4.4.1	Should the bidder include a separate section that specifically addresses the items listed on page 29 in addition to scope of work tasks?	Items addressed on page 29 in Section 4.4.4 of the RFP shall be a part of the bid submission in Section 2 Technical Proposal. The bidder is

#	Page #	RFP Section Reference	Question	Answer
				expected to convince the State that the bidder will be successful in performing the work described in Section 3.0.
36	30	4.4.5.2 and 4.4.6	Section 4.4.5.2 refers to "labor category and title of each such individual". Section 4.4.6 refers to providing a budget with "labor titles and hourly rates" for each deliverable. Please provide a description and/or example of a "labor title", "labor category", and "title".	"Labor title" and "title" are synonymous; they are the common job titles, such as "Director of Marketing" or "Research Analyst". "Labor category" means a collective function such as "senior management", "administrative staff", or "clerk".
37	31	4.4.5.8	The primary contractor is not a small business. Is it mandatory that the bid proposal include a subcontractor that qualifies as a small business?	It is not mandatory, but if the bidder proposes to utilize a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, New Jersey Commerce, Economic Growth and Tourism Commission registered small businesses.
38	32	4.4.6	In providing labor titles and hourly rates for each of the ten (10) deliverables, should the hourly rate factor in all costs associated with the deliverable, such as fringe benefits, overhead, travel, and non-labor costs, or should the deliverable budget include line items for each cost type (labor: to include title and rate details, fringe benefits, travel, non-labor, and overhead)?	A definition of the all-inclusive hourly rate is found in Part 2, number 4 of this Addendum.
39	32	4.4.6	Please provide a summary of the last three (3) years of fees paid to and hours worked by the current EQRO contractor. As an alternative, please provide copies of invoices.	DMAHS does not have this summary of invoices available and is unable to assemble the information at this time, though it may be available to the bidder through OPRA. The State believes that this information is not relevant to the bidding process and that it will not benefit the bidder in its proposal preparation.
40	37	5.21	Is the State willing to consider monthly invoices from its EQRO contractor as work progresses rather than waiting until a deliverable has been completed? Amounts could be withheld from the State if there is some concern around quality of the work.	No.
41	37	5.21	A. How long after a final deliverable has been completed has payment been made by the State for the current EQRO vendor? B. What can be expected going forward in terms of length of time needed by the State to approve a deliverable?	A. The current bid includes a new payment schedule. No history of complaints is on file for late payment by the State. B. The State intends to abide by the terms of the New Jersey Prompt Payment Act, which is described in Section 4.6 of the Standard Terms and Conditions.

PART 2

**Medical Consulting: External Quality Review Organization, DMAHS
Bid Number 07-X-38991**

Additions, Deletions, Clarifications, and Modifications to the RFP

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
1	-	Price Schedule	The Estimated Quantity in Line Items 2, 4, 5, and 6 is changed from 1 to 5.
2	22	3.2.2.5	The contractor shall provide ten (10) copies of the Managed Care Program Quality Report.
3	22	3.2.2.7 <u>Deliverable 5</u>	The last three words of the last sentence are changed from "from the State" to "from the HMOs".
4	-	2.1	All-Inclusive Hourly Rate – An hourly rate comprised of all direct and indirect costs including, but not limited to, overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support, and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.