



MONTANA STATE FUND REQUEST FOR PROPOSAL (RFP)

RFP Number: MSF 57	RFP Title: Medical Bill Payment Audit Services	
RFP Response Due Date and Time: October 31, 2013 4:00 p.m., Mountain Time	Number of Pages: 26	Issue Date: September 30, 2013

ISSUING AGENCY INFORMATION	
Procurement Officer: Bridget McGregor	Montana State Fund Phone: (406) 495-5277 Fax: (406) 495-5023 TTY Users, Dial 711
Website: http://vendor.mt.gov/	

INSTRUCTIONS TO OFFERORS	
Return Sealed Proposal to: PHYSICAL AND MAILING ADDRESS: Montana State Fund 855 Front Street Helena, MT 59601	Mark Face of Envelope/Package with: RFP Number: MSF 57 RFP Response Due Date: October 31, 2013
Special Instructions:	

OFFERORS MUST COMPLETE THE FOLLOWING	
Offeror Name/Address:	<hr/> <p style="text-align: center;">(Name/Title)</p> <hr/> <p style="text-align: center;">(Signature)</p> <p style="font-size: small;">Print name and title and sign in ink. By submitting a response to this RFP, offeror acknowledges it understands and will comply with the RFP specifications and requirements.</p>
Type of Entity (e.g., corporation, LLC, etc.)	Offeror Phone Number:
Offeror E-mail Address:	Offeror FAX Number:

OFFERORS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE

TABLE OF CONTENTS

	<u>PAGE</u>
Instructions to Offerors	3
Schedule of Events	4
Section 1: Introduction and Instructions	5
1.1 Introduction	5
1.2 Contract Period	5
1.3 Single Point of Contact	5
1.4 Required Review	5
1.5 General Requirements	6
1.6 Submitting a Proposal	6
1.7 Costs/Ownership of Materials	7
Section 2: RFP Standard Information	8
2.1 Authority	8
2.2 Offeror Competition	8
2.3 Receipt of Proposals and Public Inspection	8
2.4 Classification and Evaluation of Proposals	8
2.5 MSF's Rights Reserved	10
Section 3: Scope of Services	11
3.1 Introduction	11
3.2 Background	11
3.3 Specifications and Requirements	12
Section 4: Offeror Qualifications	15
4.1 MSF's Right to Investigate and Reject	15
4.2 Offeror Qualifications	15
Section 5: Cost Proposal	17
5.1 Cost Proposal	17
Section 6: Evaluation Process	18
6.1 Basis of Evaluation	18
Appendix A - Standard Terms and Conditions	20
Appendix B - Contract	21
Appendix C – Medical Payments Procedure Manual	26
Appendix D – State Fund and ACS Written Contract	26
Appendix E – Clean Claim Requirements	26

INSTRUCTIONS TO OFFERORS

It is the responsibility of each offeror to:

Follow the format required in the RFP when preparing your response. Provide responses in a clear and concise manner.

Provide complete answers/descriptions. Read and answer **all** questions and requirements. Proposals are evaluated based **solely** on the information and materials provided in your written response.

Use any forms provided, e.g., cover page, budget form, certification forms, etc.

Submit your response on time. Note all the dates and times listed in the Schedule of Events and within the document. Late proposals are **never** accepted.

**The following items MUST be included in the response.
Failure to include ANY of these items may result in a nonresponsive determination.**

- Signed Cover Sheet
- Signed Addenda (if appropriate) in accordance with Section 1.4.3
- Correctly executed State of Montana "Affidavit for Trade Secret Confidentiality" form, if claiming information to be confidential or proprietary in accordance with Section 2.3.1.
- In addition to a detailed response to all requirements within Sections 3, 4, and 5, offeror must acknowledge that it has read, understands, and will comply with each section/subsection listed below by initialing the line to the left of each. If offeror cannot meet a particular requirement, provide a detailed explanation next to that requirement.

SCHEDULE OF EVENTS

<u>EVENT</u>	<u>DATE</u>
RFP Issue Date.....	September 30, 2013
Deadline for Receipt of Written Questions	October 11, 2013
Deadline for Posting Written Responses to MSF's Website	October 18, 2013
RFP Response Due Date	October 31, 2013
Notification of Offeror Interviews/Product Demonstrations (Optional).....	TBD
Offeror Interviews/Product Demonstrations (Optional)	TBD
Intended Date for Contract Award	November 18, 2013

SECTION 1: INTRODUCTION AND INSTRUCTIONS

1.1 INTRODUCTION

Montana State Fund, (hereinafter referred to as "MSF" or "State Fund") invites you to submit a proposal for providing services to audit the Medical Bill Review and Payment contract and the services provided under the contract by Affiliated Computer Services (ACS), a Xerox Company. A more complete description of the services sought for this project is provided in Section 3, Scope of Services. Proposals submitted in response to this solicitation must comply with the instructions and procedures contained herein.

1.2 CONTRACT PERIOD

The contract period is one year, beginning January 1, 2014, and ending December 31, 2014. The parties may mutually agree to a renewal of this contract in two-year intervals, or any interval that is advantageous to MSF. This contract, including any renewals, may not exceed a total of seven years, at MSF's option.

1.3 SINGLE POINT OF CONTACT

From the date this Request for Proposal (RFP) is issued until an offeror is selected and announced by the procurement officer, **offerors shall not communicate with any MSF staff regarding this procurement, except at the direction of Bridget McGregor**, the procurement officer in charge of the solicitation. Any unauthorized contact may disqualify the offeror from further consideration. Contact information for the single point of contact is:

Procurement Officer: **Bridget McGregor**
Telephone Number: **(406) 495-5277**
Fax Number: **(406) 495-5023**
E-mail Address: **bmcgregor@mt.gov**

1.4 REQUIRED REVIEW

1.4.1 Review RFP. Offerors shall carefully review the entire RFP. Offerors shall promptly notify the procurement officer identified above via e-mail or in writing of any ambiguity, inconsistency, unduly restrictive specifications, or error which they discover. In this notice, the offeror shall include any terms or requirements within the RFP that preclude the offeror from responding or add unnecessary cost. Offerors shall provide an explanation with suggested modifications. The notice must be received by the deadline for receipt of inquiries set forth below. MSF will determine any changes to the RFP.

1.4.2 Form of Questions. Offerors having questions or requiring clarification or interpretation of any section within this RFP must address these issues via e-mail or in writing to the procurement officer listed above on or before October 11, 2013. Offerors are to submit questions using the Vendor RFP Question and Answer Form available on the OneStop Vendor Information website at: <http://svc.mt.gov/gsd/OneStop/GSDDocuments.aspx> or by calling (406) 444-2575. Clear reference to the section, page, and item in question must be included in the form. Questions received after the deadline may not be considered.

1.4.3 MSF's Response. MSF will provide a written response by October 18, 2013 to all questions received by October 11, 2013. MSF's response will be by written addendum and will be posted on the State's website with the RFP at <http://svc.mt.gov/gsd/OneStop/SolicitationDefault.aspx> by the close of business on the date listed. Any other form of interpretation, correction, or change to this RFP will not be binding upon MSF.

Offerors shall sign and return with their RFP response an Acknowledgment of Addendum for any addendum issued.

1.5 GENERAL REQUIREMENTS

1.5.1 Acceptance of Standard Terms and Conditions/Contract. *By submitting a response to this RFP, offeror accepts the standard terms and conditions and contract set out in Appendices A and B, respectively. Much of the language included in the standard terms and conditions and contract reflects requirements of Montana law.*

Offerors requesting additions or exceptions to the standard terms and conditions or contract terms, shall submit them to the procurement officer listed above by the date in Section 1.4.2. A request must be accompanied by an explanation why the exception is being sought and what specific effect it will have on the offeror's ability to respond to the RFP or perform the contract. MSF reserves the right to address nonmaterial requests for exceptions to the standard terms and conditions and contract language with the highest scoring offeror during contract negotiation.

MSF shall identify any revisions to the standard terms and conditions and contract language in a written addendum issued for this RFP. The addendum will apply to all offerors submitting a response to this RFP. MSF will determine any changes to the standard terms and conditions and/or contract.

1.5.2 Resulting Contract. This RFP and any addenda, the offeror's RFP response, including any amendments, a best and final offer (if any), and any clarification question responses shall be incorporated by reference in any resulting contract.

1.5.3 Understanding of Specifications and Requirements. By submitting a response to this RFP, offeror acknowledges it understands and will comply with the RFP specifications and requirements.

1.5.4 Offeror's Signature. Offeror's proposal must be signed in ink by an individual authorized to legally bind the offeror. The offeror's signature guarantees that the offer has been established without collusion. Offeror shall provide proof of authority of the person signing the RFP upon MSF's request.

1.5.5 Offer in Effect for 120 Calendar Days. Offeror agrees that it may not modify, withdraw, or cancel its proposal for a 120-day period following the RFP due date, or receipt of best and final offer, if required.

1.6 SUBMITTING A PROPOSAL

1.6.1 Organization of Proposal. Offerors must organize their proposal into sections that follow the format of this RFP. Proposals should be bound, and must include tabbed dividers separating each section. Proposal pages must be consecutively numbered.

All subsections not listed in the "Instructions to Offerors" on page 3 require a response. Restate the section/subsection number and the text immediately prior to your written response.

Unless specifically requested in the RFP, an offeror making the statement "Refer to our literature..." or "Please see www.....com" may be deemed nonresponsive or receive point deductions. If making reference to materials located in another section of the proposal, specific page numbers and sections must be noted. **The Evaluator/Evaluation Committee is not required to search through the proposal or literature to find a response.**

MSF encourages offerors to use materials (e.g., paper, dividers, binders, brochures, etc.) that contain post-consumer recycled content. Offerors are encouraged to print/copy on both sides of each page.

1.6.2 Failure to Comply with Instructions. Offerors failing to comply with these instructions may be subject to point deductions. Further, MSF may deem a proposal nonresponsive or disqualify it from further consideration if it does not follow the response format, is difficult to read or understand, or is missing requested information.

1.6.3 Multiple Proposals. Offerors may, at their option, submit multiple proposals. Each proposal shall be evaluated separately.

1.6.4 Copies Required and Deadline for Receipt of Proposals. Offerors must submit **one original proposal and six (6) copies** to Montana State Fund. **In addition, offerors must submit one electronic copy on compact disc (CD) or universal serial bus (USB) flash drive in Microsoft Word or portable document format (PDF).** If any confidential materials are included in accordance with the requirements of Section 2.3.2, they must be submitted on a separate CD or USB flash drive.

EACH PROPOSAL MUST BE SEALED AND LABELED ON THE OUTSIDE OF THE PACKAGE clearly indicating it is in response to RFP MSF 57. ***Proposals must be received at the reception desk of the Montana State Fund prior to 2:00 p.m., Mountain Time, October 31, 2013. Offeror is solely responsible for assuring delivery to the reception desk by the designated time.***

1.6.5 Facsimile Responses. A facsimile response to an RFP will ONLY be accepted on an exception basis with prior approval of the procurement officer and only if it is received in its entirety by the specified deadline. Responses to RFPs received after the deadline will not be considered.

1.6.6 Late Proposals. ***Regardless of cause, MSF shall not accept late proposals. Such proposals will automatically be disqualified from consideration.*** Offeror may request MSF return the proposal at offeror's expense or MSF will dispose of the proposal if requested by the offeror.

1.7 COSTS/OWNERSHIP OF MATERIALS

1.7.1 MSF Not Responsible for Preparation Costs. Offeror is solely responsible for all costs it incurs prior to contract execution.

1.7.2 Ownership of Timely Submitted Materials. MSF shall own all materials submitted in response to this RFP.

SECTION 2: RFP STANDARD INFORMATION

2.1 AUTHORITY

This RFP is issued under the authority of section 39-71-2315, MCA (Montana Code Annotated). The RFP process is a procurement option allowing the award to be based on stated evaluation criteria. The RFP states the relative importance of all evaluation criteria. Only the evaluation criteria outlined in this RFP will be used.

2.2 OFFEROR COMPETITION

MSF encourages free and open competition to obtain quality, cost-effective services and supplies. MSF designs specifications, proposal requests, and conditions to accomplish this objective.

2.3 RECEIPT OF PROPOSALS AND PUBLIC INSPECTION

2.3.1 Public Information. Subject to exceptions provided by Montana law, all information received in response to this RFP, including copyrighted material, is public information. Proposals will be made available for public viewing and copying shortly after the proposal due date and time. The exceptions to this requirement are: (1) bona fide trade secrets meeting the requirements of the Uniform Trade Secrets Act, Title 30, chapter 14, part 4, MCA, that have been properly marked, separated, and documented; (2) matters involving individual safety as determined by MSF; and (3) other constitutional protections. See 18-4-304, MCA. MSF provides a copier for interested parties' use at \$0.10 per page. The interested party is responsible for the cost of copies and to provide personnel to do the copying.

2.3.2 Procurement Officer Review of Proposals. Upon opening the proposals in response to this RFP the procurement officer reviews the proposals for information that meets the exceptions in Section 2.3.1, providing the following conditions have been met:

- Confidential information (including any provided in electronic media) is clearly marked and separated from the rest of the proposal.
- The proposal does not contain confidential material in the cost or price section.
- An affidavit from the offeror's legal counsel attesting to and explaining the validity of the trade secret claim as set out in Title 30, chapter 14, part 4, MCA, is attached to each proposal containing trade secrets. Counsel must use the State of Montana "Affidavit for Trade Secret Confidentiality" form in requesting the trade secret claim. This affidavit form is available on the OneStop Vendor Information website at: <http://svc.mt.gov/gsd/OneStop/GSDDocuments.aspx> or by calling (406) 444-2575.

Information separated out under this process will be available for review only by the procurement officer, the evaluator/evaluation committee members, and limited other designees. Offerors shall pay all of its legal costs and related fees and expenses associated with defending a claim for confidentiality should another party submit a "right to know" (open records) request.

2.4 CLASSIFICATION AND EVALUATION OF PROPOSALS

2.4.1 Initial Classification of Proposals as Responsive or Nonresponsive. MSF shall initially classify all proposals as either "responsive" or "nonresponsive". MSF may deem a proposal nonresponsive if: (1) any of the required information is not provided; (2) the submitted price is found to be excessive or inadequate as measured by the RFP criteria; or (3) the proposal does not meet RFP requirements and specifications. MSF may find any proposal to be nonresponsive at any time during the procurement process. If MSF deems a proposal nonresponsive, it will not be considered further.

2.4.2 Determination of Responsibility. The procurement officer will determine whether an offeror has met the standards of responsibility. An offeror may be determined nonresponsible at any time during the procurement process if information surfaces that supports a nonresponsible determination. If an offeror is found nonresponsible, the procurement officer will notify the offeror by mail. The determination will be made a part of the procurement file.

2.4.3 Evaluation of Proposals. An evaluator/evaluation committee will evaluate all responsive proposals based on stated criteria and recommend award to the highest scoring offeror. The evaluator/evaluation committee may initiate discussion, negotiation, or a best and final offer. In scoring against stated criteria, the evaluator/evaluation committee may consider such factors as accepted industry standards and a comparative evaluation of other proposals in terms of differing price and quality. These scores will be used to determine the most advantageous offering to MSF. If an evaluation committee meets to deliberate and evaluate the proposals, the public may attend and observe the evaluation committee deliberations.

2.4.4 Completeness of Proposals. Selection and award will be based on the offeror's proposal and other items outlined in this RFP. Proposals may not include references to information such as Internet websites, unless specifically requested. Information or materials presented by offerors outside the formal response or subsequent discussion, negotiation, or best and final offer, if requested, will not be considered, will have no bearing on any award, and may result in the offeror being disqualified from further consideration.

2.4.5 Opportunity for Discussion/Negotiation and/or Oral Presentation/Product Demonstration. After receipt of proposals and prior to the recommendation of award, the procurement officer may initiate discussions with one or more offerors should clarification or negotiation be necessary. Offerors may also be required to make an oral presentation and/or product demonstration to clarify their RFP response or to further define their offer. In either case, offerors should be prepared to send qualified personnel to Helena, Montana, to discuss technical and contractual aspects of their proposal. Oral presentations and product demonstrations, if requested, shall be at the offeror's expense.

2.4.6 Best and Final Offer. Under Montana law, the procurement officer may request a best and final offer if additional information is required to make a final decision. MSF reserves the right to request a best and final offer based on price/cost alone. Please note that MSF rarely requests a best and final offer on cost alone.

2.4.7 Evaluator/Evaluation Committee Recommendation for Contract Award. The evaluator/evaluation committee will provide a written recommendation for contract award to the procurement officer that contains the scores, justification, and rationale for the decision. The procurement officer will review the recommendation to ensure its compliance with the RFP process and criteria before concurring with the evaluator's/evaluation committee's recommendation.

2.4.8 Request for Documents Notice. Upon concurrence with the evaluator's/evaluation committee's recommendation, the procurement officer will request from the highest scoring offeror the required documents and information, such as insurance documents, contract performance security, an electronic copy of any requested material (e.g., proposal, response to clarification questions, and/or best and final offer), and any other necessary documents. Receipt of this request does not constitute a contract and **no work may begin until a contract signed by all parties is in place.** The procurement officer will notify all other offerors of MSF's selection.

2.4.9 Contract Execution. Upon receipt of all required materials, a contract (Appendix B) incorporating the Standard Terms and Conditions (Appendix A), as well as the highest scoring offeror's proposal, will be provided to the highest scoring offeror for signature. The highest scoring offeror will be expected to accept and agree to all material requirements contained in Appendices A and B of this RFP. If the highest scoring offeror does not accept all material requirements, MSF may move to the next highest scoring offeror, or cancel the RFP. Work under the contract may begin when the contract is signed by all parties.

2.5 MSF'S RIGHTS RESERVED

While MSF has every intention to award a contract resulting from this RFP, issuance of the RFP in no way constitutes a commitment by MSF to award and execute a contract. Upon a determination such actions would be in its best interest, MSF, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP;
- Reject any or all proposals received in response to this RFP;
- Waive any undesirable, inconsequential, or inconsistent provisions of this RFP that would not have significant impact on any proposal;
- Not award a contract, if it is in MSF's best interest not to proceed with contract execution; or
- If awarded, terminate any contract if MSF determines adequate funds are not available.

SECTION 3: SCOPE OF SERVICES

To enable MSF to determine the capabilities of an offeror to perform the services specified in the RFP, the offeror shall respond to the following regarding its ability to meet MSF's requirements.

All subsections of Section 3 not listed in the "Instructions to Offerors" on page 3 require a response. Restate the subsection number and the text immediately prior to your written response.

NOTE: Each item must be thoroughly addressed. Offerors taking exception to any requirements listed in this section may be found nonresponsive or be subject to point deductions.

3.1 INTRODUCTION

State Fund is seeking proposals for audit services of our contract with ACS for the provision of medical bill review and payment services for medical care rendered to injured employees of State Fund policyholders. The audit to be performed under this RFP must meet State Fund's objectives to determine ACS' compliance with pricing agreements, contract terms, and quality control procedures.

3.2 BACKGROUND

Montana State Fund is a non-profit, public corporation and was established for the purpose of allowing an option for employers to insure their liability for workers' compensation and occupational disease coverage in Montana. State Fund is Montana's largest writer of workers' compensation insurance. State Fund is one of three options employers have to provide for their workers' compensation insurance coverage. Employers may self-insure, contract with private insurance carriers, or contract with State Fund.

State Fund is commonly known as the Plan 3 option for employers. Though specifically created in law, State Fund competes with private insurance carriers for the insurance business of Montana employers. Unlike most private carriers, State Fund is a mono-line insurance company engaged in providing only workers' compensation and occupational disease insurance. State Fund functions as the guaranteed market for workers' compensation insurance for Montana employers.

State Fund is operated much the same as a private insurance carrier, using actuarially sound principles in setting its insurance rates. By law, State Fund must be neither more nor less than self-supporting. State Fund currently has about 26,000 employer policyholders in the state of Montana.

The objective of Montana State Fund is to provide optimal medical services to an injured employee in order to return the employee to work as soon as possible after a work related injury or occupational disease, and to provide medical services considered reasonable and medically necessary, in a timely and cost effective manner.

State Fund contracted with ACS starting in January 2012 to provide Medical Bill Review, Processing, and Payment Services. ACS contracts with out-of-state medical providers and is authorized to negotiate savings on MSF's behalf when processing medical bills when services are rendered outside Montana.

Montana law provides that workers' compensation insurers may create preferred provider organizations to help deliver benefits and control costs. State Fund contracts directly with durable medical equipment, oxygen, TENS, vocational rehabilitation, home health, medical case management, bone growth stimulator, orthotics, prosthetics and independent medical exam providers for services. After notice is given, the insurer is not liable for benefits obtained from non-PPO providers.

During business hours State Fund provides updated claim status and identification data to ACS on a daily basis.

There are no deductibles, no co-pays and unless specifically identified in the law, no limitation of injuries or diseases covered. If the disease or injury arises in the course and scope of employment and involves a covered employee, benefits are provided. However, State Fund does not pay for benefits associated with unrelated injuries.

State Fund medical expenditures processed by ACS on our behalf between 1/1/2012 and 12/31/2012 include:

<u>Cost Category Name</u>	<u>Paid</u>	<u># Bills</u>
Physicians and Surgeons	\$11,630,022	45,978
Inpatient Hospital	\$9,918,954	461
Emergency Room / Outpatient Hospital	\$6,708,315	7,707
Surgery Center	\$2,943,759	1,269
Chiropractor	\$1,016,317	8,488
Nurse Care	\$179,045	137
Physical Rehabilitation	\$7,020,440	29,693
Vocational Rehabilitation	\$1,572,946	2,826
Medical Case Management	\$780,752	1,472
Licensed Long Term Care / Home Health	\$1,548,029	466
Diagnostic / X-ray / Lab	\$5,630,740	21,735
Ambulance / Airlift	497,550	317
Psychological	\$370,545	1,245
Prosthetics / DME	\$1,474,196	3,660
Other Medical Supplies	\$696,373	3,868
IME / Review Panels	\$1,390,349	753
Mortician / Burial	\$36,279	11
Schools and Retraining	\$123,465	90
Home / Vehicle Modifications	<u>\$103,183</u>	<u>22</u>
Total	\$53,641,259	130,198

3.3 SPECIFICATIONS AND REQUIREMENTS

3.3.1 Scope of Work. The highest scoring offeror is expected to complete the Scope of Work below:

1. The audit will be conducted remotely using the ACS Examiner Tool Box application and will assess the bill review and financial payment accuracy of medical bills processed by ACS during the time period of January 1, 2012 through December 31, 2012 based on a random 5% sample, or 6,510 bills. The average volume of bills anticipated for this audit is 75 bills reviewed per day per auditor.

Following execution of a contract, the successful offeror will be introduced to and trained at MSF's offices in Helena, Montana for a period of approximately five (5) days on the rules, regulations and MSF best practices for bill review and payment prior to initiating the audit.

Performance Guarantee	Definition	Metric
Bill Review Accuracy	Accurate data claim fields and vendor selection; specifically the selection of the correct cost category for payment purposes.	96%
Financial Payment Accuracy	Accurate payment made to providers within 7 business days; specifically the correct processing of bills for payment purposes.	98%

2. The audit will evaluate if medical payments or denials are in compliance with:
 - a. State Fund's Medical Payments Procedure Manual – Appendix C - The Manual is available on the State's website with the RFP at [OneStop Vendor Information](#).
 - b. State Fund's preferred provider organization contract terms and rates – will be available to the successful offeror upon selection.
 - c. Montana Department of Labor and Industry's Professional Fee Schedule for 2011: [Montana Professional Fee Schedule](#)
 - d. Montana Department of Labor and Industry's Facility Fee Schedule for 2011: [Montana Facility Fee Schedule](#)
 - e. National Correct Coding Initiative Edits
 - f. State Fund and ACS written contract. Appendix D - The contract is available on the State's website with the RFP at [OneStop Vendor Information](#).
 - g. Clean Claim Requirements as defined in Appendix E. The Requirements are available on the State's website with the RFP at [OneStop Vendor Information](#).

3. The offeror must provide a comprehensive written report of audit comments, recommendations, and conclusions to State Fund concerning the requested audit services defined in number 1 above. The draft report is due March 14, 2014 and will be made available to MSF for review and comment. The final report is due March 31, 2014. At a minimum the report should include:
 - a. Audit Worksheet
 - MSF Claim Number
 - Billing Provider Name
 - From / To DOS
 - Bill Number
 - Provider Charges
 - Bill Review Fee
 - Fee Schedule Reduction
 - PPO Network Savings
 - PPO Network Fee
 - Provider Payment
 - Error Comments

 - b. Summary of audit findings, which includes number of transactions reviewed, dollar amount represented, number of errors found, and error rate.

- c. Following the evaluation committee's scoring of all proposals received in response to this RFP, MSF, at its option, may require a presentation to be made at MSF's offices in Helena, Montana. The purpose of the presentation is to validate the offeror's response to the RFP. At its option, MSF may invite up to three offerors to participate in the presentations. MSF will provide additional guidelines for the presentations to the invited offerors.

SECTION 4: OFFEROR QUALIFICATIONS

All subsections of Section 4 not listed in the "Instructions to Offerors" on page 3 require a response. Restate the subsection number and the text immediately prior to your written response.

4.1 MSF'S RIGHT TO INVESTIGATE AND REJECT

MSF may make such investigations as deemed necessary to determine each offeror's ability to provide the materials and perform the services specified. MSF reserves the right to reject a proposal if the information submitted by, or investigation of, the offeror fails to satisfy MSF that the offeror is properly qualified to perform the obligations of the contract. *This includes MSF's ability to reject the proposal based on negative references.*

4.2 OFFEROR QUALIFICATIONS

To enable MSF to determine the capabilities of an offeror to provide the materials and/or perform the services specified in the RFP, the offeror shall respond to the following regarding its ability to meet MSF's requirements. **THE RESPONSE, "(OFFEROR'S NAME) UNDERSTANDS AND WILL COMPLY," IS NOT APPROPRIATE FOR THIS SECTION.**

4.2.1 Vendor Qualifications. In determining the capabilities of an offeror to perform the services specified, the following informational requirements will be considered and weighed in the scoring process:

1. Offeror should provide a list of 5 companies or government entities where they have performed services similar to those included in this RFP within the last three years. At a minimum, the offeror shall provide the following:
 - a. The entity requesting the service;
 - b. The entity location;
 - c. Contact person;
 - d. Customer telephone number;
 - e. A complete description of the services provided; and
 - f. The dates the service was provided.
2. List the major bill review and payment companies your firm has audited or reviewed. Include any experience auditing bill review and payment companies that contract with workers' compensation insurers.
3. Offeror shall describe how long they have been in the business of performing the type of services requested in this RFP.
4. Offeror shall identify the staff that would be assigned to this audit and provide detail on applicable certifications, qualifications and experience.
5. Offeror and its subsidiaries and affiliates shall not have any material business association or affiliation with any medical bill review and payment companies. In addition, the offeror shall not have such a relationship with ACS.

4.2.2 Business Associate Agreement. State Fund may provide a Business Associate with certain information that may include Protected Health Information (PHI), so that Business Associate may perform its responsibilities under its agreement(s) with and on behalf of State Fund. State Fund and Business Associate intend to protect the privacy of and provide for the security of any PHI that is disclosed by State Fund to Business Associate, and any PHI that is created or stored by Business Associate on behalf of State Fund to establish and maintain compliance with the Administrative Simplification portion of the Health Insurance

Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) and regulations promulgated pursuant to HIPAA, 45 CFR Part 160 and Part 164, Subparts A and E (Privacy Rule).

4.2.3 Explanation of Services. The offeror should explain the process for planning the audit, and provide an example of a report or display the format of how audit results are reported. The successful offeror will be trained at MSF for a period of approximately five (5) days on the rules, regulations and MSF best practices for bill review and payment prior to initiating the audit. Travel to State Fund related to training for completion of the audit should be priced separately. Please include the expected time frame necessary to complete the audit services described. The audit will be conducted remotely using the ACS Examiner Tool Box application and will assess the bill review and financial payment accuracy of medical bills processed by ACS during the time period of January 1, 2012 through December 31, 2012 based on a random 5% sample, or 6,510 bills. The average volume of bills anticipated for this audit is 75 bills per day per auditor with completion within thirty work days following training.

SECTION 5: COST PROPOSAL

All subsections of Section 5 not listed in the "Instructions to Offerors" on page 3 require a response. Restate the subsection number and the text immediately prior to your written response.

5.1 COST PROPOSAL

The offeror's proposed fees and costs for the services to be provided under this RFP must be specifically described in detail in the offeror's response to this RFP. Offeror must provide a "not to exceed" cost proposal. Please see the Pricing section discussed in Section 6, Evaluation Criteria and Methods. Travel costs that State Fund is expected to pay for should also be described and itemized.

SECTION 6: EVALUATION PROCESS

6.1 BASIS OF EVALUATION

The evaluation committee will review and evaluate the offers according to the following criteria based on a **maximum possible value of 1000 points**. The **Resumes/Company Profile and Experience, and General Information – Meeting Objectives of Project Scope** portions of the proposal will be evaluated based on the following Scoring Guide. The **References** portion of the proposal will be evaluated on a pass/fail basis, with any offeror receiving a "fail" eliminated from further consideration. The **Cost Proposal** will be evaluated based on the formula set forth below:

SCORING GUIDE

In awarding points to the evaluation criteria, the evaluator/evaluation committee will consider the following guidelines:

Superior Response (95-100% of total points): A superior response is a highly comprehensive, excellent reply that meets or exceeds all of the requirements of the RFP. In addition, the response covers areas not originally addressed within the RFP and includes additional information and recommendations that would provide both valuable and beneficial to MSF. This response is considered by the evaluation committee member to be an excellent standard, demonstrating the offeror's authoritative knowledge, practice and understanding of the services desired.

Good Response (85-94% of total points): A good response meets all the requirements of the RFP and demonstrates in a clear and concise manner a thorough knowledge and understanding of the project and subject matter, with no deficiencies noted.

Fair Response (75-84% of total points): A fair response meets most requirements set forth in the RFP. The offeror demonstrates some ability to comply with guidelines and requirements of the project and demonstrates knowledge of subject matter.

Poor Response (65-74% of total points): The response minimally meets most requirements set forth in the RFP. Offeror demonstrates minimal knowledge of subject matter.

Failed Response (<=64% of total points): A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter.

References	Pass/Fail
-------------------	------------------

Category	Section of RFP	Point Value
A. References Included with Offeror's Response	4.2.1	Pass/Fail

Resumes/Company Profile and Experience	Total Points = 300
---	---------------------------

Category	Section of RFP	Point Value
A. Years of Experience	4.2.1	100
B. Applicability of Experience with Private/Public Sector	4.2.1	100
C. Staff Qualifications	4.2.1	100

General Information - Meeting Objectives of Project Scope	Total Points = 450
--	---------------------------

Category	Section of RFP	Point Value
A. Methods	3 and 4.2.3	150
B. Work Plan	3 and 4.2.3	150
C. Reporting Methods	3 and 4.2.3	150

Cost Proposal	Total Points = 250
----------------------	---------------------------

Category	Section of RFP	Point Value
A. Cost Proposal	5.0	250

Lowest overall 'not to exceed' cost receives the maximum allotted points. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. Example: Total possible points for cost are 150. Offeror A's cost is \$20,000. Offeror B's cost is \$40,000. Offeror A would receive 150 points. Offeror B would receive 75 points ($\$20,000/\$40,000 = 50\% \times 150 \text{ points} = 75$).

$$\frac{\text{Lowest Responsive Offer Total Cost}}{\text{This Offeror's Total Cost}} \times \text{Number of available points} = \text{Award Points}$$

Optional Oral Presentation/Product Demonstration

If MSF chooses to require an oral presentation or product demonstration, MSF will re-evaluate and finalize the scoring of each proposal, based on discussion and information provided at the presentation.

APPENDIX A: STANDARD TERMS AND CONDITIONS

Standard Terms and Conditions

By submitting a response to this invitation for bid, request for proposal, limited solicitation, or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract.

ACCEPTANCE/REJECTION OF BIDS, PROPOSALS, OR LIMITED SOLICITATION RESPONSES: MSF reserves the right to accept or reject any or all bids, proposals, or limited solicitation responses, wholly or in part, and to make awards in any manner deemed in the best interest of MSF. Bids, proposals, and limited solicitation responses will be firm for 30 days, unless stated otherwise in the text of the invitation for bid, request for proposal, or limited solicitation.

ALTERATION OF SOLICITATION DOCUMENT: In the event of inconsistencies or contradictions between language contained in MSF's solicitation document and a vendor's response, the language contained in MSF's original solicitation document will prevail. Intentional manipulation and/or alteration of solicitation document language will result in the vendor's disqualification and possible debarment.

DEBARMENT: The contractor certifies, by submitting this bid or proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by MSF.

FACSIMILE RESPONSES: Facsimile responses will be accepted for invitations for bids, small purchases, or limited solicitations **ONLY** if they are completely received by MSF prior to the time set for receipt. Bids, or portions thereof, received after the due time will not be considered. Facsimile responses to requests for proposals are **ONLY** accepted on an exception basis with prior approval of the procurement officer.

LATE BIDS AND PROPOSALS: Regardless of cause, late bids and proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the vendor's risk to ensure delivery at the designated office by the designated time. Late bids and proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

SOLICITATION DOCUMENT EXAMINATION: Vendors shall promptly notify MSF of any ambiguity, inconsistency, or error which they may discover upon examination of a solicitation document.

APPENDIX B: CONTRACT

CONTRACT FOR MEDICAL BILL PAYMENT AUDIT SERVICES

Contract ID No. –

THIS AGREEMENT is made and entered into between the **MONTANA STATE FUND**, 855 Front Street, PO Box 4759, Helena, MT 59604-4759, hereinafter called "MSF" and _____, hereinafter called the "Contractor."

This contract consists of the main body of the agreement, the RFP and any addenda, the offeror's response, including any amendments, a best and final offer (if any), and any clarification responses.

For and in the consideration of the mutual and reciprocal covenants, promises and agreements of the parties as contained herein, the parties agree as follows, with the foregoing recitals incorporated therein. In the case of a conflict between the content of any of the foregoing documents, the order of precedence of document interpretation is in the same order.

SECTION 1 **SCOPE OF WORK**

SECTION 2 **CONTRACT TERM/RENEWAL**

The term of this contract will be January 1, 2014 through December 31, 2014, as the contractor is available. This instrument shall not be effective until duly signed by all the parties hereto.

SECTION 3 **GENERAL TERMS OF PAYMENT**

1. The total contract cost may not exceed \$_____.
2. Payment shall be made on a monthly basis upon submission by Contractor of a claim for services rendered and expenses incurred which shall be a detailed billing showing all work done, time spent, and expenses incurred during the preceding calendar month. Additionally, claims for expenses incurred shall be supported by proper documentation, such as copies of receipts attached to the claim.
3. Contractor shall maintain reasonable records of its performance and expenses under this agreement and shall allow access to these records by MSF as requested and other agencies of the state as required by law.

SECTION 4 **LIAISON**

MSF has designated Bridget McGregor, Medical Team Leader, as liaison to whom Contractor is to direct its communications concerning the Agreement. Contractor has designated

_____ as its liaison to whom MSF is to direct its communications concerning this Agreement.

SECTION 5
ACCESS TO RECORDS -- RETENTION OF RECORDS

The Contractor agrees to provide MSF, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The Contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by MSF, the State of Montana or third party.

SECTION 6
ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of MSF. (Section 18-4-141, MCA.) The Contractor shall be responsible to MSF for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and MSF.

SECTION 7
HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State of Montana, MSF, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of MSF, under this agreement.

SECTION 8
COMPLIANCE WITH LAWS

The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

SECTION 9
COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for MSF in accordance with sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of MSF. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the Montana State Fund, P.O. Box 4759, Helena, MT 59604-4759, upon expiration.

SECTION 10 **CONTRACT TERMINATION**

1. MSF or the Contractor, with 10 business days written notice to the other, may at any time during the term of this contract, terminate this contract with cause, or if the other party:
 - a. fails to perform its contractual duties or responsibilities; or
 - b. does not meet expected performance levels; or
 - c. does not meet time frames to improve performance levels as developed by MSF and the Contractor.
2. MSF, or the Contractor, may terminate this contract at any time if either entity ceases to exist.
3. In the event of contract termination/cancellation, the Contractor will transfer all records related to a referred claim to either MSF or a new Contractor, and neither MSF nor the new Contractor may be charged for the transfer.

SECTION 11 **MODIFICATION OF CONTRACT**

1. No modification of this agreement shall be valid or binding unless such modification is in writing, duly dated, and executed by all parties to this original agreement.
2. If any portion of this contract becomes void by order of a court of law, all other sections of this contract remain in place with full force and effect.

SECTION 12 **INSURANCE REQUIREMENTS**

The contractor shall maintain for the duration of the contract, at its cost, primary insurance coverage against claims for injuries to persons or damages to property including contractual liability, which may arise from work performed under this contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns, or servants.

The contractor must provide a certificate for Commercial General Liability, Commercial Automobile Liability and Professional Liability coverage, to include bodily injury, personal injury and property damage with combined single limits of \$1,000,000 per claim, and \$2,000,000 aggregate per year, from an insurer with a Best's Rating of no less than A-.

SECTION 13
ENTIRE AGREEMENT

These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

SECTION 14
SUCCESSORS AND ASSIGNS

This Agreement shall be binding on all successors and assigns of the Contractor, including successors in interest.

SECTION 15
CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, request for proposal, limited solicitation, or subsequent contract, must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (Section 18-1-401, MCA.)

SECTION 16
FAILURE OF ENFORCEMENT IS NOT A WAIVER

Failure of MSF to enforce any of the provisions of this contract does not constitute a waiver of that provision or affect any part of this contract, or the right of MSF to later enforce that provision.

SECTION 17
BEST EFFORTS OF CONTRACTOR

1. Contractor agrees that it will at all times faithfully, industriously, and to the best of its ability, experience and talents, perform all of the duties and obligations that may be required of it pursuant to the express terms of the agreement.
2. Contractor agrees to conduct itself so as not to diminish the good will and reputation of MSF or its employees and to abide by all applicable laws, rules and regulations.
3. Contractor further agrees to comply with, abide by and be bound by the terms, conditions and covenants of this agreement.

SECTION 18
MSF ASSISTANCE

MSF shall not supply Contractor with any assistance in the form of personnel, office equipment or other similar and related items.

MONTANA STATE FUND

By: _____

By: _____

Date: _____

Date: _____

Approved for Legal Content by:

NANCY BUTLER
General Counsel

Date: _____

APPENDICES C, D & E

Appendices C, D and E are posted with this RFP on the OneStop Vendor Information website. See link below:

[OneStop Vendor Information](#)