**COMMONWEALTH of VIRGINIA**
**DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**
600 East Broad Street, Suite 1300
Richmond, VA 23219

October 19, 2012

Dear Prospective Respondent:

The Department of Medical Assistance Services (DMAS or the Department) is soliciting responses from companies interested in providing input into the design of a Centralized Processing Unit for Medicaid and CHIP. This is not a formal solicitation and the Department will not award a contract based on responses to this Request for Information (RFI) RFI 2013-01. The Department, however, will use the responses to strengthen the program's design and determine the feasibility of this initiative.

Virginia plans to implement the required changes to application submission and eligibility determination processes for Medicaid and CHIP in October 2013 due to the Affordable Care Act (ACA). The Department is very interested in developing an integrated Centralized Processing Unit for Medicaid and CHIP as a next step toward streamlining enrollment for its approximately 970,000 current enrollees.

Organizations must check the eVA VBO at http://www.eva.virginia.gov for all official postings or notices regarding this RFI. Posting of such notices will also be done on the DMAS website at http://dmasva.dmas.virginia.gov/default.aspx but the eVA VBO is the official posting site.

If your organization is interested in providing input into the design of the Department's Medicaid and CHIP Centralized Processing Unit, you are invited to respond to this RFI. Please submit your response to the Department by **5:00 p.m. on Friday, November 9, 2012**. Documents should be sent via email to RFI2013-01@dmas.virginia.gov or to Jack Quigley at the address below:

Department of Medical Assistance Services
Attention: Jack Quigley
600 East Broad Street, Suite 1300
Richmond, VA 23219

The Commonwealth will not pay any costs that any Contractor incurs in preparing a response and reserves the right to reject any and all responses received.

Sincerely,
*Chris Banaszak*
DMAS Contract Manager

**REQUEST FOR INFORMATION**
**RFI 2013-01**

**Issue Date:** October 19, 2012

**Title:** Centralized Processing Unit for Medicaid and CHIP

All inquiries should be directed in writing via email in MS Word 2007 Format to:
RFI2013-01@dmas.virginia.gov

Jack Quigley
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

**Deadline for submitting inquiries: 5:00 PM E.S.T., October 29, 2012**

**Response Due Date:** Responses will be accepted until **5:00 PM E.S.T., November 9, 2012**

**Submission Method:** Responses may be mailed to the following:

"RFI 2013-01"
Department of Medical Assistance Services
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219
Attention: Jack Quigley

**Note**: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

# Virginia Centralized Processing Unit for Medicaid and CHIP Request for Information

## I. Response Requirements

1. **Purpose of Request:** This is not a formal solicitation and the Department will not award a contract based on response to this RFI. This is strictly a means for the Department to obtain vendor input into the development of a Centralized Processing Unit for Medicaid and CHIP. Your response is not a commitment by your organization to provide the services as described, however, a reasonable estimate regarding potential services and the costs required to provide these services is desired.

2. **Important Dates:** Responses are due to the department by November 9, 2012. Please submit responses to RFI2013-01@dmas.virginia.gov to Jack Quigley at the Department of Medical Assistance Services. Questions regarding this RFI should be submitted to RFI2013-01@dmas.virginia.gov by October 29, 2012.

3. **Length of Response:** Responses should be no more than 8 pages in length. The Department will review attachments beyond the 8 page limit; however, a limited number of attachments will be appreciated. Responses should include a descriptive outline of your proposed operations and include a breakdown of the non-binding necessary costs for the first three years of a contract including pre-operations implementation. Responses should also include information about your organization's direct experience in providing Centralized Processing Unit services for Medicaid and CHIP.

4. **Number of Copies:** The responder shall submit one original and one electronic copy in MS Word format (Microsoft Word 2007 or compatible format) by the response date and time specified in this RFI. In addition, the responder shall submit a redacted (proprietary and confidential information removed) electronic copy in PDF format of their response.

5. **Proprietary/Confidential Information:** All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFI belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act and subject to Va. Code § 2.2-4342. Confidential information shall be clearly marked in the proposal and reasons the information should be confidential shall be clearly stated.

   Trade secrets or proprietary information submitted by a Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of §2.2-4342(F) of the Code of Virginia, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.

   The proprietary or trade secret materials submitted shall be identified by some distinct method such as highlighting or underlining and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire

response, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and, in the sole discretion of DMAS, may result in rejection and return of the responses**. Attachment A of this RFI shall be used for the identification of proprietary or confidential information and submitted with the response.**

## II. Operations Overview

1. **Virginia Department of Medical Assistance Services:** The Department of Medical Assistance Services (DMAS) is the Single State Agency in the Commonwealth of Virginia that administers the Medicaid and CHIP programs for low-income people under Title XIX and Title XXI of the Social Security Act. The Medicaid and CHIP programs are financed by federal and state funds and administered by the state according to federal guidelines.

   The Commonwealth of Virginia, acting through its Department of Medical Assistance Services (DMAS), hereinafter referred to as the Department, is committed to offering Medicaid and CHIP applicants and enrollees high quality, appropriate, and cost-effective services.

2. **Background:**
   Virginia offers two medical assistance programs: the Medicaid program and Virginia's CHIP program - the Family Access to Medical Insurance Security (FAMIS) program. Medicaid covers children under age 19 years, parents and caretakers of dependent children, pregnant women, blind or disabled individuals, and adults age 65 years and over. FAMIS covers children under age 19 and pregnant women, through the FAMIS MOMS program.

   Currently, the Department contracts with a vendor for a Centralized Processing Unit (CPU) to handle eligibility and operations for the CHIP program. The vendor also provides MCO enrollment broker services for the CHIP population. Eligibility and ongoing case maintenance for the Medicaid program is managed by 120 local departments of social services throughout the state that are locally administered, but supervised by the Virginia Department of Social Services (VDSS). The Department maintains responsibility for setting Medicaid and CHIP policy.

3. **ACA Requirements:** Beginning on October 1, 2013, the Affordable Care Act (ACA) requires states to accept applications for Medicaid & CHIP via any of the following methods:

   - Web – with electronic signature
   - Phone – with telephonic signature
   - Other electronic means including Fax
   - Mail
   - In Person

   Eligibility for Medicaid and CHIP at that time must be determined using Modified Adjusted Gross Income (MAGI), a new income methodology based on IRS tax rules. Certain Medicaid populations are exempt from MAGI and will have eligibility determined using Medicaid methodology and rules currently in place. Examples of the Non-MAGI population are aged, blind and disabled individuals, individuals receiving Medicaid payment of long-term care

services and the Medically Needy. Application and customer assistance requirements under the ACA must be provided to MAGI and non-MAGI populations for both new applications and renewals. In order to meet the requirements of the ACA and provide a high-quality experience for both Virginia's Medicaid and CHIP populations, the Department is interested in pursuing a combined centralized processing unit to serve both programs.

4. **Population:** The Department expects to serve all Medicaid and CHIP applicants and enrollees through a new Centralized Processing Unit (CPU). Initially, the CPU would serve the MAGI population. As a second phase, the Department may be interested in centralizing determinations for the Non-MAGI populations as well. Please see Appendix A for a further breakdown of the targeted population.

   The ACA includes a provision to expand Medicaid eligibility for adults with income up to 133% of the federal poverty level. A decision regarding this optional expansion of Medicaid in Virginia has not yet been made. Various sources have estimated that an additional 250,000 to 450,000 individuals would be eligible if Virginia implemented the full Medicaid expansion for adults. New estimates are under development.

5. **Systems:** The Department, acting through the Virginia Department of Social Services (VDSS), is procuring a vendor to expand and modify the Virgina Case Management System (VaCMS), a previously purchased eligibility and enrollment system currently used for the Child Care program. VaCMS will be utilized by the Medicaid and CHIP Centralized Processing Unit vendor for eligibility and enrollment. It will connect to the VDSS customer web portal called CommonHelp and an external rules engine. The rules engine will contain the new MAGI rules beginning in October 2013 and will also include rules for the Non-MAGI populations by November of 2015.

   ADAPT is the current DSS eligibility system that will retain the existing Medicaid families and children cases until they are fully converted into the new VaCMS system in spring of 2015.

   CHAMPS is the current eligibility system utilized by the FAMIS Central Processing Unit that will retain the existing CHIP cases until they are fully converted into the new VaCMS system in spring of 2014.

   The Medicaid Management Information System (MMIS) is the computer system used to store enrollee and provider information, issue benefits and track claims data. This system is managed (via a contractor) by the Department.

   The Centralized Processing Unit vendor for Medicaid and CHIP will need to access MMIS and all three eligibility systems until ADAPT and CHAMPS are retired. The vendor will also need to provide and utilize a paperless workflow system until at least November 2015.

6. **Location:** The Department requires that the vendor operate the Centralized Processing Unit (CPU) for Medicaid and CHIP from an office location in the Richmond Metropolitan area of Virginia that is no more than 25 miles from the Department of Medical Assistance Services located at 600 East Broad Street, Richmond, VA. The physical location of the call center shall be

the same as the CPU with the exception in cases where call overflows are required and approved by the Department. At a minimum, the CPU site will be a secure site to house all functional units as required under the contract in addition to all management information systems required to effectively administer all services as required. In addition, the Contractor shall provide office space and equipment for Department staff that will be co-located at the site for monitoring and oversight. The number of State staff required is to be determined based upon the size of the operational contractor staffing.

The vendor may utilize satellite or regional offices in Virginia or teleworking arrangements to support the central office. The vendor's response should explain how satellite/regional offices or teleworkers fit into their overall Capacity Management and Business Continuity Plans.

7. **Type of Contract:** If implemented, DMAS plans to pay a monthly administrative fixed fee to the contractor to provide the agreed upon services. Please provide an estimated annual amount for each of the first three years.

   Please include the following options in your cost estimates:
   a. Pricing both with and without Expansion of Medicaid to adults listed separately;
   b. Pricing with costs for non-MAGI determinations starting in November 2015 listed separately;
   c. Pricing for vendor take-over of CHAMPS in January 2014 for one year listed separately;
   d. Pricing option for including MCO enrollment broker services for all managed care populations;
   e. Other recommended options or enhancements listed separately; and
   f. Other pricing options.

8. **Services:** The Department expects that this Unit will include at a minimum the services listed below. Other than the systems listed above, the Department expects that the vendor will provide all hardware, software, office equipment and space to support these services. Please indicate your ability to provide each.

   a. A Richmond-based toll-free Call Center with extended business hours – including, at a minimum, automated call distribution, IVR system, telephonic signatures, call monitoring, and translation services. The vendor will need to respond to a variety of customer service calls including, but not limited to: general program information, application assistance, application/eligibility status, and complaint and issue resolution.
   b. A Fax Server available for receiving faxes 24 hours a day/7 days a week
   c. Other technologically advanced means of communicating with applicants and enrollees and receiving or processing applications
   d. Statewide Inbound & Outbound Mailroom processes
   e. Application tracking and processing
   f. Eligibility determination services – including MAGI eligibility; Non-MAGI eligibility determinations for Medicaid payment of LTC services as well as determinations for other

populations such as Medically Needy and the Breast and Cervical Cancer Prevention and Treatment Act group by November 2015; presumptive eligibility by hospitals; deemed newborn eligibility; and appeal process services

g. Enrollment or modifications to enrollment or other case information as needed. Enrollment in MMIS will be automated through VaCMS starting October 2013 for the MAGI populations and starting in fall 2015 for the non-MAGI populations.
h. Means of tracking and reporting call center contacts
i. Document scanning of received documents
j. A Paperless Workflow system if needed to support operations prior to fall 2015 VaCMS enhancements
k. Maintenance of an applicant/enrollee-friendly program information website in at least English and Spanish – similar to the www.famis.org website.

Please also include the following in your response. You may also recommend any other services that would improve operations or customer service.

a. Process and timeframe for determining eligibility for MAGI cases that cannot be determined in "real-time" regardless of method of application;
b. Strategy for overall CPU operations utilizing an externally owned and maintained E&E system;
c. Describe the type of access to the VaCMS system and data from the VaCMS needed by the vendor for reporting, etc.;
d. Effective strategies for decreasing administrative denials and churning and improving retention of eligible enrollees;
e. Recommendations for coordination with outside entities and for seamless case transfers from LDSS agencies and the Exchange; and
f. Ability of the CPU to "scale up" to support additional assistance programs or health exchange functions in the future.

9. **Staffing:** Your response should include desired staffing ratios for each operational unit, an organizational chart reflecting projected staffing, and staff qualifications. Please also address:

   a. How you would ensure that staff are knowledgeable and experienced and can perform functions efficiently and with a high level of accuracy;
   b. How you would capitalize on the local DSS eligibility worker knowledge & experience;
   c. How you manage call center staff to promote and ensure first call resolution; and
   d. How you propose meeting the requirement to allow families to apply or renew "in-person." Please provide one option that utilizes contracts with local DSS agencies.

10. **Volume Estimates:** Based on your experience; the known enrollment and application data (in Appendix A) ; and the new ACA requirements, please provide volume estimates for the following in each of the first three years of the contract with and without the Medicaid Expansion to the new adult group.

a. Annual number of Inbound Calls
b. Annual number of Outbound Calls
c. Annual number of New Applications
d. Annual number of Health Benefit Exchange Application Transfers
e. Annual number of Renewal Applications
f. Annual number of mid-year coverage Redeterminations

The Department expects new seasonal fluctuations in volumes during the year due to the Exchange's open enrollment process each fall and the Exchange Tax Credit reconciliation process during tax season.

11. **Quality Measures:** Please describe your organization's recommended method for ensuring, monitoring, tracking, evaluating, and reporting quality in operations.

Please specifically address:

a. Recommended reconciliation processes since multiple systems will be utilized in the first two years of operations
b. Strategies for ensuring that work is being processed and background processes are running as expected in a paperless workflow and electronic case record environment

11. **Proposed Timeline:** The new Medicaid and CHIP Centralized Processing Unit will need to begin receiving new applications and taking calls starting October 1, 2013. Please provide a timeline for implementation based on the following key dates.

**Key Dates:**

- **October 1, 2013** – Begin receiving calls and applications and coordinating with the Health Benefit Exchange
- **January 1, 2014** – Begin utilizing MAGI methodology for determining eligibility for new applicants
- **January 30, 2014** – Take over maintenance of the CHAMPS application tracking, eligibility, and case maintenance system
- **April 1, 2014** – Begin utilizing MAGI methodology for determining eligibility for renewing enrollees in families & children's MAGI groups
- **November, 2015** – Begin utilizing the VaCMS for ABD eligibility determinations and other Non-MAGI determinations

# Attachment A

**PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION**
**To Be Completed By RFI Responder and Returned With Your Response**

Trade secrets or proprietary information submitted by an Responder shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Responder must invoke the protections of § 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the response in which it is contained and the page numbers, and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of proprietary information submitted shall be submitted on this form. The classification of an entire response document, line item prices, and/or total prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Responder refuses to withdraw such a classification designation, the response will be rejected.

Name of Firm/Responder:_____, invokes the protections of § 2.2-4342F of the Code of Virginia for the following portions of my response submitted on _____.
Date

Signature:_____ Title:_____

| DATA/MATERIAL TO BE PROTECTED | SECTION NO., & PAGE NO. | REASON WHY PROTECTION IS NECESSARY |
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# Appendix A:
# **Current Volumes**

| | Table 1: Annual Enrollment Growth | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Medicaid ABDs | | | Medicaid Adults & Children | | | CHIP | | | Total Enrollment | |
| SFY 2008 | 226,083 | | | 433,886 | | | 86,970 | | | 746,939 | |
| SFY 2009 | 231,696 | 2% | | 462,580 | 7% | | 95,676 | 10% | | 789,952 | 6% |
| SFY 2010 | 239,697 | 3% | | 524,048 | 13% | | 99,927 | 4% | | 863,672 | 9% |
| SFY 2011 | 249,294 | 4% | | 554,892 | 6% | | 104,842 | 5% | | 909,027 | 5% |
| SFY 2012 | 257,364 | 3% | | 577,512 | 4% | | 111,481 | 6% | | 946,358 | 4% |

| | Table 2: Average Monthly Enrollment Growth | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Medicaid ABDs | | | Medicaid Adults & Children | | | CHIP | | | Total Enrollment | |
| SFY 2009 | 529 | *0.2%* | | 3,795 | *0.8%* | | 513 | *0.5%* | | 4,837 | *0.6%* |
| SFY 2010 | 783 | *0.3%* | | 4,768 | *0.9%* | | 242 | *0.2%* | | 5,793 | *0.7%* |
| SFY 2011 | 757 | *0.3%* | | 1,295 | *0.2%* | | 684 | *0.7%* | | 2,737 | *0.3%* |
| SFY 2012 | 595 | *0.2%* | | 2,948 | *0.5%* | | 518 | *0.5%* | | 3,941 | *0.4%* |

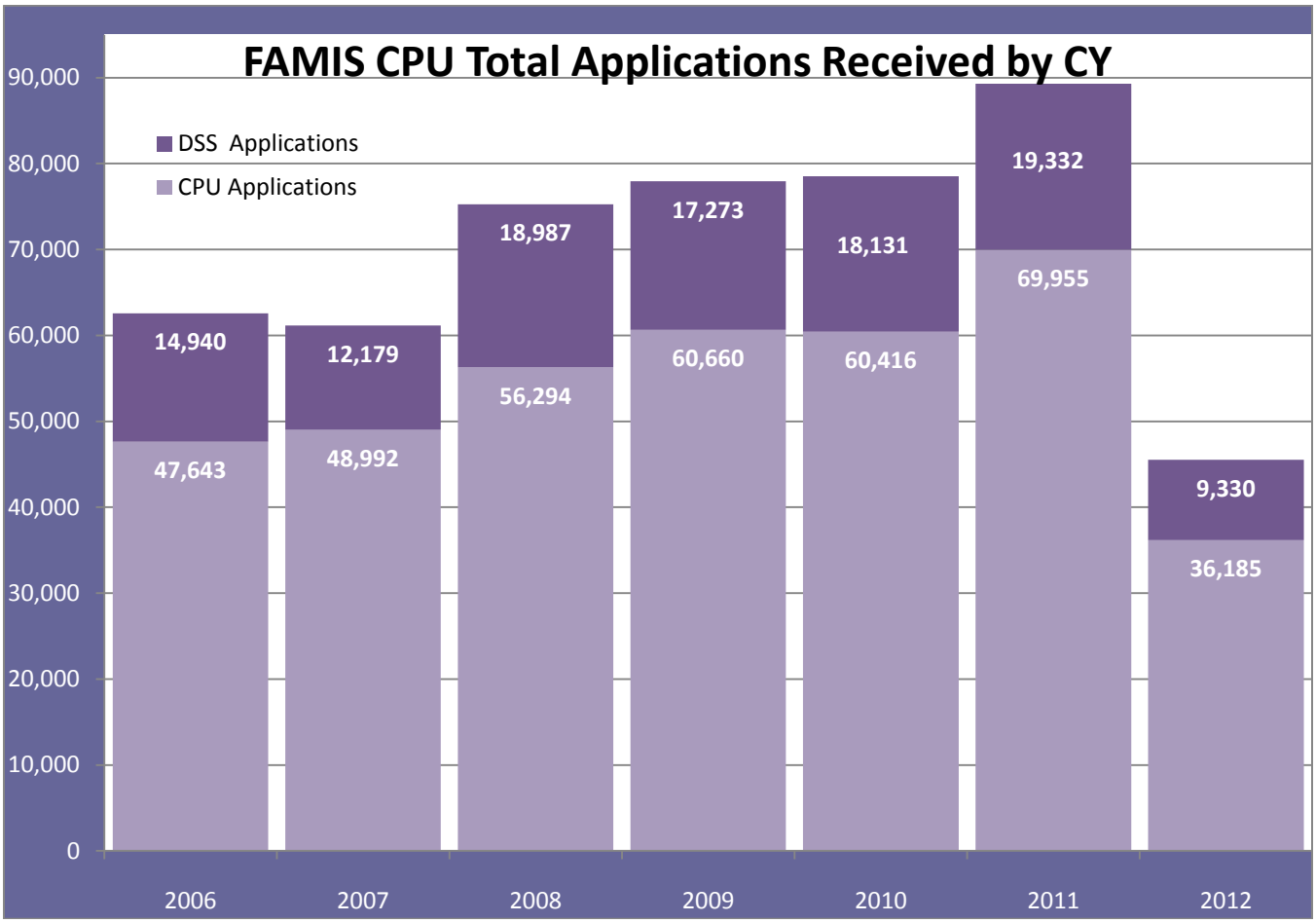
| Table 3: Point in Time Monthly Enrollment as of June 2012 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Title XIX - Medicaid Population | | | | Title XXI - CHIP Population | | | | **Total Enrollment as of June 2012** |
| Aged, Blind & Disabled | Adults, Pregnant Women and Children | Total | | Children | Adults | Total | | |
| 261,081 | 597,060 | 858,141 | | 113,159 | 1,477 | 114,636 | | **972,777** |

## Table 4: FAMIS CPU Call Center Volumes for CY 2011

| 2011 | Jan | Feb | Mar | Apr | May | June |
|---|---|---|---|---|---|---|
| **Total Calls Received** | 27,252 | 24,869 | 28,561 | 22,961 | 23,644 | 24,009 |
| **CSR Calls Received** | 18,937 | 17,711 | 20,111 | 16,096 | 16,546 | 16,820 |
| **2011 IVR Calls** | 7,728 | 6,495 | 7,430 | 6,340 | 6,467 | 6,635 |
| **% of IVR Calls** | 28.36% | 26.12% | 26.01% | 27.61% | 27.35% | 27.64% |

| 2011 | July | Aug | Sept | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|
| **Total Calls Received** | 24,870 | 33,954 | 40,266 | 28,756 | 27,951 | 23,934 | **331,027** |
| **CSR Calls Received** | 17,104 | 20,698 | 23,671 | 19,862 | 19,074 | 16,497 | **223,127** |
| **2011 IVR Calls** | 6,961 | 8,906 | 9,744 | 8,205 | 8,014 | 6,846 | **89,771** |
| **% of IVR Calls** | 27.99% | 26.23% | 24.20% | 28.53% | 28.67% | 28.60% | **27.10%** |

## Chart 1: FAMIS CPU Application Volumes




## Table 5: DSS Application Volumes*

| Quarter | MAGI Applications | MAGI Average Reviews Due | Non-MAGI Applications | Non-MAGI Average Reviews Due |
|---|---|---|---|---|
| 2012 2nd | 22,979 | 444,972 | 29,858 | 195,519 |
| 2012 1st | 23,778 | 436,269 | 31,321 | 191,325 |
| 2011 4th | 21,963 | 427,875 | 26,207 | 193,656 |
| 2011 3rd | 24,649 | 423,420 | 27,803 | 191,592 |
| 2011 2nd | 22,837 | 420,627 | 27,547 | 189,828 |
| 2011 1st | 23,497 | 416,571 | 30,072 | 185,520 |
| | | | | |
| Average | 23,284 | 428,289 | 28,801 | 191,240 |

*Application information is derived from VDSS MedPend application tracking system which is not utilized by all 120 local departments of social services