



**DISTRICT OF COLUMBIA DEPARTMENT OF MENTAL HEALTH
 CONTRACTS AND PROCUREMENT ADMINISTRATION
 64 NEW YORK AVENUE, NE, 4TH FLOOR, WASHINGTON, DC 20002
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AUGUST 13, 2008

**BILLING SERVICES
REQUEST FOR PROPOSALS AMENDMENT NUMBER TWO(2)
RM-08-RFP-038-BY1-CPA**

TO ALL PROSPECTIVE OFFERORS:

This Amendment is in two parts.

PART 1 answers questions submitted by prospective Offerors.

PART 11 amends certain sections of the Request for Proposals (RFP).

THE CLOSING DATE AND TIME FOR THIS RFP HAS BEEN EXTENDED TO MONDAY, AUGUST 25, 2008 AT 3:00 PM.

PART I

Question No.	RFP Section	Question
1	Pages 7 & 8: C.1.4	What is the current Medicaid certification status of the hospital; Institute for Mental Disease (IMD), In patient Psych, other?
DMH RESPONSE: St. Elizabeths Hospital (SEH) is an Inpatient Psychiatric Facility wherein IMD patients are compensated for through DSH payments.		
Question No.	RFP Section	Question
2	Pages 6 & 7: C.1.3	Are services billed on a per diem or fee for service basis, which services under which designation?
DMH RESPONSE: Services are billed on a per diem basis.		
Question No.	RFP Section	Question
3	Page 8 C.2.2	Are Forensics billable under Medicaid?
DMH RESPONSE: Forensics patients are not billed under Medicaid.		
Question No.	RFP Section	Question
4	Page 6 C.1.3	Which services are billed under the US Marshalls program?
DMH RESPONSE: Currently, a small group of Forensics patients (15) are billed to the US Marshalls Service.		

Question No.	RFP Section	Question
5	Pages 6-9: Section C	Does the hospital have hospital based physicians, or are physician services billed separately?
DMH RESPONSE: SEH does have hospital-based physicians, but some, more in-depth medical treatment may be provided by other medical facilities.		
Question No.	RFP Section	Question
6	Pages 6 -8: C.1.3 & C.1.4	Are rates set on a prospective basis, is there an annual settlement process, does the hospital settle at actual costs?
DMH RESPONSE: We are currently phasing in Medicare A PPS and will be at 100% starting October 1, 2008. SEH submits a Cost report to settle Actual costs.		
Question No.	RFP Section	Question
7	Pages 6 & 7: C.1.3	Are any services billed to a TPL or private or commercial source?
DMH RESPONSE: Currently, the SEH does not bill to any of these sources.		
Question No.	RFP Section	Question
8	Page 6 C.1.1	What percentage of the population served is over 65 years of age?
DMH RESPONSE: Approximately 15%.		
Question No.	RFP Section	Question
9	Page 6: C.1.1	What percentage has either an SSI or SSDI disability status?
DMH RESPONSE: SEH's Billing office does not currently track this information.		
Question No.	RFP Section	Question
10	Pages 6 -8: C.1.3 & C.1.4	Why were recoveries so high in 2004, why have they dropped so much?
DMH RESPONSE: The SEH de-certified over half of its Civil wards in 2005, which resulted in decreased reimbursement revenue.		
Question No.	RFP Section	Question
11	Pages 7 & 8: C.1.4	What were the audit issues leading to the Settlement and corporate Integrity Agreement, who conducted the audit, is there any published information on these audit findings available?
DMH RESPONSE: A number of unallowed costs were improperly sought for reimbursement. There is not any published information on these audit findings.		
Question No.	RFP Section	Question
12	Pages 7 & 8: C.1.4	What are the key terms of the Settlement and Corporate Integrity Agreement, can we see a copy of this agreement?
DMH RESPONSE: 1) Appoint a Compliance Officer 2) Training (general and specific)		

<p>3) Create a Disclosure Program 4) Create written policies/procedures 5) Create a written Code of Conduct 6) Engagement of an Independent Review Organization 7) File an Implementation Report 8) File an Annual Report</p>		
Question No.	RFP Section	Question
13	Pages 7 & 8: C.1.4	What limitations does this agreement impose on amending prior period claims and cost reports, as suggested in the RFP?
<p>DMH RESPONSE: According to the Settlement Agreement, the Cost Reports prior to FY 2007 (October 1, 2006) cannot be amended.</p>		
Question No.	RFP Section	Question
14	Pages 8 & 9: C.3.1	Are we expected to retain and use the services of the existing billing Operations staff?
<p>DMH RESPONSE: As outlined in the Scope of Work, the Contractor shall be required to retain and utilize the existing Billing Operations staff.</p>		
Question No.	RFP Section	Question
15	Pages 8 & 9: C.3.1	What is the status of the Avatar system, are we expected to use this system for service documentation and billing purposes, who developed the system, was it purchased, is there any documentation available on this system that we can see?
<p>DMH RESPONSE: The Avatar system was launched on July 22, 2008. The Contractor shall be required to utilize Avatar for service documentation and billing purposes. The system was developed by and purchased from Netsmart Technologies. There are several sources of documentation available for the current system – http://www.ntst.com/products/demos.asap and http://www.ntst.com; these offer a snapshot of the modules describing (but not limited to) order entry, pharmacy, lab, census and billing.</p>		
Question No.	RFP Section	Question
16	Pages 8 & 9: C.3.1	Who prepares the current SEH hospital cost report?
<p>DMH RESPONSE: It is prepared by McBee and Associates.</p>		
Question No.	RFP Section	Question
17	Page 6: C.1	Is the SEH administered by the District mental health agency, or is it a free standing operation?
<p>DMH RESPONSE: SEH is one of three branches of the District of Columbia Department of Mental Health.</p>		
Question No.	RFP Section	Question
18	Pages 6 – 10: Section C	Are all medical services provided on site at SEH, or are any services contracted for separately or provided off site?
<p>DMH RESPONSE: Some medical services are provided on campus at SEH. More complex health services are provided at local medical facilities.</p>		

Question No.	RFP Section	Question
19	Pages 6 – 10: Section C	Who is responsible for the billing and claiming function for other mental health agency services?
DMH RESPONSE: Department of Mental Health, Department of Fiscal Services		
Question No.	RFP Section	Question
20	Pages 6 – 10: Section C	What other hospital services in the District are currently being provided on a contracted basis similar to the plan envisioned in this proposal, by whom, and for which agencies and services?
DMH RESPONSE: None that SEH is aware of at this time.		
Question No.	RFP Section	Question
21	Page 3 & 4: B.1, B.2, B.3, B.4	Will DMH consider extending the period of performance to allow the vendor the opportunity to recover investment with much more reasonable fees?
DMH RESPONSE: This is not being considered at this time.		
Question No.	RFP Section	Question
22	Page 3 & 4: B.1, B.2, B.3, B.4	Will DMH consider including CBE (LSDBE) criteria as part of the evaluation and scoring?
DMH RESPONSE: Offerors are referred to Section B.1.1 of the RFP		
Question No.	RFP Section	Question
23	Page 3 & 4: B.1, B.2, B.3, B.4	Is the contractor expected to provide a percentage contingency factor that will be applied as a percentage of the revenues received, or does the District envision some other type of factor such as a specific dollar amount?
DMH RESPONSE: The Offeror must provide a specified dollar amount tied to each incentive level.		
Question No.	RFP Section	Question
24	Page 3 & 4: B.1, B.2, B.3, B.4	If a specific dollar amount is desired, will the contractor receive the full dollar value of this amount if it meets the threshold recovery amount identified in the RFP for each incentive level range, or does the contractor have to reach the top end of this range before it can receive the full dollar amount proposed?
DMH RESPONSE: The contractor will receive the negotiated incentive if it meets the threshold recovery amount identified in the RFP for each incentive level range.		
Question No.	RFP Section	Question
25	Page 3 & 4: B.1, B.2, B.3, B.4	Likewise, for the third level which starts at 4 million dollars in revenues, is the amount the contractor can be paid capped at a specific dollar amount or can this amount increase if the contractor is successful in obtaining revenues above the 4 million dollar threshold amount?

DMH RESPONSE: The amount paid to the vendor for the third level will be capped, regardless of the revenue recovered above the threshold.

Question No.	RFP Section	Question
26	Page 3 & 4: B.1, B.2, B.3, B.4	For purpose of revenue estimation and recognition, are revenues defined as the total net revenues received by the District after deducting all required district matching dollars for Medicaid, or is the gross amount of revenues the proper consideration, including the District matching portion of all revenues?

DMH RESPONSE: Revenues are defined as the total net revenues received by the District after deducting all required District matching dollars.

Question No.	RFP Section	Question
27	Page 3 & 4: B.1, B.2, B.3, B.4	Are revenues defined as the amount claimed or the amount that are actually paid?

DMH RESPONSE: Revenues are defined as the amounts that are actually paid.

Question No.	RFP Section	Question
28	Page 3 & 4: B.1, B.2, B.3, B.4	If the District wants the contractor to identify some type of fixed dollar amount for each incentive level, should the contractor only indicate the incremental dollar amount proposed as each incentive level is achieved, or should the contractor indicate the full amount that it would expect to achieve at each level. Our concern is to make sure that we do not double count the dollar amounts proposed if the plan of the district is to add up the amounts proposed under each incentive category in order to calculate a single overall dollar amount?

DMH RESPONSE: The Offeror shall propose a fixed dollar amount for each incentive level.

Question No.	RFP Section	Question
29	Page 3, 4, 8, & 9: B.1, B.2, B.3, B.4 C.3.1	The RFP indicates that the contractor is to “utilize current SEH staff for day to day operations.” Does this mean that the contractor is expected to cover the cost of this staff in the base Billing Operations budget that the RFP indicates must be in the range of \$300,000 to \$350,000 or will this staff cost (the cost for current SEH staff) be paid for separately by the District?

DMH RESPONSE: SEH staff members shall be paid directly by the District.

Question No.	RFP Section	Question
30	Page 37: L.2.3.1	Is the entire proposal supposed to be no more than 40 pages long, including technical proposal, resumes, the past performance proposal, and the cost proposal?

DMH RESPONSE: The reference to 40 pages has been deleted. The total page limit is 20.

Question No.	RFP Section	Question
31	Page 37: L.2.3.1	On page 37 there is an indication that the technical proposal can not be longer than 40 pages, but there is also a statement that the District does not consider any pages in excess of 20 pages to be part of the technical proposal. It may be that this is just a typing error and the reference to 20 pages should

		have been 40 pages. Would it be possible to confirm, thank you?
DMH RESPONSE: The reference to 40 pages has been deleted. The total page limit is 20.		
Question No.	RFP Section	Question
32	Page 37 and 38: L.2.3.1	On page 38 it appears that individual resumes are considered to be part of the technical proposal, and as much, must be included in the 20 (or 40?) page technical proposal limit specified in the RFP on page 37—please clarify if possible?
DMH RESPONSE: Resumes are attachments and are not included in the total.		
Question No.	RFP Section	Question
33	Page 38: L.2.4	On page 38 it also appears that the past performance proposal can not be any longer than 10 pages. Our sense is that these 10 pages must be included in the overall 40 page limit, it this correct, or can the past performance proposal be an additional 10 pages beyond the 40 page technical proposal limit?
DMH RESPONSE: The Past Performance Proposal is part of the total.		
Question No.	RFP Section	Question
34	Page 6 C.1.1	What percentage of the current SEH civil and forensic population is currently determined to be Medicaid eligible?
DMH RESPONSE: Our latest available information indicates that Medicaid patients (Civil) are 5% of the population. Another 17% of the population have Medicaid IMD. Forensics Medicaid patients (who are all in non-certified beds) are not currently tracked.		

END PART I

PART II

The above-referenced RFP is hereby amended as follows:

- 1. The first sentence of Section L.2.3.1, 37of the RFP is deleted in its entirety and replaced with the following:**

L.2.3.1 The Technical Proposal shall be no more that 20 pages.

END PART II

ALL OTHER TERMS AND CONDITIONS OF THE REQUEST FOR PROPOSALS REMAIN UNCHANGED.

Only one copy of this amendment is being sent to prospective Offerors. Offerors shall sign below and attach a signed copy of this amendment to each proposal to be submitted to the place specified for receipt of proposals. Proposals shall be mailed or delivered in accordance with the instructions provided in the original RFP. In the event your proposal has been previously deposited with the Department of Mental Health, Contracts and Procurement Administration (DMH/CPA), submit this signed Amendment in a sealed envelope, identified on the outside by the RFP number and submission date. This signed Amendment must be received by the DMH/CPA no later than the date and time for closing.

Failure to acknowledge receipt of Amendment Two (2) for Solicitation Number **RM-08-RFP-038-BY1-CPA** may be cause for rejection of any proposal submitted in response to the subject RFP.

Signed:


Samuel J. Feinberg, CPFO, CPPB
Director, Contracts and Procurement
Agency Chief Contracting Officer

Amendment Number Two (2) is hereby acknowledged and is considered a part of the proposal for Solicitation Number **RM-08-RFP-038-BY1-CPA**.

Signature of Authorized Representative

Date

Title of Authorized Representative

Print or Type Name of Offeror