

**Primary Part A and Part B (A/B) -
Medicare Administrative Contractor
(A/B-MAC)**

Pre-Proposal Conference

October 7, 2005

WELCOME

Karen Jackson
Director, Medicare Contractor Management Group

OPENING REMARKS

Herb Kuhn
Director, Center for Medicare Management

PURPOSE OF PRE-PROPOSAL CONFERENCE, GROUND RULES, OVERVIEW AND REQUESTS FOR INFORMATION (RFIs)

Karen Jackson
Director, Medicare Contractor Management Group

PURPOSE OF PRE-PROPOSAL CONFERENCE

 **To clarify CMS direction**

The purpose of this conference is to allow prospective offerors the opportunity to gain a better understanding of the objectives of the acquisition. In addition, it also offers CMS an opportunity to stress the importance of significant elements of the Request for Proposal (RFP).

GROUND RULES

- Speakers will go through agenda items
- Audio conferencing lines have been established for those regional offices that chose to join us
- Break (after presentations - approximately 30 minutes)
- CMS will attempt to address questions that are submitted today
- CMS will post responses to questions in an amendment under the Federal Business Opportunities (FedBizOpps) database
- Reminder: Please turn off cell phones and pagers

GROUND RULES (con't)

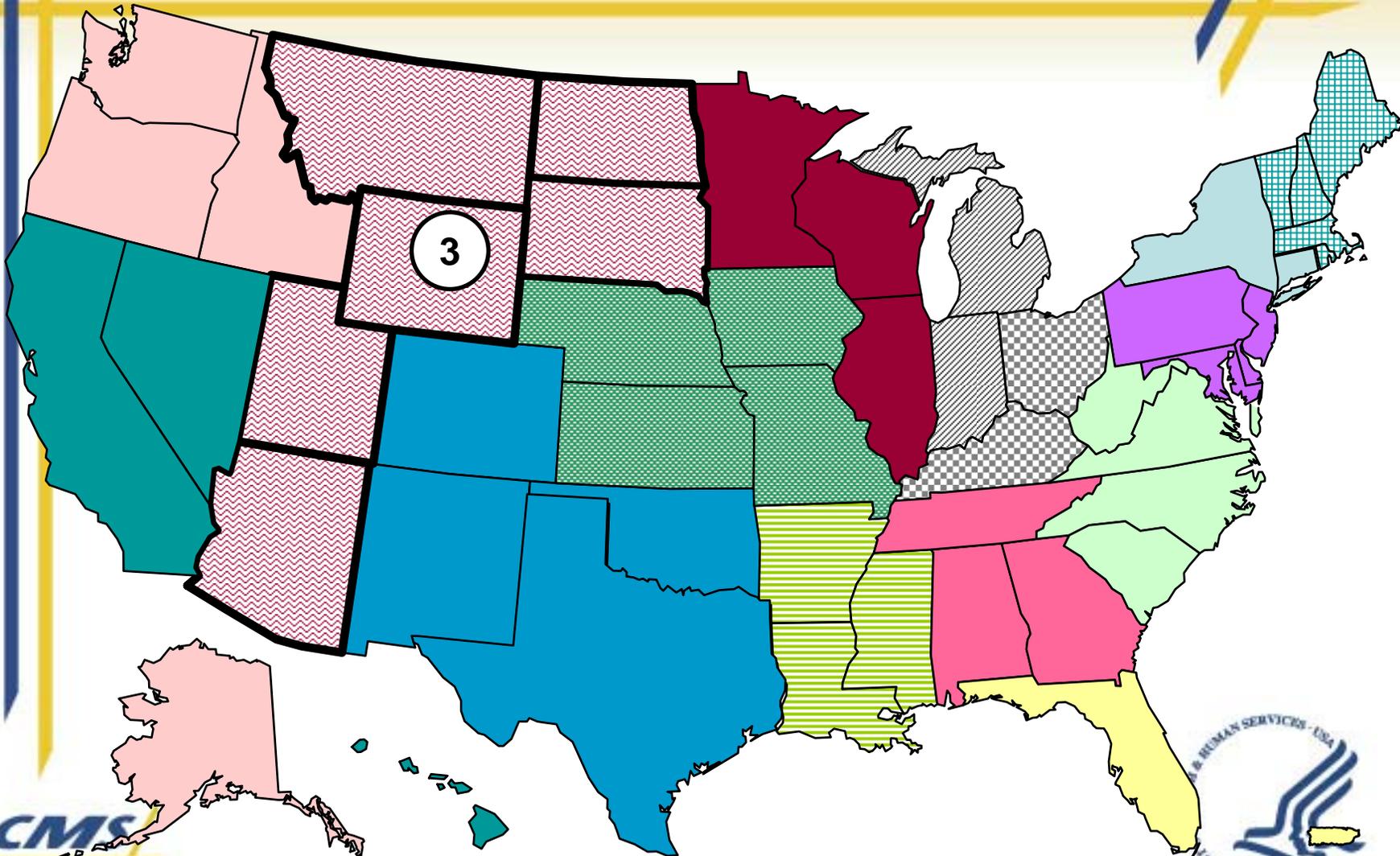
- Remarks and explanations provided today do not qualify the terms of the solicitation
- The information provided at this conference is considered supplemental guidance and does not override the terms of the RFP and specifications
- For any ambiguities and/or conflicting information the offerors shall refer to the RFP
- Any required changes to the RFP will be accomplished through a formal amendment

OVERVIEW

- On September 19, 2005 CMS released the RFP for the first fee-for-service Medicare Administrative Contractor (MAC) procurement
- This RFP is for the MAC that will serve Medicare beneficiaries and providers in Jurisdiction Three (J3)

OVERVIEW (con't)

J3 comprises the states of Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming



OVERVIEW (con't)

CURRENT FISCAL INTERMEDIARIES AND CARRIERS OPERATING IN J3

- Blue Cross Blue Shield (BCBS) of Alabama – (South Dakota – Part A)
- BCBS of Arizona – (Arizona – Part A)
- BCBS of Montana, Inc. – (Montana – Parts A and B)
- BCBS of Wyoming – (Wyoming – Part A)
- Mutual of Omaha Insurance Company (Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming – Part A)
- Noridian Mutual Insurance Company – (Arizona – Part B, North Dakota – Parts A and B, South Dakota – Part B and Wyoming – Part B)
- Regence BCBS of Oregon - *Noridian - (Utah – Part A)
- Regence BCBS of Utah - *Noridian – (Utah – Part B)

*Transitioning no later than December 1, 2005

This information is available on the Medicare Contracting Reform website:
<http://www.cms.hhs.gov/medicarereform/contractingreform/>

Requests for Information

- **Background:** Four RFIs were posted to Fedbizopps (www.fedbizopps.gov)
- **Goal:** To sufficiently develop the RFP to allow all interested parties the opportunity to successfully compete
- **Purpose:** Solicit feedback from industry on significant aspects of the procurement and Statement of Work (SOW). As applicable, CMS incorporated relevant comments into the procurement documents prior to release of the final RFP
- **Results:** Received approximately 3,700 comments in response to the RFIs (approximately 2,400 were related to the SOW)

RFP OVERVIEW

**Miki Lewis
Contract Specialist**

RFP OVERVIEW – GENERAL CONTRACT INFORMATION

- Federal Acquisition Regulations (FAR) - www.arnet.gov
- Health and Human Services Acquisition Regulation (HHSAR) www.hhs.gov/oamp/dap/hhsar.html
- Period of Performance (Mandated by Legislation)
Not to Exceed Five (5) Years

RFP OVERVIEW – GENERAL CONTRACT INFORMATION (con't)

Order of Precedence – Uniform Contract Format (UCF) – FAR 52.215-8

Any inconsistency in the solicitation or contract shall be resolved by giving precedence in the following order:

- The Schedule (excluding the specifications)
- Representations and other instructions
- Contract Clauses
- Other documents, exhibits and attachments
- The specifications

RFP OVERVIEW – FEDBIZOPPS

Department of Health and Human Services Business Opportunities

Office : Centers for Medicare & Medicaid Services, formerly known as the Health Care Financing Administration

Location : Office of Acquisition and Grants Management

Solicitation number : CMS-2005-0016

Title : R -- Primary Part A and Part B (A/B) Medicare Administrative Contractor (MAC)

[Synopsis](#) - Posted on Jul 29, 2005

[CLARIFICATION TO SYNOPSIS 01](#) - Posted on Aug 05, 2005

[Primary Part A/B MAC Pre-Proposal Conference 01](#) - Posted on Aug 23, 2005

[Solicitation 01](#) - Posted on Sep 19, 2005

[Amendment 01](#) - Posted on Sep 29, 2005

**Register to Receive
Notification**

**Register as
Interested Vendor**

RFP OVERVIEW – FEDBIZOPPS (con't)

VENDOR NOTIFICATION SERVICE

- Allows vendors to register to receive e-mails notifying the vendor of one of the below options:
 - All notices from a particular solicitation number
 - All notices from selected organizations and product service classifications (NAICS Code)
 - All procurement notices
- To register for one of the above options:
 - Access the FedBizOpps home page:
<http://www.fedbizopps.gov>
 - Click on “Vendor Notification Service”
 - Click on the desired option
 - Follow instructions

RFP OVERVIEW – FEDBIZOPPS (con't)

INTERESTED VENDOR LIST (IVL)

- The FedBizOpps system includes the capability to join and view a published list of vendors interested in a particular solicitation
- This is useful for vendors who are interested in teaming on procurement opportunities
- In order to register as an interested vendor for a particular solicitation, the “Register as Interested Vendor” button must be available from the listing page for a solicitation
- Vendors can obtain more information on the IVL by accessing the following link to the Vendor’s Guide:
<http://www1.fbo.gov/EPSPVendorsManual/VG6-Interest.html>

RFP OVERVIEW – SECTION B (SUPPLIES OR SERVICES AND PRICES/COST)

- Contract Type
 - ▶ Cost-Plus-Award-Fee (CPAF) with the possibility of some Fixed Price CLINs
- Contract Line Item Number (CLIN)
- Sub Line Item Number (SLIN)
 - ▶ For funding and reporting purposes A/B-MACs will track the costs associated with Medicare Integrity Program (MIP), Program Management (PM), Part A, Part B, Implementations, Trust Fund Expenditures and Administrative Expenditures separately
 - ▶ Offerors must complete and submit the tables in Section B with their proposals

RFP OVERVIEW – SECTION C - STATEMENT OF WORK (SOW)

**Martin Furman
Project Officer**

RFP OVERVIEW – SOW (con't)

- Goal for SOW – Clear, complete and accurate
- Guided by high-level **objectives**, approved by CMS senior management:
 - Customer Service
 - Operational Excellence
 - Innovation and Technology
 - Financial Management
- A/B MAC SOW incorporates applicable laws, regulations, statutes and manuals by reference

RFP OVERVIEW – SOW (con't)

- Key SOW Requirements:
 - Workload Implementation
 - Quality Assurance
 - Financial Management
 - Claims Processing
 - Hearings and Appeals
 - Provider Customer Service
 - Medicare Integrity Program Requirements
 - Interface Requirements

RFP OVERVIEW – SOW (con't)

- Additional Services – As Options (Offerors are required to submit a proposal which includes the core SOW and all options)
 - Graduate Medical Education Demonstration Project (Utah)
 - Rural Community Hospital Demonstration
 - Provider Internet Portal

RFP OVERVIEW – SOW (con't)

- Changes to Implementation Requirements
 - Consolidation of Part A and Part B Edits
 - Healthcare Integrated General Ledger Accounting System (HIGLAS) – **Not in RFP**
 - ▶ Preparation of A/R workload to transition to HIGLAS will not occur during initial transition of J3 workload
 - ▶ However, it is anticipated that HIGLAS workload preparation will commence at some point within the contract's period of performance

RFP OVERVIEW – SOW (con't)

● Interface Requirements:

- Beneficiary Contact Center (BCC)
- Qualified Independent Contractor (QIC)
- Program Safeguard Contractor (PSC)
- Quality Improvement Organization (QIO)
- Enterprise Data Center (EDC)
- Recovery Audit Contractor (RAC)

RFP OVERVIEW

**Miki Lewis
Contract Specialist**

RFP OVERVIEW – SECTION F (DELIVERABLES)

- Section F incorporates all deliverables for the A/B MAC
 - Approximately 161 deliverables are to be received and approved by Project Officer and/or designee
- Ad Hoc Reporting
 - CMS may require additional reporting requirements on an as needed basis

RFP OVERVIEW – SECTION G (CONTRACT ADMINISTRATION DATA)

- Contracting Officer – Linda Hook
- Contract Specialist – Miki Lewis
- Project Officer – Martin Furman
- Government Task Leads (GTL) - TBD

RFP OVERVIEW – SECTION G (con't)

SEGREGATION OF FUNDING

- The contractor shall separately account for costs incurred to perform MIP and PM activities by Part A and Part B
- The contractor shall separately account for benefit payments made from costs incurred to perform the contract requirements.

RFP OVERVIEW – SECTION H (SPECIAL CONTRACT REQUIREMENTS)

- Special Agency Clauses
 - Clause H.11 - Indemnification
 - Clause H.5 – Approval of Contract Acquired Information Technology

RFP OVERVIEW – SECTION K (CERTIFICATIONS AND REPRESENTATIONS)

- The Online Representation and Certifications Application (ORCA) replaces majority of the paper based representations and certifications process required in Section K
- The A/B MAC RFP requires offerors to be registered in ORCA
- The ORCA site is located at <http://orca.bpn.gov>

RFP OVERVIEW – SECTION K (con't)

- The following two items are necessary prior to ORCA registration:
 - An active record in the Central Contractor Registration (CCR); and
 - A Marketing Partner Identification Number (MPIN) from the active CCR record
- To complete these tasks visit www.ccr.gov
- For additional assistance contact the ORCA help desk at <http://orca.bpn.gov/help.aspx>

RFP OVERVIEW – SECTION L (PROPOSAL INSTRUCTIONS)

Linda Hook
Contracting Officer

RFP OVERVIEW – SECTION L (con't)

- Offerors shall not make any assumptions that CMS evaluators have any prior knowledge of their capabilities in performing the SOW requirements

RFP OVERVIEW – SECTION L (con't)

PAGE LIMITATION ON TECHNICAL PROPOSAL TOTAL PAGES = 275

TABS A, C, D AND E – A/B MAC CORE AND OPTIONAL ADDITIONAL SERVICES

<u>INCLUDED IN THE 225 PAGE LIMIT</u>	<u>NOT INCLUDED IN THE 225 PAGE LIMIT</u>
<p>TAB A – TECHNICAL APPROACH (CORE) --Understanding the Requirement --Project Management (Includes Project Management Plan, Organizational and Management Approach, Staffing and Retention Plan) --Internal Controls (Information Security Plan and Quality Assurance Plan) – Limited to 100 pages out of the total of 225 page limit</p>	<p>--Key Personnel (Resumes and Letters of Commitment) --Work Breakdown Structure (WBS) --Compliance Program</p>
<p>TAB C – CORPORATE EXPERIENCE</p>	
<p>TAB D – PAST PERFORMANCE</p>	
<p>TAB E – SDB UTILIZATION APPROACH/PARTICIPATION</p>	

RFP OVERVIEW – SECTION L (con't)

TAB B – IMPLEMENTATION

<u>INCLUDED</u> IN THE 50 PAGE LIMIT	<u>NOT INCLUDED</u> IN THE 50 PAGE LIMIT
TAB B – IMPLEMENTATION	--Implementation Project Plan
	--Key Implementation Personnel
--Implementation Approach (Includes organizational structure)	--Implementation Risk

RFP OVERVIEW – SECTION L (con't)

- Technical Proposal
 - Evaluation Criteria
- Business Proposal
 - Sample Cost Templates
- Proposal Submission Instructions

RFP OVERVIEW – SECTION L (con't)

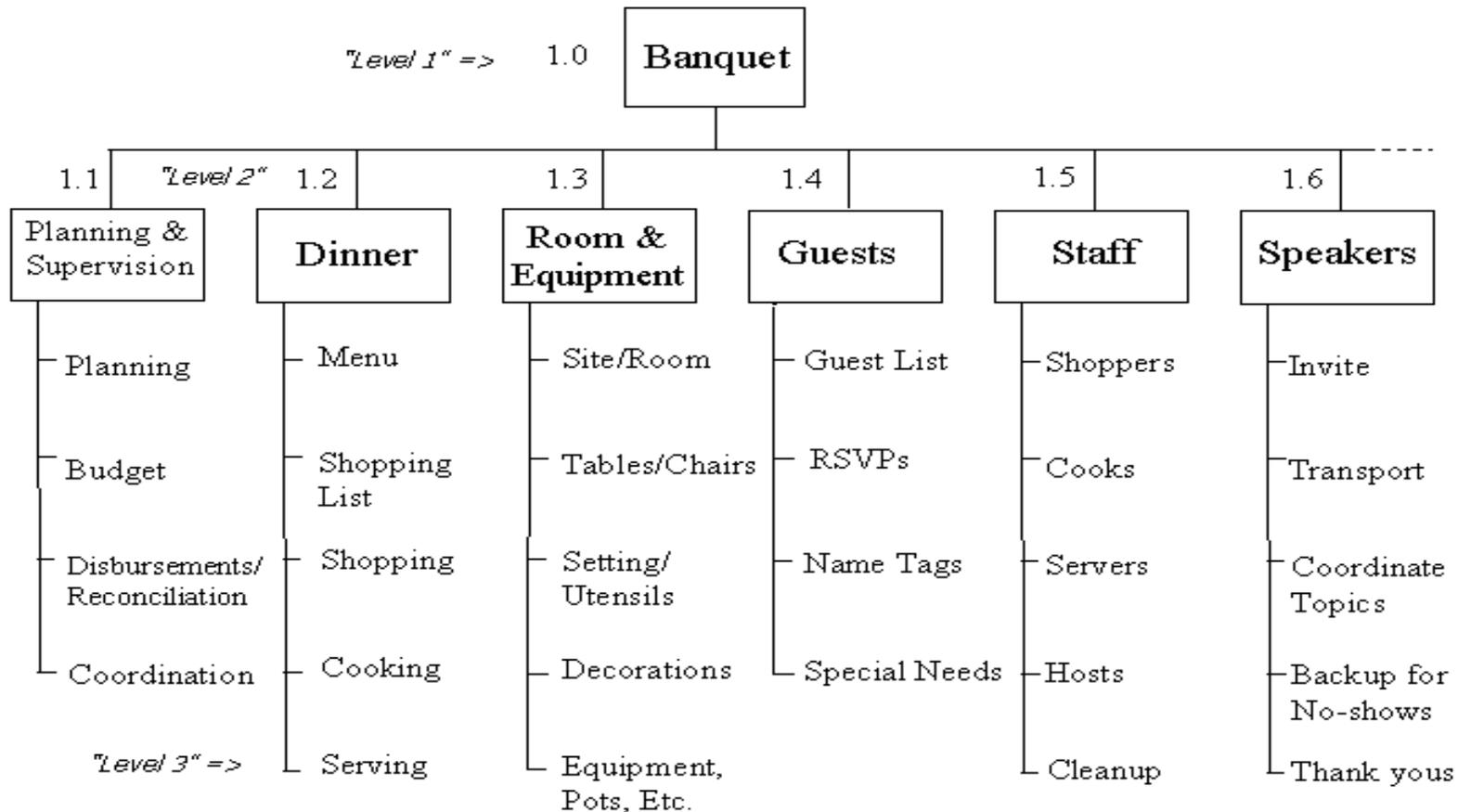
- Work Breakdown Structure (WBS) – Section L.15
 - Used widely in the FAR contracting environment
 - The WBS is a contractor defined project plan that is extracted from the project's scope or SOW
 - The contractor's accounting system is able to allocate cost based on activities defined in the WBS

RFP OVERVIEW – SECTION L (con't)

- The WBS shall:
 - Be proposed to at least the third level of activity
 - Be Consistent with SOW requirements; and
 - Track back to the business proposal
- An excellent sample and website for the WBS requirement may be found at:
http://www.hyperhot.com/pm_wbs.htm

RFP OVERVIEW – SECTION L (con't)

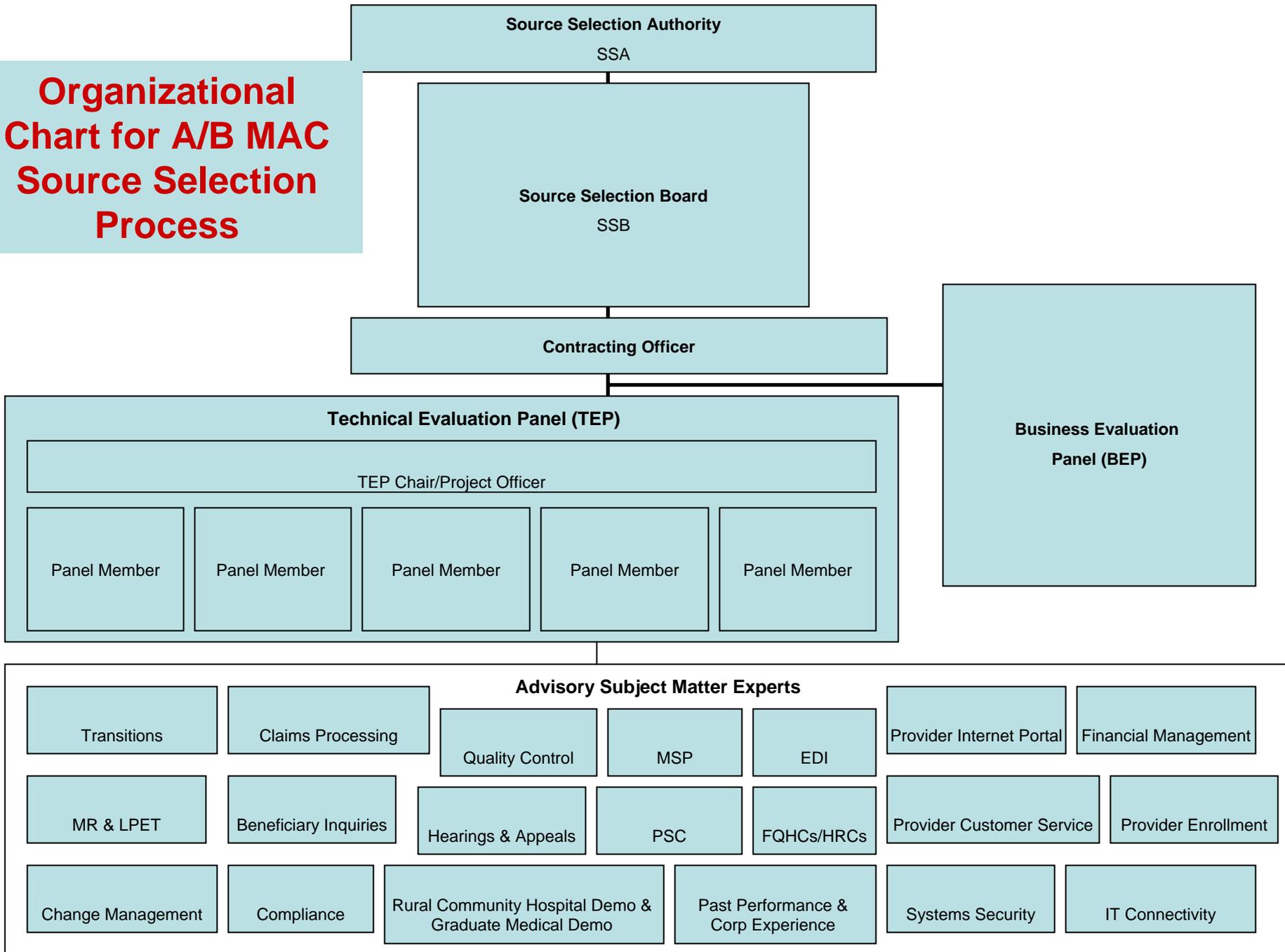
WBS Example - Banquet



RFP OVERVIEW – SECTION M

Section M EVALUATION FACTORS

Organizational Chart for A/B MAC Source Selection Process



RFP OVERVIEW – SECTION M (con't)

Evaluation Factors and Sub factors are listed in descending order of importance

1 – Technical Approach

- a. Understanding the Requirement
- b. Project Management
- c. Key Personnel
- d. Internal Controls (Information Security Plan and Quality Assurance Plan)

2 – Implementation

- a. Implementation Approach
- b. Key Implementation Personnel
- c. Implementation Risk

3 – Corporate Experience

4 – Past Performance

5 – Small Disadvantaged Business (SDB) Utilization Approach/Participation

RFP OVERVIEW – SECTION M (con't)

- Each technical proposal shall be evaluated qualitatively and categorized using the following adjectival ratings in relation to the evaluation factors:
 - Excellent
 - Good
 - Fair
 - Poor
- Award decision will be made based on overall best value determination

RFP OVERVIEW – SECTION M (con't)

- Competitive Range
 - Comprised of all of the most highly rated proposals
 - CO may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition

RFP OVERVIEW – SECTION M (con't)

- Competitive Range will be determined based on:
 - Evaluation of Written technical proposals for the A/B-MAC services includes core work and all options
 - Evaluation of Business Proposal
 - Preliminary responsibility determination

RFP OVERVIEW – SECTION M (con't)

- Business Proposal Evaluation
 - Assess level of confidence in the offeror's ability to deliver efficient, risk free performance at a fair and reasonable cost
 - A cost realism analysis will be used to determine the probable cost of performance of each offeror IAW FAR 15.404-1

RFP OVERVIEW – SECTION M (con't)

CONTRACT AWARD

- Best Value Trade-Off Technique
IAW FAR 15.306(b)(4)
- Award may be made to other than lowest price offeror or other than the highest technically rated offeror
- Cost reasonableness and cost realism will be considered

AMENDMENTS

- ◆ Amendment Number 000001 was issued and posted to FedBizOpps on 9/29/2005
 - Incorporated workload and implementation assumptions to be used by offerors in proposal preparation
 - Incorporated extensions to the following three dates in the procurement timeline:
 - ▶ RFP Questions Due from Offerors – 10/11/05
 - ▶ Post Answers to RFP Questions on FedBizOpps – 10/18/05
 - ▶ Receive Notice of Intent to Submit Proposals – 10/25/05

PROCUREMENT TIMELINE

A/B MAC PROCUREMENT TIMELINE

09/19/05	RFP Posted to FedBizOpps
10/07/05	Pre-Proposal Conference
10/11/05	RFP Questions Due
10/18/05	Post Answers to RFP Questions
10/25/05	Intent to Bid Due
11/18/05	Proposals Due
05/01/06	Discussions Complete/Request Final Proposal Revisions
06/30/06	Contract Award

QUESTIONS