

Date: November 17, 2021

To: Potential Offerors

From: Sam Nelson, Senior Contract Manager

Re: **Solicitation Addendum # 1 to RFP 22-0171, HHSC East Hawaii Region Third Party Account Resolution Services**

This correspondence serves as Solicitation Addendum #1 to the subject Request for Proposals (“RFP”).

Your response to this RFP should be governed by the content of the original RFP and the revisions / corrections / additions / clarifications provided in this addendum notice.

**The following questions and answers were asked and are being answered in this RFP addendum**

1. Section 3.4 refers to only one hardcopy required, but in the same paragraph gives instructions to mark one copy “Original” and the other copies as “Copy”. Can you please clarify whether more than one hardcopy of the response is required?

**Answer – one hardcopy is sufficient.**

2. Section 3.4 refers to an emailed copy of the proposal. If the proposal is emailed would this mean we do not need to submit a disk or jump drive copy?

**Answer- Yes only one electronic copy is required. Please note that facility does have file size limitations on receiving emails so please ensure the electronic copy is received before the RFP closing date.**

3. Proposal Checklist – Under the Cost Proposal, W-9 is listed, but there is no other mention of this in the RFP. Is this a required attachment?

**Answer- this will be required to award the contract but is optional for the cost proposal.**

4. Would you be open to offshoring any portion of the work as described in the RFP?

**Answer- We would prefer work not be offshored.**

5. Staffing, Page 11: please confirm “Accounts may be worked both onsite at the Facilities or offsite” means that all positions, including the Manager and Clerical Representative can be located in contractor/vendor office (assuming appropriate technological capabilities).

- **Answer - We would require 1 onsite person that would come in at least a couple times a week to ensure the vendor’s clerical needs are met. This is to avoid East Hawaii staff from doing the vendor’s work.**

6. Would there be a backlog or transfer of accounts from incumbent? If so, what is the estimated volumes of that?

- **Answer- No – just regular accounts that are in the billing / collections process**

7. Are you able to provide the average recovery rate for any/all of the Financial Classes listed on page 41 of the RFP?

**Answer-No**

8. Not to Exceed Amount, page 21: Are you able to share the previous Not to Exceed Amount either in total or final year of prior contract?

**Answer- No**

9. Is the current price structure contingent, fixed, or combination/mixed?

**Answer- % of collected**

10. Is there a pricing model layout preferred/desired by HHSC?

**Answer- % of collected**

11. How much is being charged under the current price structure?

**Answer-Sorry this is proprietary**

12. Structure of assignments, page 10: Please confirm if an account is assigned in the first category for billing, and successfully billed, that it will be retained by the agency for follow-up/payment for the 90 day period

**Answer-Yes**

13. What are the scope expectations for the project?
- Is the business hospital, physician, or a combination?

**Answer- Combination**

14. Are the inventory dollars gross or net?
- If gross, what is the historical payment to cost ratio? **Answer-Gross / 35%**
  - If net, are they made up of variances? What volume is a payer variance?
  - What are your current AR days? **Answer 65 / region**

15. Billing

- Will billing occur in both the patient accounting and the scrubbing system or will the selected vendor work only edits in the scrubbing system?
  - **Answer- Edits in EMR and Billing system**
- For the 4 payer types that will not route to the outsourced vendor until 90 days, is the selected vendor expected to bill those as well? It is expected that the claims have been billed at least once prior to 90 days.

**Answer- If there is an unresolved balance the vendor is expected to resolve the balance, this may include rebilling the claim with corrections**

- What is the present volume of daily claims filed?

**Answer- Average is approximately 1,000 claims per day**

- What scrubbing system is used?

**Answer- EMR is Meditech and Billing is SSI**

- Are edits required to be completed by the selected vendor in the Billing system or allowed to flow from the scrubber system?

**Answer-Preference is flow to billing system but resolve any edits in the billing system if identified when claim transmits**

- What is your first pass yield percentage?

**Answer-75-80% lower if large volume of secondary claims cross**

- What are your average days to bill?  
*Answer-Difficult to determine as it is skewed by recurring accounts*

- What is the backlog on DNFB?

*Answer- Currently is 14.8 mil*

### 16. Credit Balances

- The RFP states the selected vendor will need to resolve all credit balances it creates according to HHSC's Credit Balance Policy. Will the selected vendor be expected to resolve previous credit balances as well?

*Answer- Only those that are created while assigned to the vendor*

- Will HHSC complete all requests for refunds initiated by payers that are either outside the start of our engagement or not in a credit balance state?

- *Answer- If account has a credit balance prior to engagement, new vendor will not be expected to resolve. Any account not in a credit balance, that becomes a credit balance after placement will be the vendors responsibility*

### 17. Denials

- What are HHSC's top 5 denials?

*Answer-Varies by payer – primarily medical necessity, itemized bill / records request, no auth*

- Are clinical appeals expected to be performed by selected vendor?

*Answer- No but expected to work with appeals department to resolve*

- Are there appeal thresholds for each level of appeal?

*Answer-Varies by payer per contract*

- If so, what are the balances thresholds?
- Will we be working with Case Management on clinical denials?

Answer- Yes

- Will HHSC provide denial trending information-?. If so, please provide.

Answer- Will be provided if awarded the contract

18. Onsite staffing

- What are the HR requirements for staffing onsite?

Answer- One person who will handle incoming mail, scanning, clerical work, once to twice a week. Primarily remote work

- Will HHSC provide physicals and screening for onsite staff as they do for HHSC's staff?
- Answer-Staff will have to get clearance and required immunizations/ vaccines through Employee health

19. What is the turnaround time to complete these items?

Answer- Approximately 1 month. Depends if employee has had a TB test within the past year. May require two which delays start time / clearance

20. Does HHSC use a contract management system that calculates expected reimbursement and provides access to contract rates and calculations?

Answer- No Calculated internally

21. Are the selected vendor's staff members required to participate in training classes prior to receiving a user ID?

Answer Yes

22. We recommend utilizing a blended approach mixing onshore and nearshore resources for denials and follow up. Is Nearshoring a possibility?

Answer-Would prefer no offshoring

23. What KPIs are expected?

Answer-Standard KPI's of billing and collections.

24. Does HHSC currently utilize an outside vendor for services related to the RFP? If so, what is the reason for issuing the RFP at this time? (Quality of service, current vendor not attaining KPI benchmarks, lack of technology, etc.)

**Answer- We are a State of Hawaii Affiliated agency and required to assure that pricing is fair and reasonable. Issuing an RFP and evaluating offers is the best way to verify costs are fair and reasonable.**

25. Is the "Offer" document on page 3 of the RFP expected to be included as part of the RFP submission, or is this only required to be submitted by the winning vendor(s)?

**Answer- submitted in proposal.**

26. Section 3.4: In regard to submission, the RFP states "An electronic copy may be e-mailed to the above e-mail address prior to the proposal due date and time and still be considered timely. However, the timeliness of the submittal will be determined by the time noted upon the Contract Manager's opening of the e-mail as registered on our e-mail system." Based on the due date of the RFP being November 24<sup>th</sup>, will the Contract Manager be available to receive and open Proposals submitted electronically up to close of business on said date?

**Answer- Yes but please be aware that we have file size limitations so please verify that your proposal is received prior to the due date.**

27. Section 3.8.2: Because the services being requested are typically priced at a contingency fee, the pricing model will be calculated based upon the volume of accounts placed with the winning vendor. With this in mind, is the information requested in the Summary Offer section applicable to this RFP?

**Answer- Yes- this should be the offerors best estimate**

28. Are Appendixes C & D expected to be included with the proposal submission, or only for the selected vendor to complete upon contract execution?

**Answer- Yes this should be submitted by all offerors.**

29. Do you currently have any backlogged accounts? **No**

30. Do you have a current vendor for this?

**Answer- Yes**

31. Is this RFP Requirement for Hilo Medical Center or all hospitals associated with Hawaii Health Systems Corporation?

**Answer- RFP is for the East Hawaii Region, consisting of Hilo Medical Center, Kau and Honokaa critical access hospitals, and outpatient clinics**

32. Historically, some accounts of the accounts have taken longer than 180 days from assignment to be resolved. This is due to appeal attempts or payer delays. Will HHSC consider extending the 180 day limit?

**Answer- No**

**33. Page 9 – Section 2.2 Statement of Work Par 1.**

The RFP States – “These services shall include billing, follow-up, collections, and resolution of debit and credit balances. CONTRACTOR fees for said services to be based on collection percentage (Contractor to propose).

Will the service fee for Denial Appeal be included in the collection percentage, or can we price this piece out separately?

**Answer: Denials should be included in the collection percentage, however, inpatient denials are handled by our UR denials department. SO the vendor would not be expected to write appeals for inpatient denials. However, they are expected to communicate with the UR team regarding the denials.**

**34. Page 9 – Section 2.2 Statement of Work Par 1. & Page 11 Table of Labor Categories**

Since these accounts have already been billed to the payer, what type of billing services are you requiring for this RFP?

**Answer: Vendor would be required to bill identified insurances from day 0 and collect for 180 days from discharge date. Accounts placed at day 90 from discharge date would be collected and rebilled if necessary to resolve balance, collect payment.**

**35. Page 16 Section 3.4.**

If an emailed copy of the proposal is received by the Contract Manager prior to the due date, can the hard copy be received after the due date, as soon as possible?

**Answer- Yes**

Except as noted above, the balance of the RFP is unchanged. Due date for the proposal is unchanged and remains:

**November 24, 2021 2:00 PM, HST,**

