

**ADDENDUM II**

**DATE: October 22, 2021**

**FOR**

**REQUEST FOR PROPOSAL # 21127**

**COLLECTION AGENCY SERVICES**

**FOR**

**MU HEALTH CARE**

**DATED: SEPTEMBER 29, 2021**

**The above entitled specifications are modified as follows and except as set forth herein remain unchanged and in full force and effect:**

**QUESTIONS AND ANSWERS: The following questions and answers are provided as a matter of information to clarify issues raised about the RFP. All responses are noted below in red.**

**Vendor Clarification Questions**

1. At what age from discharge or patient balance designation will the accounts be placed?
  - For Hospital at 120 days
  - For UP from 90-121 days
2. Is there a backlog of inventory to be placed? **No**
3. Will supplier be allowed to keep/collect on found insurance accounts? **No**
4. What is the historical liquidation on the hospital accounts? The clinical accounts?
  - Hospital 5.27%
  - Physicians 8.36%
5. What is the historical volume and dollars for litigation accounts? **We don't litigate**
6. Is it the intent of MU Health Care select one supplier for this contract? **The contract is open for a single or multi-award.**
7. What is the timeline for the contract award? **Currently the contract award is estimated to be executed prior to end of the calendar year. This is tentative and may adjust based on internal priorities.**
8. What is the target "go-live" date? **60-90 days after award date**

9. What is the driving factor for issuing this RFP? **Contract term is up on the previous RFP executed.**
10. Who is the incumbent vendor? **There are two incumbent vendors. (The University will not be releasing the name of the incumbent vendors at this time.)**
11. With proper security measures in place and no data shored offshore, will MU Health Care allow accounts to be worked offshore? **No**
12. Is it MU Health Care desire to have supplier report accounts to the credit bureau? If so, at what age can the debt be reported to the credit bureaus? **Yes at 60 days**
13. Could we be awarded the contract since we are not in Missouri? **The Missouri based company is standard language in all the University contracts. You do not have to be a Missouri based company or a diverse supplier. This portion of the scoring only represents 10% of the total scoring. That 10% is allocated in the following manner: Buy Missouri Preference: 2%, Missouri Service-Disabled Veteran 3%, Supplier Diversity 5%.**
14. Question 38. *The Contractors working with hospital and physician accounts must provide staffing for approximately \$3,327,184 (average of 1,480 visits) in new hospital business each month and \$2,463,488 (average of 20,548 invoices) in new physician account business each month. This is total business. Can the Contractor comply? In our experience about 50% of hospital accounts are the same patient. Can you provide how many patients the 20,548 invoices represents and the 1,480 visits?*
- **40% were the same patient**
15. Do you have any expectations regarding performance or liquidation/recovery rates?
- **Hospital = 6%**
  - **Physicians = 9%**
16. Can you provide the incumbent vendors collection recovery rates? **We will not release that information.**
17. Can you provide the incumbent vendors current fee structure? **We will not release that information.**
18. What did the incumbent vendor(s) collect in total fees for the last 3 calendar years?
- **UP = \$1,105,610**
  - **HPA = \$1,700,400**
19. What did they collect for gross cash collection for the last 3 calendar years? **We will not release that information.**
20. Have all options to extend the current contract been exercised? **Yes**

21. If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up? **No**
22. To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)? **Require continental US Based**
23. What is the average balance of the accounts that will be placed?
- **Avg for Hospital = \$2248**
  - **Avg for Physicians = \$120**
24. Do you take any initial "internal" steps from a debt collection perspective, before the accounts are turned over to the agency? If yes, can you share these steps (i.e. calls, letters, etc.)?
- **Hospital: 4 statements plus early out vendor, televox calls on the balance owed**
  - **UP: 3 statements, televox calls on the balance owed**
25. Do you have any secondary (older accounts, one-time placements) to be placed? **No** This may include accounts that were previously worked by another agency (>12 months old). If yes,
- What is the estimated number of secondary accounts?
  - What is the estimated age of the secondary accounts?
  - What is the average account balance for the secondary placements?
26. What would be the frequency that you intend to forward accounts? (eg. monthly, weekly, quarterly, etc.) **Weekly**
27. Does the State intend for collections fees to be added to each account? **No**
28. In the event an agency has been actively working an account and a debtor who has been contacted by a collection agency pays you directly for any reason (what we call a direct pay); how do you intend to report those payments to the agency and pay the agreed upon fee? In other words, will you pay the agency in the event they receive the payment themselves?  
**Weekly payment file indicates all payments posted for both hospital and physician accounts.**
29. What are the most recent and least recent calendar years for accounts the State intends to place for collection as a result of this contract? **2021 accounts and forward**
30. Will the State be referring secondary placements to the chosen agency(s)? If yes, should the bidder submit a fee proposal for secondary placements? **No**
31. Will the winning agency be required to process all credit card payments? Or, only the ones where the debtor calls and pays over the phone? **Yes, process all credit card payments the agency receives.**
32. Of the accounts to be turned over to the contractor, how many are in versus out of state? Of these, how many are in/out of state individuals and in/out of state commercial businesses?
- **None of them are businesses**

- Less than 2% Out of state
33. Can we get a Word version of the RFP emailed? **Yes**
34. Pg. 26-Please define effort in “payment is unrelated to effort undertaken by contractor” **If the account is at the agency less than 10 days, the agency will not receive the fee.**
35. If the agency is to find insurance, is the account canceled back to the University? **Yes**
36. What is the average number and dollar of volume of accounts that are approved for Legal collection efforts on a monthly and annual basis? **Zero**
37. What is the current monthly and annual total gross collection amounts from accounts in Legal status? **None**
38. Is it the Universities current policy to allow for legal collections? Reason being is that we do not see any current litigation filed in the local courts on the Hospitals behalf in quite some time. **No**
39. What % of accounts are legal? **None**
40. Would the Hospital be open to a split fee for Regular vs. Legal Collections, or would it have to be a single, inclusive rate? **We do not send legal accounts to collections.**
41. If the University does allow for legal proceedings, do the admission documents include verbiage where the patient acknowledges that they will be responsible for court costs and attorney's fees? **n/a**
42. Mandatory question 43 states that each account should receive monthly balance reminder notices. This question is located before and after acknowledgements regarding payment plans.
- Does acknowledgement only pertain to accounts in a current payment plan, or does this apply to all accounts? This meaning each hospital account, in its 8-month life cycle, should receive 8 statements of account? **Yes, monthly statements are required**
  - Does this refer to only payment plans or does this include sending a statement to all open inventory over the entire course of the placement every 30 days. **All open inventory**
43. Mandatory question 32 states the Contractor shall remove all account requested to be closed by the University from the patient’s credit report. Notification will be mailed by the Contractor to

the patient and a carbon copy to the University, to advise that the debt has been closed and will be removed from the patient's credit report within 30 days. Can the Contractor comply?

- Is the University expecting that every patient receive notification that the debt has been removed from the credit report and if so, what is the expectation on the type of communication? **It is required when the patient requests it, but not on all accounts. A letter is the expected type of communication.**

44. The first bullet item designated to be included in Volume I of our response, indicates a 'Response to Information for Respondents and General Conditions.' Is it acceptable to provide a response that is simply a statement of our understanding of the information provided and ability to comply with (or any exceptions to) the General Conditions? Or is it intended that we recreate the text of the Information for Respondents and General Conditions within our proposal document, with line-item responses to each? **Review the General Terms and Conditions, redline any exceptions and return with your submission. Mandatory questions require confirmed compliance for each question.**
45. To accommodate remote working conditions and shipping complications, due to the ongoing pandemic, would MUHC consider waiving the hard-copy requirement for delivery, in favor of emailed delivery of responses? **Yes, the University will accept electronic submissions. All submissions should be submitted electronically to [rogersk@umsystem.edu](mailto:rogersk@umsystem.edu). All electronic submissions must be received by the opening date and time.**
46. Item #42, under Mandatory Requirements, requests our ability to comply with MUHC's Budget Policy (Attachment C), then instructs to 'Include current budget plan policy for Attachment C.' Please clarify what is being sought in this latter part. Are we being asked to provide a copy/description of our own budget policies? **Yes**
47. Item #44, under Mandatory Requirements, indicates that a copy of our PCI AOC must be provided with our proposal response; whereas item #48 indicates this must only be provided upon request. Please clarify if our AOC must be included as part of our proposal response. **Include a copy of your PCI AOC.**
48. If available, what is the breakdown of True Self Pay versus Balance After Insurance versus Balance After Medicare (i.e., # of Accounts, Total Dollars, etc.) **Information not available**
49. Do you have an Early Out or third party "pre-collect" process that will precede the primary phase?
- **Hospital Yes**
  - **Physicians No**
50. What is your in-house collection process? What are the specific collection steps (i.e. data mailers, phone calls, activity by balance, etc.) taken internally before accounts are referred over to the proposer? **See # 24**
51. What are the estimated monthly number of accounts by category? **See # 48**
- % of business BAI
  - % of business BAM
  - % of business TSP

52. What is the average age of placement for delinquent accounts by category? **Same for all categories, see # 1**
53. What is the minimum dollar balance for accounts to be placed for bad debt collections?
- **Physicians is \$10**
  - **Hospital is \$25**
54. Is there any backlog to be placed with an agency? **No**
55. Would residual inventory from the current agencies be reassigned with the new agencies? **No**
- **Would this be considered secondary placement? No**
56. Will there be any workflow standards requirements for this engagement?
- **Hospital Account can be kept for 18 months unless permission is given to keep longer. Permission based upon currently receiving payments.**
  - **Physician account can be kept for 24 months unless permission is given to keep longer. Permission based upon currently receiving payments.**
  - **Will there be a required number of letters sent per account? One statement per month**
57. Will agency receive contingency rate on insurance balance finds, or receive a flat insurance find rate? **No**
58. What is the current liquidation rate during the inventory period in the [primes/secondary/tertiary] tiers? **Please Clarify See #4**
- **% Liquidation via patient payments?**
  - **% Liquidation via insurance/government?**
59. What improvements would the proposer like to see from the vendor on this contract?  
**Improved collection rates with lower fees**
60. If the physicians AR will be included with hospital AR, are they on the same or different respective systems? **Provided separately and are on two different applications of the same system.**
61. Price Scheduling – This RFP asks for a Total Year 1 estimated cost – will the placements be all primary placements? Will you require a price schedule for Primary, Secondary and Legal Placements? This question requires overall pricing for the requested service in scope in dollar amounts and our price schedule is contingent on the placement type sent. **Pricing submission format has been updated. See Modification 3 listed at the top of Addendum 1.**
62. Under Mandatory Requirements, Item 22. Refers to limiting criteria 9.5 – can you please provide page number for this criteria? Exhibit A: Payment File
63. Several mandatory requirements involve suit requirements. Does the University have a written suit criteria? If so, can it be provided? **Legal is not a part of this contract**

64. Will the University allow commission for payments reported from Government payors (Medicare, Medicaid, Tricare, Crime Victims, etc) on bad debt accounts? If not, how are these identified? **No**
65. Does the University outsource any other billing and collection functions to a 3rd party vendor for patient responsible balances prior to bad debt? If so, what is the criteria for the assignment to Early Out and how long are accounts retained in Early Out?
- **Hospital uses an early out vendor – accounts are sent 30 days after first statement and kept if receiving payment/payment plan established. Otherwise returned at 120 days and then referred to collections.**
66. What are the University's expectations for the vendor related to responsiveness for the following:
- Inbound Patient Call Connects (live answers during business hours), Hold times, **Less than 2 minutes**
  - Message call back – **within 24 hours of receipt**
  - Inbound calls from University staff – **less than 2 minutes**
  - Response time for Emails received from University staff **1 business day**
  - Requests for information or reports from University staff **1 business day**
67. Is it the expectation of the University that accounts placed in bad debt will be sent a letter upon assignment? **yes**
68. Can payment posting rules be clarified – for example:
- A payment is received by the agency in the mail for \$25.00 and the debtor owes University Physicians 6 invoices for a total of \$500.00 and University Hospital has 2 visits for a total of \$1500.00. Each facility has the same date of service for the oldest service date. How should payment be applied between the facilities? **Payments/billing should be kept separate between Hospital and Physicians. Payments should be FIFO – oldest to newest.**
69. Can you estimate, for Hospital and Physicians, what percentage of assigned balances is reduced due to recalled accounts or adjustments/write-offs? **Less than 5%**
70. Do you currently capture mobile phone or email contact information for your customers? If so, do you have the consent to use this information for collection purposes? If no, would you consider capturing and getting this consent for future activities?
- **Yes we currently capture the data.**
  - **No, we currently do not have consent**
  - **Yes, we are actively working on receiving consent to use this data.**
71. It states that patients typically receive 3 monthly statements and outgoing calls. Is there a statement minimum for each account your organization will require? **One statement per month.**

72. Mandatory 43. The Contractor agrees to provide written notification of balance due on each account to the patient at a minimum of every 30 days. Can the Contractor comply? If our demographic/ behavioral analysis recommends segmented/ sloped effort via text, email etc. in lieu of written/ snail mail notification will that satisfy this requirement? **No**
73. Please describe your level of satisfaction with your current vendor? **MU Will not release information regarding our current vendors**
- Why did you choose to do business with them?
  - How long has the incumbent been providing the requested services?
  - What is the current recovery rate for the incumbent?
  - What functions, solutions, or functionality (i.e., omnichannel strategies) do you wish you had?
74. Do you anticipate being compliant with Regulation F guidelines by 11/30/2021? **This is the responsibility of the collection agency**
75. Regarding location requirement (pg 30.1) “The evaluation will be based upon the distance required to travel to the Respondent’s location for potential meetings and evaluation of work performed.” Please clarify if new pandemic protocols have shifted your goals regarding multiple on-site visits; as there is no travel time required for virtual, on-demand, visits **Yes, we allow virtual visits**
76. What are the fees/ contractual obligations of Single-Use Account (SUA) credit card program for payment of invoices? **Collection agency responsible for all credit card fees**
77. Do you utilize the Epic SBO platform? **No** Will placements originate from any other platforms? **Athena IDX**
78. Will we have access to the Hospital Health Information System? **Yes, inquiry only – for only the A/R**
79. What is the Hospital Health Information System used? **Athena IDX**
80. Please confirm the 100-page limit includes all attachments and requested information. **The 100-page limit will include both Volume 1 and Volume 2 responses and reference appendix for attachments. Please create a separate appendix for resumes, collection forms, letters, report samples, IT Questionnaire and BAA review which will not count toward to 100-page limit.**
81. Regarding “REFERENCES & WORK HISTORY WITH UNIVERSITY OF MISSOURI” Question 1, as an agency that works with over 400 hospitals, are you requesting the list of 400+ or only the entities associated “with” University of Missouri? **We want three references from facilities that you work with are of similar size and volume as MU**
82. Will the answers to questions submitted be provided to all bidding organizations? **Yes**



83. Mandatory #44- since there is no allowance for a credit card fee, may we use the University's credit card processor? **No**
84. Does the University intend to request a Best and Final Offer from selected vendor(s) prior to contract award? **At this time, it is unknown if a Best and Final Offer will be requested.**
85. Will the University require an onsite vendor evaluation or a vendor video presentation prior to contract award? **Vendor may be required to provide a virtual demo/presentation to the RFP review team.**
86. As it relates to Section 7. Evaluation and Criteria for Award of Proposal, please describe the specific evaluation criteria and weighted points for each. **At this time the weighted points have not been established for each of the sections listed below.**
- **Desirable Criteria**
    - Collection Procedures
    - Organizational Stability
    - Reference & Work History with the University of Missouri
    - Location
    - Regulatory and Compliance
    - Technology, Security and Automation
  - **Diversity Participation/Missouri Business: 10%**
    - Supplier Diversity participation: 5%
    - Missouri Service Disabled Veteran: 3%
    - Buy Missouri Preference: 2%
  - **Presentations & Financials**
    - Virtual Presentation/Demo:
    - Financials:
87. Does the University currently have a Secondary Bad Debt collection program? **No** If so, please provide the names of the current Secondary Bad Debt vendor(s).
88. Please provide a current Aged Trial Balance (ATB) report to assist in evaluating current inventory. **We will not be releasing this information.**
89. What is the current annual total gross collection amounts on your Primary Bad Debt inventory? **We will not be releasing this information.**
90. Will the University allow a vendor to charge a fee on found insurance? **No**
91. Is there a maximum amount of letters that will be sent to patients? **One statement per month for as long as agency holds account.**
92. Mandatory Criteria, Page 28, Section 31, Credit Reporting: Note that the Attorneys General of 32 states entered into compliance agreements with all three major consumer credit reporting

agencies (“credit bureaus”), Equifax, Experian and TransUnion, which called for significant changes to the credit reporting process in 2016. One significant change is that any debt that did not arise from a contract or agreement to pay cannot be reported to the credit bureaus. All private collection agencies are required to comply with this change. An additional requirement, effective in September 2017, limits reportable accounts to those with a Social Security Number (SSN) and/or Date of Birth (DOB) on file. Accounts without that information cannot be reported. Given that credit reporting is a highly scrutinized and litigated area, will the University require Contractor to report eligible accounts to the credit bureaus? **Yes**

93. Page 34, Section 1(i), FDCPA Compliance: Given the extensive changes and requirements that will go into effect on November 30, 2021 as a result of the CFPB’s issuance of the final debt collection rule (Regulation F), will the University be able to provide the Contractor with the itemization data points that are required to be included in the initial notice to patients? Those data points include last statement date, charge-off date (if applicable), last payment date, itemized interest, fees, and charges. **Yes**
94. Will any accounts referred be out-of-statute/time barred by the statute of limitation? **No**
95. How often are accounts litigated and what is the expectation as to number of lawsuits initiated by the Contractor? **No litigation**
96. Mandatory 37. If the University request an account to be cancelled that is in legal status and court cost and fees have been paid, will the University reimburse those fees if the recall of the account was due to no fault of the contractor? **No**
97. Are separate medical visits/procedures for the same patient submitted under the same account number? **They are under the same Medical Record #, but different account (visit or invoice) #**
98. Do you provide dates of service in the account placement file? **yes**
99. What is the average number of invoices per hospital collections account? **Please Clarify**
100. What is the average number of invoices per physician collections account? **Please Clarify**
101. What percentage of guarantors reside in states other than Missouri? **Less than 2%**
102. Do you provide CPT codes in the account placement file? **No**
103. Please describe any vendor blanket compromise settlement provisions. **None**
104. Would MU Health allow for work to occur outside of the United States such as Mexico or The Philippines? **No**
105. What was the gross recovery rate in 2020 for hospital accounts? **Will not provide this information**

106. What was the gross recovery rate in 2020 for physician accounts? **Will not provide this information**
107. On hospital accounts what has been the average batch liquidation rate after 12 months of collections activity? **Not Available**
108. On physician accounts what has been the average batch liquidation rate after 12 months of collections activity? **Not Available**
109. What billing servicer do you utilize? **Athena IDX**
110. Have all cases been fully adjudicated by the time of placement? **Yes**
111. If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up? **No**
112. What is your case management/accounting software system of record? **N/A**
113. Who is your electronic payment/credit card processing vendor? **N/A**
114. What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs? **N/A**
115. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred? **If notified by the family of responsible party**
116. How do your current processes and/or vendor relationship(s) handle the death of a responsible party? **Notify contacts provided to agency**
117. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future? **Yes, we have a current process, these are not referred to collections.**
118. Do you currently search and file probated estate claims? **Yes** Have you considered an automated tool to identify and file probated estate claims? **No**