

**ADDENDUM III**

**DATE: January 03, 2023**

**FOR**

**REQUEST FOR PROPOSAL # 23053**

**EARLY OUT INSURANCE SMALL BALANCE SERVICES**

**DATED: NOVEMBER 14, 2022**

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

**Addendum to RFP documentation**

**MODIFICATION:**

**Opening date change on the Request for Proposal #23053**

- **Original Date/Time: December 14, 2022 @ 12:00 PM CDT**
- **New Date/Time: December 22, 2022 @ 12:00 PM CDT**
- **2<sup>nd</sup> Modified Date/Time: January 12, 2023 @ 12:00 PM CDT**

**MODIFICATION 2:**

- All Request for Proposals must be submitted electronically via email to Kyla Rogers [rogersk@umsystem.edu](mailto:rogersk@umsystem.edu) . Subject Line: **Request for Proposal #23053 for Early Out Insurance Small Balance Service.**

**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. How many vendors are you seeking to award a contract?  
**The RFP has been drafted for a multi award at the discretion of the University. That decision will not be made until all proposals have been reviewed and scored.**
2. The references requirement on page 23 state, "Provide a minimum of three (3) client references, preferably one (2) hospital, one, and one (1) previous client." It appears that some text is missing. Please clarify your references requirements.  
**Provide a minimum of three (3) client references, preferably two (2) hospital, and one (1) previous client that can be non-health care related. Include contact names, telephone numbers, and physical addresses.**

3. Why has this bid been released at this time?  
New service line to be defined and contracted.
4. When is the anticipated award and start date for the contract?  
Anticipate award by mid-March 2023. Start date would be no more than 120 days after award date. This is subject to change.
5. Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?  
Pricing Proposal page can be found on page 26 of the RFP. The collection fee(s) shall be a percentage of the total amount collected.
6. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable. Satisfied with current vendor.
7. Has the current contract gone full term? No current contract in place, RFP is to establish contract.
8. Have all options to extend the current contract been exercised? See answer to question 7.
9. Who is the incumbent, and how long has the incumbent been providing the requested services? 2 Years
10. How are fees currently being billed by any incumbent(s), by category, and at what rates? Contingency fee on amount collected.
11. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)? \$365,934.15 last quarter.
12. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also? Primary placements
13. What collection attempts are performed or will be performed internally prior to placement? None
14. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? No, this is insurance follow up, not self pay

15. What is the total dollar value of accounts available for placement now by category, including any backlog? **28,815 accounts for \$20.9 Million.**

Discharge Aging ▾	Count of Visit	Sum of Clm Bal
<0 or (blank)		
0-29	1,994	\$ 1,458,344.82
30-59	7,732	\$ 4,065,571.82
60-89	5,061	\$ 3,445,385.76
90-119	5,122	\$ 3,386,744.61
120-149	3,296	\$ 2,386,246.40
150-179	1,747	\$ 1,752,388.09
180-209	924	\$ 1,026,641.90
210-239	922	\$ 1,103,244.15
240-269	583	\$ 778,323.80
270-299	593	\$ 700,679.82
300-329	461	\$ 484,318.53
330-359	380	\$ 340,970.92
<b>Grand Total</b>	<b>28,815</b>	<b>\$ 20,928,860.62</b>

16. What is the total number of accounts available for placement now by category, including any backlog? **See question 15**

17. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **See question 15**

18. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? **24%**

19. What billing servicer do you utilize? **SSI**

20. Have all cases been fully adjudicated by the time of placement? **No**

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? **Current vendor will keep inventory and wind it down.**

22. What is your case management/accounting software system of record? **Case Management is ECIN AllScripts and accounting is Athena IDX**

23. Who is your electronic payment/credit card processing vendor? **Not applicable, no self-pay balances are included in RFP, only insurance balances.**

24. 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? **Provide procurement with details on additional service offerings that you can provide to be shared with the business team.**

25. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred? **Not applicable, this is insurance follow up not self pay follow up.**
26. How do your current processes and/or vendor relationship(s) handle the death of a responsible party? **Not applicable, this is insurance follow up not self pay follow up.**
27. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future? **Not applicable, this is insurance follow up not self pay follow up.**
28. Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims? **Not applicable, this is insurance follow up not self pay follow up.**
29. Can you please indicate what inbound and outbound contact methods, beyond phone calls or letters (such as email and text), would be permitted by the scope of work? **Not applicable, this is insurance follow up not self pay follow up.**
30. Will you allow offshore support? **The team is open to review submissions for offshore support, but it is desired onshore servicing.**
31. What is your host system? **Registration system is Cerner Revenue Cycle and Patient Accounting System is Athena IDX**
32. What is your billing system? **Athena IDX**
33. What are your top denials reasons? **Documentation requests, Eligibility and Authorizations.**
34. What is the average balance? **\$726.00**
35. What is your gross to net %? **Net % is 24**
36. What is your recovery rate? **25%**
37. What is your small balance write off? **\$24.99**
38. Does it include hospital and physician accounts (i.e., from your five hospitals and 58 clinics)? **5 Hospital system. No professional accounts included.**
39. Can you confirm that clinical accounts are included? **We provide medical services, and all encounters are clinical.**

40. Should the **Authorized Respondent Representation** form be included as part of the Pricing Form (i.e., the second page)? If not, should it be included in **Volume I**? **Include in Volume 2**
41. Should **Attachment B: Supplier Registration Information** be included in **Volume II** with **Attachment A. Supplier Diversity Participation** form? **Include both Attachment A & B in Volume 2.**
42. Because the following forms do not say they are required, as some of the other forms do, please confirm that they are not required as part of our response. If they are, please clarify which ones are required.
- **Attachment C:** PCI 3<sup>rd</sup> Party Service Provider Check List
  - **Attachment D:** UM System IdP Integration Questionnaire
  - **Attachment E:** Data Breach Insurance Addendum
- All the attachments referenced above should be executed and included in the Volume 2 submission.**
43. With the exceptions of the attachments/forms and the Excel spreadsheet, can we use our own template to respond, as long as we follow the same numbering as the RFP (e.g., Mandatory Criteria and Desirable Criteria)? **Yes**
44. **Volume I** mentions that it should include **Response to Information for Respondents and General Conditions**. What part of the RFP is this referring to? There are no sections with this title. **Response to Information is your response to RFP and redline any exceptions that your organization will take to the General Terms and Conditions on pages 4-13.**
45. Should the **Information Security Requirements** spreadsheet be provided as an Excel document with the **Volume I** email? **Include in Volume 2 as excel document or pdf.**
46. Are vendors permitted to work directly out of the University of Missouri's patient accounting system? **Yes**
47. Does the scope include any patient collections? If self-pay is included, what is the scope of work for self-pay? **Self Pay is not included.**
48. Does PCI compliance apply for this opportunity if there is no patient collections? **Self Pay is not included. PCI does not apply.**
49. Will the University provide an ATB look of the expected volume (aging by major payer group)? **Yes – see question 15 for aging ATB**

Payor Group	Count of Visit	Sum of Clm Bal
Aetna	267	\$ 359,281.71
Anthem BCBS	1,831	\$ 2,940,315.98
Cigna	597	\$ 515,518.79
Commercial	149	\$ 51,796.01
Managed Medicaid	17,970	\$ 9,509,736.81
Managed Medicare	1,880	\$ 1,573,225.45
Medicaid	2,905	\$ 2,198,470.69
Medicare	770	\$ 676,299.43
Other Commercial	731	\$ 794,751.40
Tricare for Life	39	\$ 13,107.53
UHC	1,676	\$ 2,296,356.82
(blank)		
<b>Grand Total</b>	<b>28,815</b>	<b>\$ 20,928,860.62</b>

50. What is the age of placement on a go-forward basis? **60-90 Days from discharge**
51. Is it the intention to award one vendor or multiple vendors? **Multiple**
52. Please provide clarification on the 45-day parameter as described in the Mandatory Requirement #8. (“...In the event of a debt being reduced by University’s cancellation, Contractor’s fee shall apply only to the amount collected within 45 days of cancel date and not to the amount of the reduction and Contractor shall submit a separate statement to the University for Payment.”) **It is mandatory that the vendor to confirm compliance to the following statement “It is mandatory that the respondent shall not charge a fee if payment is received within 10 days of placement”. The second statement shall be deleted.**
53. Can you please provide last 12 months ATB file for us to accurately price? **Please see question 15 and question 49**
54. Will you be able to provide your current payor mix? **Yes**
55. Will the vendor be responsible for submitting claims to payors? **No**
56. What are the total number of physicians in scope within this opportunity? **Physician claims not included, only hospital.**
57. Does the \$14.0M of monthly placements represent gross charges? If so, please provide the average reimbursement rate for this population. **Gross, see question 69**
58. At what age will the accounts be placed? Will that age be based on discharge or bill date? **60-90 Days from discharge**
59. Are there any other criteria which will impact when an account will be placed? **Accounts are placed as follows: Balance is \$10k or less and there is a posted rejection from the payer, placed on a weekly basis after rejection posted. Or if balance is \$10k or less and there is no response**

from payer the account will be placed at 90 days post discharge for all payers, UHC will be placed at 60 days.

60. Which payor categories will be placed? **Commercial, Medicare, Medicaid, Managed Medicaid and Managed Medicare**
61. Is there an incumbent vendor? **Yes**
62. How many vendors will be awarded this business? **The RFP has been drafted with a multi award option. At this time, it has not been decided. That decision will be made after review of all submissions.**
63. Will we get daily file placements, or what will be the timing of the file placements? **Weekly**
64. What is the age of the low/small balance third party placement? **\$10,000**
65. Would a detailed ATB upload be available for bidders? **See question 15 and 49**
66. Is offshore or a blend of offshore/onshore allowable? **See response to #30**
67. Do you have a general timeline of events for this RFP past December 14<sup>th</sup>? **See response to #4. This is subject to change based on priorities.**
68. List all payers intended to place for the Small Balance Insurance Program. **See question 60**
69. Can MUHC provide expected reimbursement percentages by payer mix? **Commercial payers 40.7%, Medicaid and Managed Medicaid 20%, Medicare and Managed Medicare 19.1%,**
70. Confirm age of placement from *initial* bill date (i.e., 30, 45, 60 etc.) **see question 59**
71. Will there be backlog accounts placed? If so, include the number and dollar amount of accounts 'by bucket' and 'by payer'. **See question 15 and 49**
72. Is there a current vendor working the accounts intended for placement? If so, please describe treatment incurred on accounts to be placed. **Yes current vendor, current vendor will keep accounts they have, accounts are currently being followed up on 30 day intervals if balance is greater than 1,000 and 60 day intervals if balance is less than 1,000**
73. Is the bid for one primary vendor or is there any type of vendor split? If multiple, please explain split. **Multit vendor. Split to be decided, most likely alpha.**
74. Do Medicare and Medicaid advantage plan placement volumes fall under payers of Medicare & Medicaid? **No, see question 49**
75. What liquidation rates are currently being achieved for assigned payers? **See question 69**
76. Will vendor have access to pull any supporting documentation or medical records to justify services themselves or have to request from hospital staff? **Vendor will have access.**

77. Is there a desired or required Tier 2 diversity spend for this engagement? **Tier2 spend is always encouraged, but not mandatory for consideration for award.**
78. Are on-site resources required? **No**
79. What are your pain points? What problem(s) do you want a new vendor to solve? **No pain points currently. Trying to reduce AR aging and then maintain AR aging to the following goals: AR greater than 90 days from discharge less than 20% of total inventory, AR aging greater than 180 days from discharge less than 5% of total inventory, AR aging greater than 365 days from discharge less than 2% of total inventory.**
80. Instructions for Volume I, requests, in addition to addressing the Mandatory and Desirable Criteria, that we provide “response to Information for Respondents and General Conditions.” Would a simple declaration statement that we have read and understand the information and can comply with the conditions suffice, or are you looking for more detailed responses to this general information? **See response to #44**
81. Please clarify what information is being sought in the following request: “ Provide inventory reports that identify the number of accounts currently being services as of October 1, 2022. At a minimum, the report shall include the number of accounts, total amount placed for collection, and the total amount due.” Is MUHC looking for us to provide total EBO inventory, which would include insurance follow-up and self-pay recovery stats? **Desirable 1 (C) no response is required.**
82. Will remote printing (e.g., UB-04s, medical records, etc.) at vendor’s processing center(s) be permitted/supported? **Remote printing at Vendor office can be permitted.**
83. What is the target placement date? **See response to #4. This is subject to change based on priorities.**
84. Are you able to provide an ATB based on payer and age of the accounts? **Please see questions 15 and 49**
85. What is the average age of the initial placement? **See question 58 and 79**
86. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? **99% of accounts resolved and average 25.2% recovery rate.**
87. What is your expected liquidity (or cash realization) for the assigned portfolio of accounts? **See question 69**
88. How are fees currently being billed by any incumbent(s), by category, and at what rates? **Contingency fee 6.3%**
89. Is there an expectation of non-revenue generating efforts to bring all account balances to zero or self-pay? **Yes. Self-pay is not included.**



90. Do you use a contract management system that calculates expected reimbursement and provides access to contract rates and calculations? **Yes but out of scope for this project.**
91. What KPIs are expected? **See question 72 and 79**
92. How will the success of the program be measured? **See question 72 and 79**
93. Will there be any system restraints to the vendor such as posting adjustments? **Yes, MUHC will post adjustments.**
94. Are vendor staff members required to participate in your training classes prior to receiving a user ID? **Yes**
95. What is the current MUHC policy for continuous follow-up? **See question 72 and 79**
96. What is the small balance adjustment policy? **System will perform small balance adjustments based on criteria. Small balance adjustment is \$24.99 and less.**
97. Are there any reporting requirements? If so, please define. **Yes reporting on KPI's outlined in question 72 and 79. Also reports on placement volumes and \$\$'s, cash collections and**
98. Please verify what EMR system MUHC uses? **Cerner**
99. Does MUHC use any BOT technology for follow-up once claim has been billed? If so, please explain types (e.g., claims status inquiry 14-days after billed date to ensure claims received and in paid, pending, or in motion status). **Yes, we use Olive AI, it starts statusing on claims 5 days after billed until paid or denied.**
100. Can you please confirm the current liquidation of the portfolio? **See question 69.**
101. Can you confirm the number of letters and phone calls required? **Not applicable, this is insurance follow up not self-pay**
102. Will FTE price be acceptable instead of contingency? **Contingency pricing is the way that the team has requested for all proposals to be submitted for review.**