



STATE OF TENNESSEE  
ATTORNEY GENERAL'S OFFICE

REQUEST FOR INFORMATION  
FOR  
MEDICAL CLAIMS AUDIT SERVICES

RFI # 30301-11223  
September 17, 2020

**1. STATEMENT OF PURPOSE:**

The State of Tennessee, Attorney General's Office issues this Request for Information ("RFI") for the purpose of enhancing the oversight of the state employee health plan by soliciting information to determine industry practice for medical claim audits for large self-funded plans. For purposes of this RFI, the term "audit" refers to medical and behavioral health claims audits. The Department of Finance and Administration, Division of Benefits Administration manages benefits for three self-insured risk pools serving state, higher education, local education and local government employees, retirees and their dependents. For this audit, we are focusing on state and higher education employees, retirees and their dependents. The Plans have two medical Third Party Administrators (TPA) and one behavioral health TPA. Therefore, contractors with experience auditing self-funded plans of similar size and complexity is desirable. We appreciate your input and participation in this process.

The information provided will assist the State in comparing best in class services and expertise in the health care claims audit industry. The State is **NOT** requesting specific pricing for any components or services addressed in this RFI. Instead, the State is seeking price ranges and structures for programs in order determine approximately, what these types of programs sought by the State will cost. **DO NOT provide specific pricing amounts in response to this RFI.** Should responses from this RFI generate additional questions from the State all contractors responding to this request will receive the additional questions during the webinar meetings.

**2. BACKGROUND:**

The Department of Finance and Administration's, Division of Benefits Administration, manages health insurance, dental, pharmacy, life, vision, flexible benefits and Health Savings Accounts for three separate Plans with coordinated benefits and governing bodies charged with the responsibilities of providing benefits to the Plans. The focus of this RFI is the State Plan, which provides benefits to state and higher education employees, retirees and Consolidated Omnibus Budget Reconciliation Act (COBRA) participants and their dependents. The State Plan currently provides self-funded medical coverage to approximately 146,000 total lives through three health plan benefit options: Premier PPO, Standard PPO, and a Consumer Driven Health Plan (CDHP)

paired with a health savings account. For calendar year 2019, there were over 2,107,000 medical claims paid for the State Plan.

Improper procedure coding, billing errors, and payments inconsistent with the Plan benefits and - policies result in improper payments to providers do occur in the industry. The State seeks services that include a comprehensive and objective review of the claims processed by the TPAs to determine if claims were adjudicated and paid according to contractual standards between the TPA and the provider, Plan benefits and policies, and industry standards, such as those associated with cost containment and refund procedures.

**3. COMMUNICATIONS:**

3.1. Please submit your response to this RFI to:

Will Harmon  
 Department of General Services, CPO  
 312 Rosa L Parks Avenue, 3rd Floor Tennessee Tower  
 Nashville TN 37243-1102  
 615-741-3285  
 will.harmon@tn.gov

3.2. Please feel free to contact the Central Procurement Office with any questions regarding this RFI. The main point of contact will be:

Will Harmon  
 Department of General Services, CPO  
 312 Rosa L Parks Avenue, 3rd Floor Tennessee Tower  
 Nashville TN 37243-1102  
 615-741-3285  
 will.harmon@tn.gov

3.3. Please reference RFI # 30301-11223 with all communications to this RFI.

**4. RFI SCHEDULE OF EVENTS:**

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFI Issued		September 17, 2020
2.	RFI Response Deadline	2 p.m.	October 1, 2020
3.	Scheduling of separate webinar meetings with each respondent		October 5, 2020
4.	Webinar meetings	9 a.m. to 4 p.m.	October 7-9, 2020

**5. GENERAL INFORMATION:**

- 5.1. Please note that responding to this RFI is not a prerequisite for responding to any future solicitations related to this project and a response to this RFI will not create any contract rights. Responses to this RFI will become property of the State.
  
- 5.2. The information gathered during this RFI is part of an ongoing procurement. In order to prevent an unfair advantage among potential respondents, the RFI responses will not be available until after the completion of evaluation of any responses, proposals, or bids resulting from a Request for Qualifications, Request for Proposals, Invitation to Bid or other procurement method. In the event that the state chooses not to go further in the procurement process and responses are never evaluated, the responses to the procurement including the responses to the RFI, will be considered confidential by the State.
  
- 5.3. The State will not pay for any costs associated with responding to this RFI.

**6. INFORMATIONAL FORMS:**

The State is requesting the following information from all interested parties. Please fill out the following forms:

RFI #30301-11223

**TECHNICAL INFORMATIONAL FORM**

1. RESPONDENT LEGAL ENTITY NAME:

2. RESPONDENT CONTACT PERSON:

Name, Title:

Address:

Phone Number:

Email:

3. Please provide a brief description of your company's experience providing the services described herein.

4. Describe your three largest clients including the organization type, audit services offered, scope of the engagement, time frame for the audit and the outcomes experienced.

5. Please list in detail the specific types of audits your company provides and recommends for our plan of our size and scope. Please include audit scope details such as number of years to review, any specific types of claims to review, etc.

6. Please list in detail the specific audit procedures your company performs and recommends for our Plan. Please include any planning activities, algorithms, analytical procedures, or other testing methods used.

7. What are the expectations from the client during the audit engagement?

8. What are the expectations from the TPA(s) during the audit engagement?

9. Please describe in detail each phase of the audit engagement and the expected client and TPA interaction.

10. Please describe the medical claims testing approach your company would take for this audit engagement. If your approach includes sampling of claims, please include any methodology for choosing the claims to sample, sample size, etc.

11. What data elements are required to perform the audit and how does your company obtain the data?

12. What is the expected time frame from contract signing to final report for the audit engagement?

13. From your three largest clients, what percentage of identified potential improper payments were actually validated as improper payments? What percentage were actually collected? Please list by number of claims as well as dollar amounts.

14. When claims are identified as having potential improper payments, how does your company verify these are indeed improper payments?

15. How does your company report potential improper payments to both the TPA and the client? What data elements does your company report?

16. Once the potential improper payments are verified as improper payments, what steps does your company perform to facilitate recoupment?

17. Has your company conducted repeat audits with the same client? If so, have the findings/recoupment increased, decreased or stayed about the same?

<b>COST INFORMATIONAL FORM</b>
1. Describe what pricing structure you typically utilize for similar audits (e.g., per hour, per audit, contingency fee based on collection, etc.):
2. Describe the typical price range for similar audits (assume one plan year with over 2,000,000 claims and 150,000 members per year):
3. Does your cost increase if the Plan has more than one TPA? If so, how does the cost vary?

<b>ADDITIONAL CONSIDERATIONS</b>
1. Please provide input on alternative approaches or additional things to consider that might benefit the State: