SOUTH CAROLINA
Healthy Connections
MEDICAID

Nikki Haley GOVERNOR
Anthony Keck DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

Request for Information (RFI)
July 23, 2014
Instructions for Responses

1. The State of South Carolina as represented by a cross-agency working group comprised of the Attorney General's Office, the Department of Social Services, the Department of Health and Environment Control, and the Department of Health and Human Services requests responses to this RFI by ***Thursday, August 14, 2014***. Please send your response via email to <fbo@scdhhs.gov>.

2. The State is holding ***Tuesday, August 5, 2014*** for potential in-person meetings with RFI respondents. Due to the nature of this cross-agency working group this date was selected to meet the greatest availability. The State recognizes this date is prior to the requested submission date. Any potential respondents that wish to meet with the State regarding this RFI must submit their response by ***Friday, August 1, 2014*** and should plan to be available in Columbia, South Carolina on Tuesday, August 5, 2014. The State will notify respondents of its interest in meeting with the respondent as soon as practical after receiving their response.

3. The State may copy your response to other storage media to facilitate review by its staff.

4. Vendors may mark portions of their responses as confidential in accordance with South Carolina Code of Laws and Regulations. Guidance on the proper marking of your response can be found at:

   http://www.mmo.sc.gov/MMO/webfiles/MMO_Legal/Documents/FOIA_page.pdf

   While the referenced document is intended for vendor bids, the general guidance and references to statutes and rules are relevant to an RFI response. If you submit a response containing confidential material, ***please submit a redacted version*** that the State can use to respond to Freedom of Information Act requests.

5. This RFI is issued solely for market research, planning, and informational purposes and is not to be construed as a commitment by the State to acquire any product or service or to enter into a contractual agreement.

6. Any costs incurred by a party in preparing or submitting information in response to the RFI are the sole responsibility of the submitting party.

South Carolina Cross-Agency Data Matching RFI #1

1. Purpose

The South Carolina Attorney General's Office ("AG") in partnership with the Department of Social Services ("DSS"), the Department of Health and Environment Control ("DHEC") and the Department of Health and Human Services ("DHHS"), herein collectively referred to as the "State", is seeking information on technologies and related services that can be used to advance the State's effort in data matching for purposes of identifying and reducing potential fraud and abuse in the programs managed and operated by DSS, DHEC and DHHS. Services to be provided may include, but are not limited to, software licensing, software implementation and operations services, professional consulting services and data analytics services. The State is seeking input in its development of a broad strategy to improve its program integrity efforts through data matching and cross-agency coordination.

The State encourages vendors and other interested parties to provide feedback in response to this RFI or any part thereof.

This document is not an RFP. The State is not seeking proposals at this time.

2. Background

The State believes that robust data matching and cross-agency coordination are essential to strengthening the State's program integrity across a number of government programs in order to identify and address potential fraud and abuse. Through its role as the State's Chief Prosecutor and Legal Officer, the South Carolina Attorney General's office works collaboratively with State agencies to identify potential abuse and misuse of State programs. Specifically, the AG works with DHHS and the Medicaid program through the State's federally supported Medicaid Fraud Control Unit (MFCU) focused on Medicaid provider fraud and the State's Medicaid recipient fraud unit. The AG also works with DSS regarding fraud in the SNAP and TANF programs, and supports DHEC in its enforcement of the South Carolina Controlled Substances Act. Like most states, providers and recipients participate in several of these programs and the State believes that it is in its best interest to work in a coordinated manner and with data across these programs in order to improve its identification of potential fraud and abuse in these programs by service providers and recipients.

DHHS is the single state agency responsible for the administration in South Carolina of the State's Healthy Connections program for Medical under Title XIX of the Social Security Act and makes all final decisions and determinations regarding the administration of the Medicaid program. DHHS maintains a robust program integrity unit to investigate potential fraud and coordinates with the South Carolina Medicaid Fraud Control Unit (MFCU) that operates as a separate unit within the South Carolina Attorney General's

Office to investigate and prosecute individuals and companies responsible for improper or fraudulent Medicaid billing schemes. MFCU utilizes a team-based approach to identify and investigate frauds committed by hospitals, nursing homes, pharmacies, doctors, dentists, nurses, and other health care entities which bill and defraud the Medicaid Program. The unit also investigates and prosecutes neglect and abuse of patients in health care facilities including nursing homes and residential care facilities. Similarly, the Attorney General's Medicaid Recipient Fraud Unit works with DHHS to investigate and prosecute Medicaid applicants or recipients suspected of fraud or abuse of the program.

DSS administers the State's Supplemental Nutrition Assistance Program (SNAP) working with the U.S. Department of Agriculture (USDA) and the Temporary Assistance for Needy Families (TANF), known as Family Independence (FI), program.

DHEC maintains the state's vital records including birth, death and marriage/divorce records. It also maintains critical public health data including the state's immunization registry and administers the state's Women, Infants, and Children (WIC Supplemental Nutrition) program. Furthermore, DHEC's Bureau of Drug Control (BDC) is responsible for overseeing efforts that decrease the diversion of controlled substances from legal sources by maintaining an effective system for monitoring the distribution and use of controlled substances in the state. The BDC's systems allow registered individuals and entities to possess, dispense and distribute controlled substances. The BDC also inspects and audits registrants and investigates losses, thefts and diversions of controlled substances from registrants.

The State understands that there are a variety of approaches to improve its fraud and abuse and many existing and emerging technologies, tools and methods to identify potential fraud and abuse based on analysis of the State's data as well as through the addition of other data sets. To that end, the State is working to determine how best to improve its fraud and abuse efforts through cross-agency data matching and the implementation of advanced and predictive analytics.

3. Submission Request
Given the breadth of approaches to improving fraud and abuse across government programs that may be available to the State, a wide variety of responses is expected and welcomed.

The State is requesting answers to the specific items below. Respondents are asked to format and organize their responses based on the numbering below so that the State can easily review the responses. The State has also provided an opportunity to respondents to offer additional comments and considerations as part of item V. Respondents shall not provide general marketing material or other generic information unless it specifically supports one or more of the items. Respondents may respond to as many or as few items as they prefer.

A. Briefly describe your organization and the products and services that you provide that would benefit the State's fraud and abuse efforts.

B. Briefly describe your experience and the use of your products and services for similar efforts for other government (state and/or federal efforts). Please be specific (inclusion of a case study or similar explanation) of the problem, solution, approach, results, and implementation timeline.

C. The State expects that cross-agency data matching efforts will drive a more effective approach to fraud and abuse identification. How do you expect your products and services would meet these expectations and in what ways (be specific)?

D. The State recognizes that one key to identifying potential fraud and abuse is based on establishing a baseline of activity. How does your approach establish that baseline? How does it leverage information from other programs in other states or federally to help establish a baseline? Describe your approach both within a program as well as across programs to establishing baselines and tracking suspect behavior(s) against the baseline.

E. The State expects respondents to bring material "domain-expertise" in the programs and related programmatic data. Describe your organization's domain expertise and how it will be used to achieve the State's goals and where possible please include example reports and/or dashboards that demonstrate this expertise.

F. The State understands that there are variety of ways that the State can work with a vendor to improve its fraud and abuse identification. For example, some vendors promote a very strong solution as a service where the vendor does most of the work and provides the State potential cases to investigate further, while others provide technologies, implementation and technical consulting services and then the state owns and operates the solutions over the long term (and everything in-between). What approach would you propose the State consider and why?

G. When implementing new technologies and systems, the State recognizes the need to increase the skills and expertise of its existing staff that work with fraud and abuse identification and investigation. Describe your organization's approach to recruiting, training and retaining State staff.

H. The State expects that improved success in fraud and abuse identification can support additional staff through a measurable return on investment (ROI). Describe how you could assist the State in developing an ROI assessment and if possible, provide examples of similar ROIs using your solution/approach.

I. The State expects that vendors have developed best practices and processes for both the use of their tools/systems but also in working to identify, investigate and ultimately prosecute a case. Describe how your approach and systems will assist the State in its lifecycle case management?

J. Along with the tools and technologies for the data matching and identification of potential fraud and abuse, what tools does your approach have to assist the state in the lifecycle of fraud case management? Does your approach use the results of successful fraud cases to improve future identification of potential cases (i.e., is it a learning system?) and how does it use this information?

K. The State desires to find an approach that makes effective use of modern technologies and is designed to accommodate technology changes and changes in the data analytics in coming years. This includes not only adapting to changes in technology but also to scale horizontally and vertically to meet future needs that may not be known today. Describe how your technology meets these needs today and into the future.

L. Modern technologies for data matching include both the development of "large" data warehouse and the use of tools that create a "virtual" data warehouse that accesses the data from where it currently exists/resides. What are the benefits and challenges with each approach and what model is your approach based on?

M. The State understands that there are benefits and challenges to hosting its own solution for the technology versus having a vendor host the solution. Describe how your approach addresses system/solution hosting and why do you feel this approach is best for the State?

N. What logistical hurdles would a cross-agency data matching strategy face in integrating data from multiple data sources? Given the breadth of data, potential data cleanliness issues, age of source data systems and tools what technical challenges would there be in implementing this solution and how has your organization overcome similar challenges?

O. What data use hurdles would a cross-agency data matching strategy face, particularly with regard to federal limits to the sharing of specific program data? How have you addressed and/or assisted state in overcoming these hurdles?

P. The State also may be able to utilize other agency data, federal data, and/or publicly available (free or licensed) data. Please provide an overview and associated rationale for additional data sets that you recommend the State consider integrating into this project and solution.

Q. The State already has a number of efforts in place to identify and address fraud and abuse in the programs including both in-house and out-sourced efforts. For

example, in the Medicaid program there is an existing program integrity program and Recovery Audit Contractor (RAC). How would your solution work with, in-support, or replace existing efforts?

R. The State expects the vendors will preserve the confidentiality, integrity and accessibility of the data with administrative, technical and physical measures that conform to generally recognized industry standards, HIPAA and other State and Federal privacy and security requirements that the agencies may be subject to. Describe how your policies, practices and technology meet these requirements and describe your experience providing similar solutions to similar customers with similar requirements – be specific about the federal standards with which you complied.

S. The State is interested in on-going support and maintenance and expects vendors to provide, maintain, and support their application software and subsequent updates, upgrades and fixes such that the solution is well-tested and maintained with regard to defects and security vulnerabilities. Describe how your software development and deployment practices, processes, and technology(ies) meet these goals and requirements. Describe your typical development, test and release process and include details about the last year of releases for the product(s) you would propose using for this project.

T. Describe the pricing model(s) for your products and services. Based on your understanding of the States approach and strategy recommend how you would propose the State should contract for products and services to meet its needs. Please be specific regarding your pricing models including the identification of licensing models and intellectual property matters (i.e., what is a "service"? what is a "license"?, what is a "work for hire"?). If your approach requires or could benefit from the licensing of additional third party data sources or tools be sure to include those in your response including enough information for the State to independently research and consider the use/licensing.

U. Are there other factors that your experience, products or services have demonstrated that affect the ability for an organization to deliver a meaningful fraud and abuse strategy that the State should consider?

V. Provide any additional comments or considerations that you believe the State should consider in its efforts to improve fraud and abuse identification and investigation for the state.