Michigan Department of Health and Human Services

Review of MDHHS Budget

Request for Proposals

Questions and Answers

Issued By

Michigan Public Health Institute

RFP Identifier: MDHHS-RFP-001

Issued on: May 20, 2019

Q #	RFP Ref.	Question	Answer
1.	3.1.4	Is the scope of the analysis only to identify and review cost savings opportunities, or should potential opportunities for obtaining incremental funds (federal matching, state grants and other) be considered as well?	Cost savings opportunities should include administrative, program, and IT efficiencies where applicable. It should also include a thorough review of the reimbursement formulas for larger programs areas – namely Medicaid and Foster Care – and identification of more streamlined and efficient payment methodologies. Scope should also include a review of what some other midwestern states do compared to Michigan relative to some larger focus areas.
2.	3.1.4	Is identification and assessment of working capital savings opportunities (extending vendor terms, etc.) a part of the evaluation? We understand that the appropriations base is measured applying cash accounting over the fiscal year, implying that working capital benefits would result in short term spend benefits.	Yes – assessment of working capital savings may be considered as part of the evaluation. Working capital savings should at a minimum include payments that for example support all central and local offices as well as capital reimbursements for Medicaid participating hospital and nursing home providers.
3.	3.1.4.2	How do you define "largest areas of programmatic spend" (in excess of a certain total dollar or transaction amount)?	Largest areas of programmatic spend refers to the size (in dollars) of specific programs but primarily those that are largely supported with mostly general fund dollars. The specific threshold for evaluating spend will need to be developed by the contractor in conjunction with MDHHS.
4.	3.1.4.2	How many programs are considered "large" and within scope of the review?	All programs within MDHHS are considered within scope for initial review, but only those that have substantial general fund costs (e.g., >~$5M) will be prioritized for more detailed analysis. We do not expect the contractor to review even large programs that are primarily or exclusively federally funded (e.g., SNAP benefits, which are 100% federally funded would not be included).
5.	3.1.7	Would all spend savings / opportunities need to be self-funded (i.e. implementation costs immediately funded by savings) or would MDHHS consider initial investments to achieve long-term risk-adjusted benefits?	MDHHS would consider initial investments to achieve long-term risk adjusted benefits.

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6.	3.2.1	Which of the "Specific Deliverables" would need to be completed prior to the finalization of the Fiscal Year 2020 budget (paragraph 3.2.1.6) and what is the expected submission date of those deliverables?	The original RFP contained an error in section 3.2.1.6, which should have been referring to the FY21 budget rather than the FY20 budget. Given that the FY20 budget is currently under final negotiations and this exercise is not intended to inform the FY20 budget. Deliverable 3.2.1.6 will need to be completed prior to MDHHS formulating its recommendations to the Governor's Office for the FY21 budget. However, while several other deliverables will not need to be *completed and submitted* at the same time, the information in those deliverables is likely to nonetheless serve as an important input into Deliverable 3.2.1.6. Though this can be negotiated with the contractor, we anticipate that the timeline for this is mid-September as the reduction options would need to be internally vetted and are due to the Governor's office by October 1st.
7.	3.2.1	Will MDHHS require contractor branded reports or "white-paper" reports (e.g. no branding other than MPHI and/or MDHHS)?	MDHHS will not require contractor branded reports. It reserves the right to request white paper reports that synthesize the recommendations put forward, depending on stakeholder interest.
8.	3.2.1	Is it expected that the contractor deliverables will be made public intentionally (other than what might occur through a FOIA or other public disclosure that would be necessary to comply with legal demands)?	There is no expectation that deliverables be made public (beyond what might occur through the normal process of FOIA).
9.	3.2.1	Will the contractor be asked to present some or all of its reports/deliverables in a public forum or meeting open to the public?	The contractor will not be asked by the Department or Governor's office to present any findings in a public forum or a meeting open to the public.
10.	Option B	In reference to Annex A, Option B can MPHI please clarify whether Medicaid-specific IT, Non-IT Operations, and Programs that would be part of the program review are considered part of Medicaid or considered part of non-Medicaid?	MDHHS prefers that the review of information technology occur across the department rather than in the silos of individual administrations. As a result, Medicaid-specific IT programs will be reviewed in the "IT category" rather than the Medicaid category. However, specific Medicaid programs and Medicaid non-IT operations would be included as part of the Medicaid review.

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11.	Option C	In reference to Annex A, Option C can MPHI please clarify whether they are including IT, Non-IT Operations, and Program Review for the entire Department including Medicaid or just in the Non-Medicaid areas of the Department?	As referenced in the question above, it is MDHHS' preference that the IT review occur department-wide, rather than in a siloed fashion. Specific programs that are funded exclusively through Medicaid would be out of scope for Option C. To the extent that there are general administrative functions that are exclusively Medicaid, these would also be excluded from Option C. However, administrative functions (e.g., HR, finance) that affect multiple areas of the department (including Medicaid) would be included under Option C.
12.		What is the duration/length of time MHHS is targeting for the full plan and roadmap development of savings opportunities?	MDHHS is interested in the perspective of the bidding contractors. While MDHHS understands that some interventions may span several years (i.e., 5-10 years), a detailed implementation roadmap is expected for the next ~18-24 months.
13.		What resources from the MHHS agency will be partnering with the vendors in delivering this effort?	MDHHS will bring together relevant personnel from all areas of the Department to assist with this effort. There will be an executive leadership team, as well as a working team of personnel from across the Department. Specific time allocations for the working team will be determined by MDHHS. MDHHS will also ensure that the contractor has full access – as needed – to relevant data sources within MDHHS.
14.		Has a project manager been designated for the project, and if so, how much of that manager's time would be dedicated to this effort?	A project manager has not yet been dedicated for this effort. MDHHS will ensure that sufficient personnel are allocated to this project, and that there is a single day-to-day point of contact for the contractor. The contractor is expected to provide its own project management support and infrastructure.

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15.		Who are the stakeholders/departments/state agencies that will be part of this effort? If there are multiple agencies overseeing the project, has a governance structure been established?	MDHHS is the only state agency that will be overseeing and leading this work. For portions of the work related to IT costs, it is expected that information may need to be gathered from the Department of Technology, Management, and Budget. The Department welcomes recommendations for governance from the bidding contractors, though the expectation is that key senior leaders from across the Department (e.g., Director, Chief Deputy Directors, Medicaid Director, Senior Deputy Director for Financial Operations) would be included in a steering committee that meets regularly with the contractor.
16.		Would MHHS consider an alternative fee arrangement, i.e., the vendor would be paid in part by actual savings achieved?	Yes – MDHHS would consider an alternative fee arrangement.
17.		Given the magnitude and multiple focus areas of the MDHHS organization and services, Is MPHI/MDHHS open to accepting proposals on more focused scopes of work (e.g. Elderly Care, Children Services, etc.)? • If so, what are the specific focused areas of budgeted serves would MPHI/MDHHS suggest? • Would MDHHS accept an iterative, time-phased approach by areas of focus?	The department prefers that the initiative support a full and comprehensive review of the department's budget. If that is not possible, then more focused scopes of work could be considered as it relates to our programs and services. Specific focused areas of the budget would be prioritized based on the amount of general fund supporting those areas. MDHHS is open to reviewing a variety of proposed approaches from contractors, including an iterative, time-phased approach by area of focus.
18.		What resource commitments and role will MPHI have in the day-to-day execution and management of the project?	MPHI will execute a subcontractor agreement (Appendix B) with the contractor. MDHHS will assume full responsibility for the day-to-day management and execution of the project.
19.		Will MDHHS have dedicated resources committed to supporting the project? • Please describe anticipated resources, roles and time commitments (e.g. project management, scheduling for interviews and work sessions, providing data and systems extracts, other).	MDHHS will provide appropriate support to manage the project going forward, including a dedicated day-to-day point of contact for the contractor. MDHHS will also ensure that the contractor has appropriate access to data systems for the purpose of analytics. The contractor will be responsible for performing its own project management and working with MDHHS staff (including executive assistants) to schedule necessary meetings.

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20.		Has the list of key stakeholders to interview been developed? Approximately how many people will consultant be required to interview?	MDHHS will work with the contractor to develop a specific list of individuals who need to be interviewed. It is expected that the contractor will meet with key personnel in senior leadership roles and program management roles in the Financial Operations Administration, Medical Services Administration, Strategic Integration Administration, Population Health Administration, and other administrations as needed.
21.		Do you anticipate interviews and site visits be primarily done at Central Office? • Are site visits to field office locations anticipated? • If so, is there a targeted number of field locations to be visited?	MDHHS anticipates that nearly all work will be conducted in offices located in the downtown Lansing area. It does not anticipate field visits being necessary to performing this work.
22.		How many systems are currently part of MDHHS' data infrastructure? • Is part of the scope to assess/recommend current IT service contracts and contractors' performance?	MDHHS has 200+ systems that it uses in the course of day-to-day business. However, the vast majority of these systems serve functions and collect data that is not relevant to this work. There are many fewer (~<10) that will provide data that contractors need to perform this work; contractors are likely to primarily need access to MDHHS' financial reporting and claims information. Access will be limited to those where security clearance exists. The department will furnish data requests and reports to assist with the effort. It is part of the scope to assess the way that MDHHS manages existing IT contracts. It is not part of the scope to evaluate individual IT contracts and assess the performance of individual vendors / systems.
23.		Has a general project deliverable end date has not been specified? • If so, what is the general estimate of when MPHI/MDHHS would like to have the assessment completed?	MDHHS aims to have the formal analysis and assessment completed by the end of the calendar year, though is open to other proposals from contractors. Elements of the initial assessment will be made available by early September in order to inform the state's FY21 budget recommendations.
24.		Would MDHHS consider alternative / enhancements to the scope and deliverables to include improvements to client service and citizen outcomes while significantly reducing costs?	Yes, pending budget availability.

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25.		What is the anticipated funding source for this project?	Funds appropriated within the department's budget will be used to finance the cost of the initiative.