

**KERN HEALTH SYSTEMS**  
**REQUEST FOR PROPOSAL**  
**SUBMISSION CHECKLIST**

Kern Health Systems (KHS) is a government agency dedicated to running a fair bidding program to foster high quality business relationships. In preparing an RFP response, please bear the following in mind:

1. This RFP is not an offer. It is a request for proposals. KHS may reject all proposals at its convenience without any liability to proposers.
2. There is a deadline for submitting questions to KHS about this RFP.
3. There is a deadline for submitting bids to KHS.
4. Every bid package must include:
  - a. Indemnification letter for Confidential and Proprietary information
  - b. Answers to questions in Attachment A
  - c. Answers to questions in Attachment B
  - d. Answers to questions in Attachment C
  - e. Signed copy Attachment D
  - f. Signed copy of Attachment E



**KERN HEALTH SYSTEMS**

2900 Buck Owens Blvd

Bakersfield, CA 93308

Request for Proposal

High Dollar Claim and APR-DRG Code review

January 20,2022

Proposal Deadline:

February 21, 2022 2:00 PM PST

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## A. INSTRUCTIONS AND CONDITIONS

1. Definitions
  - a. As used herein, "RFP" means "Request for Proposal."
  - b. As used herein, "KHS" means "Kern Health Systems."
2. Preparation of Responses (Instructions to Bidders)
  - a. Before submitting a Proposal, each Bidder is expected to thoroughly examine the specifications in the Attachments, and all other related contractual documents included in this RFP, including subsequent amendments to the RFP. Failure to do so will be at the Bidder's risk, and will not bar the Bidder's obligation to perform if a contract is awarded pursuant to this RFP.
  - b. Each Bidder shall submit, as part of their Proposal, completed copies of Attachments "D", Proposal Signature Verification, and "E" Non-Collusion Declaration.
  - c. **Each Bidder shall complete Attachments A, B, and C according to the instructions on each of the attachments.**
  - d. Each Bidder must be satisfied by personal examination and by such other means as it may prefer, as to the actual conditions and requirements under which the contract will be performed.
  - e. **KHS' standard Professional Service Agreement (PSA) will be used to contract with the chosen vendor. A blank template is included with this RFP package. Any objections to the terms and conditions stated in that document must be clearly explained and included with the bid package as an additional Attachment F**
3. Explanation to Bidders
  - a. If a Bidder desires an explanation of any kind regarding provisions of this RFP, the Bidder must generate a written request for such explanation. The request may be e-mailed to [rfp@khs-net.com](mailto:rfp@khs-net.com), faxed to 661-664-4381, or addressed to:

Kern Health Systems  
Attention Purchasing Department  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308
  - b. Requests for explanation must be submitted by **January 27, 2022**, allowing sufficient time for a reply to reach all Bidders before the submission of their Proposals. The Purchasing Manager or duly authorized personnel will advise all candidates known to have received a copy of the RFP of each question and subsequent explanation.
4. Amendments
  - a. Bidders are advised that KHS reserves the right to amend the requirements of this RFP prior to the date set for opening of bids. Such revisions will be done formally by publishing amendments to all Bidders known to have received a copy of the RFP. This may be done via fax, e-mail, or other method as determined by KHS. Amendments will be posted to the KHS website: <http://www.kernhealthsystems.com/>, listed under the specific RFP. If in the judgment of KHS, the change is of such nature that additional time is required for Bidders to prepare their Proposals, KHS will change the date of the Proposal opening and notify all Bidders by e-mail and it will be posted to the KHS website.

- b. Bidders are requested to acknowledge receipt of amendments to an RFP. This may be done by any one of the following means:
      - 1) Sign and return the amendment via e-mail or fax.
      - 2) Sign Attachment “D”, Proposal Signature Verification.
5. Submitting Proposals
  - a. **Please submit THREE (3) hard copies of your Proposal and ONE (1) electronic copy. Electronic copy should be submitted via e-mail to [rfp@khs-net.com](mailto:rfp@khs-net.com).**
  - b. Mailed or third-party delivered Proposals and amendments of Proposals shall be enclosed in sealed envelopes and addressed to KHS Purchasing Department, 2900 Buck Owens Boulevard, Bakersfield, CA 93308. Proposals shall be clearly identified by stating, “ATTENTION PURCHASING: [High Dollar Claim and APR-DRG Code review](#) shown on the outside of the envelope. Proposals and/or amendments may be hand delivered, but the foregoing information will nevertheless be required for identification purposes. KHS is not responsible for delinquent delivery issues.
  - c. Faxed proposals and amendments will NOT be considered.
  - d. Alternate Proposals are not authorized and will NOT be considered.
  - e. **All Proposals (electronic and hard copies) must be received by KHS no later than [February 21, 2022 2:00 PM PST](#). Late Proposals will NOT be considered or accepted. For purposes of this RFP, the official time shall be the time on the clock in the lobby of KHS front office. Participants are strongly encouraged to arrive early to avoid any discrepancy between their own watch and the official clock.**
6. Non-Collusion Declaration

Each Bidder is required to complete the document entitled, “Non-Collusion Declaration” on the form provided herein (Attachment E).
7. Bidders Response Information

Since KHS is a public entity, all responses may be disclosed through the Public Records Act. KHS may keep submissions and negotiations confidential until the Governing Board approves the final contract and/or a Purchase Order is issued.
8. Award of Contract
  - a. Award will be made, in whole or in part, to the responsive, responsible Bidder whose Proposal is determined by KHS to be most advantageous to KHS, price, delivery, and others factors considered.
  - b. KHS may reject any or all bids, and may waive informalities and minor irregularities in bids received.
  - c. **THE CONTRACT IS SUBJECT TO KHS GOVERNING BOARD APPROVAL.**
9. Evaluation Process
  - a. The determination and final selection of the successful Bidder will be based upon evaluation by KHS considering all factors and such other criteria (subjective and otherwise) as KHS may, at its sole discretion, deem relevant. In no event will KHS be limited to selecting a Bidder based solely upon total cost submitted.
  - b. Including the Total Price, the following overall factors will be considered:
    - Corporate capabilities
    - Responsiveness to RFP
    - Experience with [High Dollar Claim and APR-DRG Code review](#)

- Value-added services
  - Timeliness of service
  - Trade reference and/or referrals
  - History of compliance with government contracts and laws
- c. KHS will provide special consideration to vendors located and doing substantial business in Kern County.
10. Company Evaluation  
Bidders shall provide responses to the series of questions and information requested in Attachment C that will be used to evaluate the Bidder's company. Responses to individual questions/information request should be kept to a single page, except as designated.
11. Late Bids  
No Proposal or Proposal Amendment received at the office designated in this RFP after the time set for receipt specified in this RFP will be considered or accepted.
12. Cost of Preparation of Bids  
Costs for developing responses to this proposal are entirely the responsibility of the Bidder.
13. Withdrawal of Bids
- a. Proposals may be withdrawn by letter or in person by a Bidder or an authorized representative possessing proper identification and written proof of his authority to act on behalf of the Bidder. If withdrawn in person by a Bidder or a representative of the Bidder, the person withdrawing the Proposal will be required to sign a receipt for the Proposal.
  - b. Withdrawal action of any type must be done before the date and time specified for opening of bids in this RFP.
14. Payment
- a. Invoices for services rendered shall be directed to:  
Kern Health Systems  
Accounts Payable  
**2900 Buck Owens Boulevard**  
**Bakersfield, CA 93308**  
or submitted via email to:  
**apinvoice@khs-net.com**
  - b. Payment will be made upon receipt of an appropriate invoice and determination by KHS where products and/or services have been determined by KHS to be satisfactorily provided, and subject to the terms of the contract. Payment terms are Net 30 after receipt of a valid invoice. KHS is unable to take advantage of any prompt-payment discounts. KHS is not responsible for misdirected invoices.
15. Miscellaneous
- a. The successful Bidder may not assign the contract or any part of its obligations without the prior written consent of KHS, which may be withheld in its sole discretion.
  - b. The successful bidder will enter into a "Professional Services Agreement" with KHS.
  - c. Bidder recognizes that the Medi-Cal Managed Care and Healthy Families programs are dynamic programs that are subject to numerous legislative and regulatory changes, which will likely require the successful Bidder to implement related changes to the agreement that may be awarded pursuant to this RFP.



## **B. STATEMENT OF PURPOSE**

This RFP contains a list of requirements for a High Dollar Claim and APR-DRG Code review solution.

KHS is soliciting responses from qualified Bidders to address the stated requirements of this RFP. A qualified Bidder, for the purpose of this RFP, is one that can reliably provide the required services to KHS and perform to the satisfaction of KHS and its regulators for the entire term of the agreement.

Upon receipt of this RFP, recipients are expected to read and understand the service priorities and requirements that have been defined by KHS. Ample opportunity will be given to ask questions and receive clarification. The final Proposal submitted should include all appropriate goods and services required to satisfy the identified priorities and requirements. KHS will look to the selected vendor for technical compatibility of components and application requirements satisfaction during the entire term of the agreement.

KHS management would prefer to have an ongoing relationship with the chosen Bidder. The character and operating principles of the successful Bidder are important to KHS management. The following sections ask questions about the history and purpose of the Bidder's company. Please answer the specific questions. If additional information would be informative to KHS management please add it to the last question in each section. Bidders should number all responses with the section letter and section number.

## **C. BACKGROUND INFORMATION**

KHS is a public agency formed under Section 14087.38 of the California Welfare and Institutions Code. KHS began full operations on September 1, 1996. KHS serves about 322,000 Medi-Cal participants in Kern County. Medi-Cal is a jointly funded, Federal-State health insurance program for certain low-income people.



## **ATTACHMENT A**

### **SCOPE OF SERVICES**

KHS receives approximately 3.3 million claims a year, with 98% being submitted in electronic format with no attachments. Approximately 10% are facility claims. Approximately 2% of the facility claims are over \$100,000.00 in billed charges. While KHS is contracted with 5 local hospital facilities and 4 tertiary facilities, high dollar claims can be from any area and any state. Most, but not all hospitals are paid at a % of APR-DRG for inpatient services. The Assigned APR-DRG is based on ICD10 DX code and ICD10 Procedure codes located on the claim as well as the order and Present on Admission flag. This is calculated by KHS Vendor Optum using the 3M grouper software of Medi-Cal. Hospital stays are prior authorized, so medical necessity of the stay is already determined. KHS is looking to determine if the billing is appropriate for the services rendered. All reviews must adhere to the overall timeliness requirement of KHS, which is ALL claims are paid/denied within 45 working days of the initial receipt of the claim.

#### Summary:

The purpose of this RFP is to identify high dollar claims and determine if charges were billed appropriately, and, for APR-DRG claims, review itemized billing and/or medical records to determine if the ICD10 codes billed were appropriate and in the proper order so that the correct APR-DRG code was identified.

The selected Proposer shall at a minimum:

1. Obtain from hospitals and or providers necessary documents to complete the review of claims. The claims reviewed based on high dollar, random sample, or other industry standard methodology.
  - a. At minimum validate the following
    - i. Payment is per stay
    - ii. Mother and newborn billed on separate claims.
    - iii. Interim bill types 112, 113, and discharge status 30 only accepted for stays exceeding 29 days.
    - iv. Validate split billing hospital stays for paper claims.
    - v. Administrative days billed on a separate claim identified by revenue codes.
    - vi. Clinical document supports appropriate APR-DRG coding
2. Perform the review and provide feedback and supporting documentation for the decisions.
3. Suggest which claims to review based on billed charges, contract rates, or coding methodology.
4. Proposal should clearly indicate how all services will be fulfilled by the Proposer, including timelines, and Gantt chart.
5. Explain how software and or system works as well as what types and data will be required in claim data file.
6. Provide details on Turn Around Times, which includes access of records.

7. Provide details as to what claims can be review pre-payment and which claim must be reviewed post-payment.
8. Provider details on Claim Dispute resolution statistics and handling.
9. Ability to identify potential Fraud Waste Abuse (FWA) billing issues/patterns. Track and trend FWA issues identified. Report possible or potential FWA identified issues to compliance committee.
10. Details on how communications between KHS and Proposer to review/approve/reject determinations.
11. Use appropriate Department of Health Care Services (DHCS) standards for Medi-Cal DRG payments.

**ATTACHMENT B**  
**SCHEDULE OF FEES**

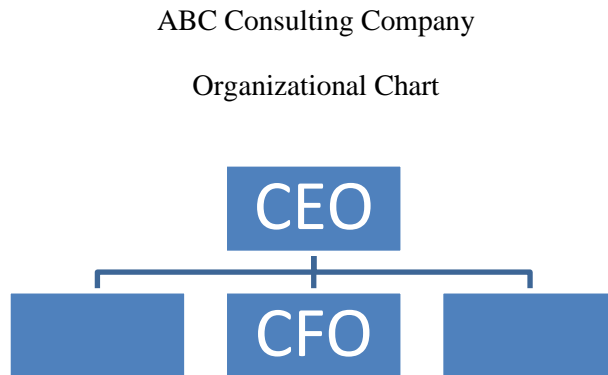
Proposal Costs (This section is derived from the Scope of Services, Attachment A)

- A. Define your proposed method of reimbursement for services provided through your organization. Kern Health Systems customarily prefers itemized billing on a project basis (or as major milestones are accomplished for very large projects) with specific deadlines identified in the Proposal.
- B. Please provide a summary table matrix of costs by line item including:
  - 1. Item description
  - 2. Quantities required (specify units of measure)
  - 3. Not-to-exceed amounts for installation or travel
  - 4. Target date of completion
- C. List any additional costs that may be incurred in completion of this project and the circumstances that would trigger those costs.

## ATTACHMENT C

### COMPANY EVALUATION CRITERIA

- A. Provide a “functional organizational chart” of your company. Indicate the name and experience of the Manager or Lead Employee that will be assigned to Kern Health Systems and the functional area to which this position reports. If your company is NOT a full service consulting organization, indicate which services are subcontracted in the “functional organizational chart.” The following chart is for illustration purposes only:



- B. **IMPORTANT:** Bidder’s present financial statements are necessary and must be part of the Proposal submission. If any type of prepayment is required, Bidder must provide company’s summary of its present financial status **and** performance *for the past three years*

C. Organizational information

1. Provide a summary list of the organizational personnel that will actively participate and contribute their skills to this project. Include in this list the individual’s name, job title, work location and relevant experience in projects of similar size and complexity. (Responses may be one page per individual.)
2. Provide a summary of the work plan and/or methodology and physical resources (staff and equipment) your company will commit to ensure successful project completion. (Response may be up to four pages.)
3. Summarize your company’s overall project services that you are able and willing to provide.
4. Provide three current customer references of organizations currently receiving products or services similar to those proposed. Include in the reference list organization name, location, contact name and telephone number.
5. Summarize your billing procedures.
6. List the members of your organization who are authorized to negotiate Proposals/Contracts.

7. What is your company's Mission Statement?
8. How long has your company been in business?
9. Describe the educational background and experience of the key members of the project team your firm would assign to KHS' project.
10. Describe your company's experience with health insurance plans.
11. Describe your company's experience with governmental agencies (in particular, California Department of Health Care Services, California Department of Managed Health Care, and the Centers for Medicare and Medicaid Services).
12. Does your company perform audits or consulting services for any Independent Physician Associations (IPAs) or hospitals?
13. Is your firm currently under investigation or being sued by any governmental agency? If so, describe.
14. Has your company been investigated or sued by any governmental agency over the past five years? If so, describe.
15. Has your company been sued over the last five years for services similar to those that are the subject of this RFP?
16. Has your company been the subject of a sanction, audit deficiency, settlement or Corporate Integrity Agreement under the Medicare or Medicaid Programs?
17. What is the form of your organization? (e.g., profit, not-for-profit, private, public)
18. List any shareholders who own five or more percent of the company and their percent share.
19. Describe your organization's policies, procedures and protocols to protect Protected Health Information under HIPAA, HITECH and the California Confidentiality of Medical Information Act.

Add any information that would be useful in describing your company.

**ATTACHMENT D**

**PROPOSAL SIGNATURE VERIFICATION**

All offers in response to this RFP must be received on or before February 21, 2022 2:00 PM PST at the office of **Kern Health Systems, Attn: Purchasing Dept., 2900 Buck Owens Boulevard, Bakersfield, CA 93308.** All offers are subject to the attached Instructions and Conditions, general provisions, special provisions, and Attachments. The undersigned agrees, if its offer is accepted (in whole or in part) to provide products, other materials, and services as set forth in the Attachments, it shall do so in accordance with the provisions of this RFP, the controlling contract between the parties, and the master contracts between KHS and the State of California.

Offer Name: \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Phone Number: \_\_\_\_\_

FAX: \_\_\_\_\_

Typed or printed name and title of person authorized to sign offer:

\_\_\_\_\_

Signature of Authorized Person: \_\_\_\_\_

Date of Offer: \_\_\_\_\_

Grand Total of "Attachment B": \$ \_\_\_\_\_

Acknowledgment of Amendments

The Offer acknowledges receipt of Amendments to the RFP numbered and dated as follows:

Amend #	Date	Amend #	Date	Amend #	Date

**ATTACHMENT E**  
**NON-COLLUSION DECLARATION**

TO BE EXECUTED BY BIDDER  
AND SUBMITTED WITH PROPOSAL (Mandatory)

Public Contract Code § 7106

State of California

County of Kern

The undersigned declares:

I am the \_\_\_\_ of \_\_\_\_, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_[date], at \_\_[city], \_\_[state].”

\_\_\_\_\_

Signature

\_\_\_\_\_

Date