



Attachment W Pharmacy FWA Audit Services Mandatory Scored Response Worksheet

Suppliers must provide responses to all questions in the **Supplier Response section** in this document and submit them as a **single** PDF attachment **bookmarked** in sequential order with the title(s) provided in the question.

Each narrative response must adhere to any assigned page limits and be in Arial, size twelve (12) font. The narrative page count will begin after the page containing the question, i.e. the page with the question and response on the remainder of that page will count as page #0.

The narrative response, along with any required supporting material, will be evaluated and awarded points in accordance with Attachment A – Lead State eRFP, Section 6 Proposal Evaluation and Award. Documents not requested will not be evaluated.

Failure to provide responses and any required supporting documentation for all questions may result in disqualification of the proposal.

DO NOT INCLUDE ANY COST INFORMATION IN YOUR RESPONSE TO THIS WORKSHEET.

- 1.** Bookmark Title: MSQ1 - Executive Summary
The Executive Summary is limited to five (5) pages.

Provide an Executive Summary that illustrates the Supplier's understanding of and capability to provide the requested services as described in Attachment H - Pharmacy Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work and Attachment C - Common Scope Requirements and Security Standards.

The Executive Summary must include a brief corporate background of the Supplier, including the date the Supplier was formed, established, or created, total number of employees, Equal Employment Opportunity policy and current percentages in key positions, and location of the Supplier's primary and any satellite offices.

Supplier Response

MSQ1 – Executive Summary

Myers and Stauffer LC (Myers and Stauffer) is pleased to present our technical proposal in response to the State of Georgia in Conjunction with National Association of State Purchasing Officer's Organization (NASPO) ValuePoint's *electronic Request for Proposals (eRFP) 41900-DCH0000136 – Pharmacy Benefit Services: Pharmacy Fraud, Waste, and Abuse Audit Services* in achieving its goals for improving pharmacy program claim integrity and fiscal stewardship through the provision of fraud, waste, and abuse (FWA) services. We have partnered with Medicaid programs throughout the country — programs with similar objectives committed to complying with federal requirements to combat FWA and ensure responsible fiscal oversight of the Medicaid drug benefit.

Myers and Stauffer is nationally recognized as specialists in the review of prescription drug claims and medical claims. We have four and a half decades of experience assisting state Medicaid agencies and performing similar audit services to those requested. We have dedicated our practice



to working with state and federal agencies operating public health care and human services programs. Our exemplary track record has led to the development of a dedicated team of audit and consulting professionals who are committed to providing the highest-quality, responsive, and personal service, while staying abreast of regulatory changes and receiving formal training that exceeds professional requirements.

To further strengthen our team, Myers and Stauffer will leverage our existing relationship with NorthStar HealthCare Consulting (NHC), a Georgia-based Tier I small business and 100% female-owned consulting services firm that specializes in pharmacy audits. NHC has worked as the Pharmacy Fraud, Waste, and Abuse (PFWA) audit vendor to the state of Georgia since 2006 via a subcontract relationship with the current Georgia Medicaid fee-for-service (FFS) program pharmacy claims processor, and is therefore the current incumbent for the proposed scope of work (SOW).

Myers and Stauffer and NHC share the common goal of supporting state Medicaid pharmacy programs, and based on our combined many years of experience, we have developed a deep understanding of the specialized needs that a Medicaid program has as compared to other payers. Our teams have learned to navigate the complex federal and state regulatory framework in which Medicaid programs operate and the unique needs of the populations served by Medicaid programs. Recognizing this common thread of serving state Medicaid programs, Myers and Stauffer has collaborated with NHC since 2021 in the support of other Medicaid programs. The combined knowledge, experience, and resources of Myers and Stauffer and NHC (collectively the Myers and Stauffer Team or the Team) make us an ideal candidate for Georgia and other states' PFWA audit services.

Our Understanding of the SOW and Capability to Provide Services

We recognize that increased complexity of drug regimens, combined with increasing health care regulations and complex government requirements, leave many states struggling to oversee and manage their pharmacy benefit. Stewardship of public funds grows ever more important in this era of mandated oversight and necessitates that states ensure those scarce public funds are used appropriately and in a manner that reduces waste and redirects those limited resources back to patient care. **It is estimated that fraud and waste, which includes inappropriate billing, accounts for 25% of health care costs.¹**

Pharmacy expenditures continue to grow and consume a significant portion of the healthcare dollar. The Congressional Budget Office estimated that from 2009 to 2018 the average net price of brand-name prescription drugs increased substantially from \$147 to \$218 in Medicaid.² The Kaiser Family Foundation reports overall healthcare expenditures are expected to grow at an annual rate of 4.8% between 2022 and 2031.³ These numbers are not inclusive of the recent influx of gene therapy products, whose impact is as yet unaccounted. The Myers and Stauffer Team brings best in class cost containment strategies to our healthcare partners to support flexible and sustainable programs and initiatives. Our programs not only help states oversee and monitor their prescription drug spend, but we also assist states in meeting Centers for Medicare & Medicaid Services (CMS) requirements and federal regulations for FWA monitoring.

The Objective

¹ National Library of Medicine. [Waste in the US Health Care System: Estimated Costs and Potential Savings](#). Shrank, William H., et al. October 15, 2019.

² Centers for Disease Control and Prevention, National Center for Health Statistics. [Health Expenditures](#). December 31, 2017.

³ Peterson KFF, Health System Tracker. [How much is health spending expected to grow?](#) McGough, M., et al. October 11, 2023.



- Provide a comprehensive approach to pharmacy audits that are also educational in nature and serve to enhance provider knowledge of the State policy.
- Assist the State with identifying and responding to FWA within the system, including that of members and providers.
- Support the State to ensure the compliance of systems and services with federal and state law as well as the State's pharmacy program policies, procedures, and processes.
- Operate a Pharmacy Lock-In (PLI) Program to improve patient outcomes.
- Achieve a high level of client satisfaction through exemplary performance.

The Rationale

- CMS has identified pharmacy as a high vulnerability/high risk area for Medicaid.⁴
- States are required under 42 CFR 455.1 to have a fraud detection and audit program and to ensure services billed were actually provided to beneficiaries.

The Solution

Our total program approach includes:

- Review of your policy and provider contract for potential suggested revisions.
- Comprehensive and complete claims review, using our proprietary platform CompassRx.
- Stakeholder management.
- Extensive reporting capabilities.

Myers and Stauffer has enjoyed a successful relationship with the Georgia Department of Community Health (DCH, Department, or State) for the past 25 years. Our partner, NHC, has served as the incumbent vendor for pharmacy audit for 18 years. Our solutions are time-tested and successful, developed by experienced health care professionals, and free from commercial bias or conflict of interest.

Approach to Audit. Our Team offers a personalized approach to pharmacy audit and multiple levels of audit and review. Levels may increase in intensity and when combined, create a program that can be tailored to the State's needs and fiscal requirements while offering a comprehensive and complete audit program. All audits offer flexible parameters; audits are customized to account for plan-specific requirements and benefit allowances. Medicaid agencies operate with significant variation and the pharmacy audit program is designed to accommodate unique policies, state pharmacy regulatory requirements, and legislative mandates such as an audit bill of rights. We also have experience with and understand the importance of Medicaid Fraud Control Unit (MFCU) referrals and Office of Inspector General (OIG) coordination. We recognize the importance of positive provider relationships. In Georgia, we have worked to establish a relationship and open lines of communication with provider associations to minimize pushback and "noise" around the audit program. Additionally, all audits are traceable back to a specific prescription. Extrapolation is not used in routine audit processes.

CompassRx Concurrent Review. Concurrent review approximates a 'real-time' audit approach when claims data is provided and audited on a daily or weekly basis. It can serve as a prepayment audit, eliminating the need for recoupment post-payment. All claims are analyzed using dynamic logic that has been developed based on our experience as a leading pharmacy audit company and

⁴ CMS. [Pub. 100-15 Medicaid Program Integrity Manual](#): Executive Order 13520: Reducing Improper Payments and Eliminating Waste In Federal Programs. Rev. 1, Issued September 23, 2011.



on our extensive experience as practitioners. Concurrent review notifications are delivered via facsimile when possible, requiring no response by the pharmacy. Pharmacies are encouraged to review the flagged claims to ensure they have been billed properly, in accordance with Plan requirements and prescription directions.

Claims that are not modified may be flagged for further investigation through the desk audit program. Monthly reports are provided to document the positive impact of the concurrent review program.

CompassRx Desktop and Field Audits. Our second level of pharmacy audits, desk and field audits, offer a robust review of pharmacy claims data. These audits are initiated through individual claims analysis, pharmacy report cards, and external referrals and tips (including referrals from state and investigative agencies).

Pharmacies are grouped into regions and their dispensing patterns are analyzed by our team of pharmacy technicians and pharmacists for inconsistencies or unusual activity and patterns. Reviews are typically performed monthly to quarterly, with select criteria analyzed on a year over year basis to detect potentially significant changes in dispensing patterns. Statistical analysis is utilized to create pharmacy scores based on standard deviations across various criteria. Specific prescriptions are targeted for review based upon the anomalies noted in the report card. Pharmacies are assessed through comparative analysis within the network for desktop or field audits based upon criteria which includes:

- Total claims volume.
- Average dollar amount per claim.
- Average number of claims per member.
- Dispense as written percentages.
- Generic dispensing rates.
- Opiate and controlled substance dispensing.
- Percentage of claims reversed.
- Date and time stamp of claims, when available.
- Client-specific high dollar thresholds.
- Compounded Rx activity, if allowed by policy.
- Drug specific measures: unusual quantities; package size mismatches.

All CompassRx audit programs return claims-level findings to the pharmacy and offer a grievance and appeal process including an ultimate opportunity to appeal to the state.

Pharmacy Lock-In Program

Problematic behaviors are not only limited to providers but can include members as well. When there is a suspicion of member FWA or misuse, a robust Pharmacy Lock-In (PLI) program combined with an education intervention can assist with deterring problematic behavior. The overarching goal of any PLI program is to ensure the appropriate therapy and judicious use of services for Medicaid recipients. Secondary goals include identification of providers, both prescribers and pharmacies, whose behavior may indicate further review is necessary by Program Integrity.



SOW. The Myers and Stauffer Team offers a comprehensive audit program that incorporates multiple resources for combating waste and fraud and protecting the financial integrity of the State's network. A well-structured audit program offers an opportunity to:

- Assess compliance with published program requirements.
- Identify opportunities for improvement in policy.
- Improve member outcomes through increased oversight.
- Identify and resolve overpayments that divert funds and reduce state resources available for treating a state's most vulnerable populations.

The Team's *CompassRx* audit programs incorporate concurrent review, desktop audit, and on-site field audits in a tiered offering to provide a comprehensive audit program solution. All programs offer:

- Flexibility in the administration of the program.
- Customized criteria for audit (or lock-in) inclusion that is approved by the State and in alignment with current payment policies.
- Letters customized to State-specific requirements for notification and a formal process for provider notification of audits and audit results.
- A formal process for provider notification of audits and audit results including an appeals and escalation process.
- Adherence to any state audit Bill of Rights, or in the absence of a Bill of Rights, adherence to best practices which include adequate notification, not auditing on Mondays or Fridays or the first week of the month, sufficient time for pharmacies to review and respond to audits, and a complete appeal, grievance, and escalation process.

The Myers and Stauffer Team recognizes that through this procurement, other states participating in the NASPO ValuePoint organization have an opportunity to leverage submitted proposals in support of similar programs within their respective state Medicaid organizations. While our proposal has been developed with a specific understanding of the needs of DCH, the Team has the depth of experience of operating within numerous Medicaid programs to recognize that our skill set, experience and the tools that we utilize have the potential to be transferable to other Medicaid programs. Our experience in providing service to multiple states has also reinforced to us the humility to recognize that each Medicaid program brings a slightly different approach to the management of the PFWA services and that of necessity, we must adapt to those differences.

Corporate Background

Founded in 1977, Myers and Stauffer is a nationally-based certified public accounting firm and is one of the most experienced government health care consulting firms in the nation. We have the unique mix of talents necessary to successfully complete this project. We recognize that the audits performed under this contract must adhere to the rigorous professional and ethical standards and the analytical services must be performed by individuals with extensive health care knowledge and experience.

Myers and Stauffer offers an exceptionally qualified, experienced, and well-balanced multi-disciplinary team that combines state experience with national expertise in Medicaid program integrity best practices. The project team and firm also offer expertise in state and federal policy, compliance audits, cost report audit and rate calculations, disproportionate share hospital audits, managed care oversight, and health care consulting.



We are highly regarded for professional objectivity, integrity, innovation, expert staff, and quality service. We are focused on finding ways to save our public clients' scarce resources while maximizing health outcomes. We have the experience, expertise, and resources to meet your needs and exceed your expectations.

Our experience and expertise is evidenced by our Georgia-specific services and current work with Medicaid and other public agencies in all 50 states. We have represented and provided expert witness testimony on behalf of Medicaid and Medicare in various levels of appeals and judicial proceedings, and we have assisted the Department of Justice and state MFCUs in both civil and criminal actions related to health care fraud.

Since 2003, NHC has been providing clients with clinically appropriate customized cost initiatives that have improved quality, transparency, and cost outcomes. Since its inception, NHC has been a Georgia-domiciled, woman-owned, small business. With corporate headquarters located in Alpharetta, Georgia, more than 75% of NHC's revenue is retained within the state of Georgia through its locally based employees. Indeed, eight of NHC's nine employees are located within 60 miles of DCH's offices. Collectively, our staff of clinicians possess 100-plus years of Medicaid, managed care, retail pharmacy, and fraud and abuse experience, with more than 70 years specific to Georgia Medicaid.

Unlike many of our competitors, both Myers and Stauffer and NHC are free from conflicts of interest with Georgia and all other states. Notably for the FWA vendor role, a Myers and Stauffer and NHC partnership will be free from conflicts of interest associated with either pharmacy benefit administrators (PBAs) or pharmacies. Myers and Stauffer avoids conflicts of interest and circumstances that could create the appearance of a conflict of interest by intentionally restricting our practice to government-sponsored health care programs and other social service engagements. We do not accept providers or health plans as clients; therefore, we do not have any conflicts of interest. NHC is independently owned and has no commercial holdings or contractual relationships with pharmacies that can cause an actual or perceived conflict of interest.

NHC is independently owned and has no commercial holdings or contractual relationships with pharmacies that can cause an actual or perceived conflict of interest. NHC operates in an FFS environment, when possible, to reduce any appearance of conflict.

Number of Employees. Myers and Stauffer has nearly 1,000 professionals, including 42 members/principals (partners), all of whom are fully engaged with our state and federal health care and human service clients. NHC was founded in 2003 and comprises nine individuals including pharmacists and pharmacy technicians with a combined total of more than 100 years of pharmacy experience and over 50 years of pharmacy audit experience.

Equal Employment Opportunity Policy and Current Key Position Percentages. Myers and Stauffer's diversity efforts are spearheaded by our Human Resources partner who manages all affirmative action/equal opportunity efforts and our Diversity and Inclusion Committee — consisting of partners and staff from across our firm — that proactively works to cultivate a workplace where people of all backgrounds and cultures want to spend their careers. We recognize that it is our shared duty to maintain an environment of respect for all employees, regardless of our differences. We know that diverse teams and viewpoints add to our cadre of creative problem solving skills, increase the quality and speed of innovation, and improve the level of engagement among our employees.



Myers and Stauffer stresses diversity and inclusion internally. We recognize the value of diverse teams and the positive impact people with different backgrounds and cultural experiences have on the outcome of project development and execution. We are an equal opportunity and affirmative action employer and have an Affirmative Action Plan on file that has been shared with firm leadership. This includes our hiring practice for women, minorities, and the disadvantaged. All of our open positions are posted across hundreds of websites, including many women- and minority-targeted platforms. These platforms include outreach networks with community agencies, websites, and social media networks, as well as university placement offices and organizations, such as Association of Latino Professionals in Finance and Accounting and National Association of Black Accountants. Through these methods, our recruiters are also able to identify qualified applicants who are individuals with disabilities, minorities, military members, LGBTQ+, women, and other candidates.

NHC also has established policies pertaining to equal employment opportunities in accordance with applicable federal, state, and local laws. They provide equal employment opportunities to all qualified persons and to administer all aspects and conditions of employment without regard to race, religion, color, sex, gender, gender-based wage discrimination, sexual orientation, pregnancy, age, national origin, ancestry, physical or mental disability, severe/ morbid obesity, medical condition, military or veteran status, genetic information, marital status, ethnicity, alienage or any other protected classification, in accordance with applicable federal, state, and local laws.

The Myers and Stauffer Team take allegations of discrimination, intimidation, harassment and retaliation very seriously and promptly conducts investigations when warranted. Equal employment opportunity includes, but is not limited to, employment, training, promotion, demotion, transfer, leaves of absence, and termination.

Below, please find our breakdown of key positions within our firm.

Gender	American Indian/ Alaska Native	Asian	Black/African American	Hispanic or Latino	White	Total
Female	0.54%	1.09%	3.80%	1.63%	45.65%	52.72%
Male	0.00%	0.54%	2.72%	0.54%	43.48%	47.28%
Total	0.54%	1.63%	6.52%	2.17%	89.13%	100.00%

Office Locations. Myers and Stauffer has 20 offices nationwide, including Atlanta, Georgia, and are currently contracted in all 50 states. In addition to Atlanta, our offices are located in the following locations: Albuquerque, New Mexico; Austin, Texas; Baltimore, Maryland; Boise, Idaho; Brentwood, Tennessee; Cranford, New Jersey; Denver, Colorado; Des Moines, Iowa; Frankfort, Kentucky; Harrisburg, Pennsylvania; Honolulu, Hawaii; Indianapolis, Indiana; Kansas City, Missouri; Raleigh, North Carolina; Glen Allen, Virginia; Salt Lake City, Utah; Topeka, Kansas; Windsor, Connecticut; and Tallahassee, Florida. We plan to perform the work under this master agreement primarily from our Atlanta office and from our headquarters in Kansas City, Missouri. In addition, NHC's office is located in Alpharetta, Georgia.

The Myers and Stauffer Team employs more than 80 Georgia residents which has direct economic impact on the state.

Why Choose the Myers and Stauffer Team?



The retention of the Myers and Stauffer Team will benefit the relationship that DCH has with the provider community. Providers are familiar with our audit process. We have been sensitive to the unique aspects of health care in Georgia and have strived to maintain positive relationships with providers. Although being in the role of an auditor will always generate some critiques from certain providers, the continuity of the Team's role as audit contractor and our audit methodology should serve to temper potential criticisms from the provider community at large that could result from a significant shift in audit approach.

In addition to maintaining the current provider audit program, selection of the Myers and Stauffer Team as DCH's contractor will provide opportunities for you to capitalize on our Team's 25 years of experience with the State and move forward with initiatives to enhance the audit process. In the selection of providers for review in future audit cycles, we are able to draw upon past experience to suggest more efficient ways for audits to be focused on provider types with known issues. We look forward to exploring opportunities to enhance provider education and training. By using our experience, the state will be able to increase the overall financial integrity of the Medicaid program beyond just the providers that are subject to reviews.

Myers and Stauffer is experienced in performing the services requested in this eRFP for Medicaid agencies across the United States – and we are experienced with Medicaid operations. As a result, we are the best-suited vendor for this project. The selection of Myers and Stauffer offers a number of distinct advantages, including:

- **In-depth Knowledge of the Medicaid Industry.** Myers and Stauffer has been successfully working with local, state, and federal health care agencies for more than 40 years. We continually invest in our professional relationships with all of our state and federal clients. We have a national reputation for delivering high-quality services on-time and in a manner that meets and often exceeds expectations.
- **In-depth Knowledge of National Health Care Environment.** We maintain dialogues with CMS executives, Medicaid officials, and industry leaders across the nation in order to provide our clients with guidance and assistance in a manner that other firms simply cannot match. We also closely monitor the activities of the state and national health care regulatory environment for items that may be relevant to the state.
- **Unmatched Team of Professionals.** Our professionals include CPAs, registered nurses, certified coders, medical doctors, policy experts, health information specialists, certified fraud examiners (CFEs), pharmacists, and former CMS and state Medicaid program directors and employees. Our team members dedicate their careers to health care improvement and compliance through continued engagement with a constantly growing knowledge base that best serves our state agency clients. This extensive and diversified background allows the Team to provide the state with a comprehensive team of experienced professionals who truly understand the needs and objectives of the State.
- **Excellent Oversight and Proactive Leadership.** DCH will benefit from hands-on service by our team's senior professionals. We can provide this level of service because our partner-to-staff ratio is similar to smaller firms allowing our senior-level professionals to be involved and immediately available throughout the entire client service process. Our approach ensures all members of the engagement team will stay abreast of key issues at DCH and take an active role in addressing them.
- **Knowledge of the DCH Operations.** We have worked effectively with DCH on various projects and have established solid working relationships throughout the Department.



Through our work, we have learned invaluable lessons that can only be gained through direct experience.

- **Flexibility.** Myers and Stauffer is large enough to meet any client's needs, yet is structured in a manner that allows our professionals to have the flexibility to design customized solutions. In addition, our focus on quality while also investing in technology solutions designed for efficiency have proven to be a valuable combination for our clients. Because we have a 46-year history of producing quality work and maintaining a culture of integrity, we are able to balance the profitability of our firm with affordability for our clients.
- **Cost Effectiveness.** Because of our utilization of experienced professionals, we are capable of providing services efficiently without sacrificing quality. We will be competitively priced if awarded this contract, using staff assignments we believe to be the most efficient and effective based on our firsthand experience dealing with the services outlined in the solicitation.

2. Bookmark Title: MSQ2 – Compliance
Narrative description is limited to two (2) pages.

Describe in detail how you will ensure compliance of systems and services with federal and state law and the State's pharmacy program policies, procedures, and processes as required for this scope of work.

Supplier Response

MSQ2 – Compliance

The Team will actively monitor and remain up to date with all federal and state laws, rules, and regulations as well as the policies of our clients. We will use audits as an opportunity to educate providers on expectations. We actively verify compliance and identify noncompliance during pharmacy audits. We work closely with our clients, often advising them on policy language. Onboarding of new clients includes a thorough review of client specific policies and procedures.

Compliance in Auditing

During the audit process, we will monitor for compliance with federal law, state rules and regulations, and client-specific policy. It is within this process that we are able to identify prescriptions filled that are not in accordance with the aforementioned ordinances. Such discrepancies include the following:

- C-III, C-IV, C-V prescriptions filled past their six-month expiration date.
- Prescriptions filled outside of the timeframe allowed by a plan's policy.
- Prescriptions filled with incorrect patient name, prescriber name, drug/product, dosage form, or dosage strength.
- Prescriptions filled from an order missing one or more of the required elements, such as:
 - Patient name.
 - Prescriber name.
 - Date of issuance.
 - Name, strength, dosage form, and/or quantity of prescribed medication.
 - Prescriber signature.
 - Drug Enforcement Agency number for controlled orders.



- Name of supervising physician for orders written by mid-level practitioners, when required by state regulations.
- Required elements of a call-in or verbally transferred prescription.
- Required elements of an electronic prescription drug order.
- Prescriptions filled or refilled not pursuant to a valid drug order.
- Prescriptions filled not in accordance with the prescriber's instructions.
- Prescriptions filled for a quantity more than that allowed by a plan.
- Prescriptions filled more frequently than that allowed by a plan.
- Prescriptions filled after the date of a member's death.
- Prescriptions filled with a "sig" not allowed by a plan (e.g. "as directed").
- Prescriptions filled without obtaining proofs of receipt where required by a plan.
- Prescriptions filled and not dispensed to members or returned to stock (reversed) within a timeframe as determined by a plan.
- Pharmacy records have not been maintained and/or retained in accordance with State and/or plan requirements.

Maintaining Compliance. Staying current regarding industry trends is critical in the realm of compliance. As such, the Team subscribes to updates from the Georgia Board of Pharmacy, several pharmacy professional publications, as well as fraud-specific organizations. These efforts coupled with our day-to-day activities in FWA assist with keeping us continuously updated. Our expertise isn't limited to just our systems and services, but our staff brings a wealth of knowledge and experience in the compliance arena. While staffing is explored in our response to *MSQ12 – Staffing*, it is important to highlight some of the more noteworthy credentials of our staff. We have a PharmD, JD that provides insight and interpretation on the intersection of pharmacy practice and compliance. Additional staff serve as CFEs, which denotes enhanced training in fraud detection. Our knowledge is not limited, as our team includes an Accredited Healthcare Fraud Investigator (AHFI), former Medicaid Directors, former Medicaid Pharmacy Managers, former Program Integrity Directors, and two staff that are certified in claims billing and reimbursement. Other staff members are certified in coding and billing for pharmacy, as well as durable medical equipment and prosthetics/orthotics and supplies (DMEPOS). Further, staff use their experience in both retail pharmacy and as auditing specialists to select claims, review prescription documents and records, issue audit findings, and educate pharmacies through the audit process. All auditing staff are licensed in Georgia as either pharmacists or certified pharmacy technicians and complete the required continuing pharmacy education. By virtue of our combined experience in the field of retail pharmacy and pharmacy auditing, we understand how claims are and should be billed, how claims data is captured, and how to look for outliers and anomalies.

3. Bookmark Title: MSQ3 – Desk Audits
Bookmark Title for Supporting Material: MSQ3.1 - Desk Audit Flowchart
Narrative description is limited to two (2) pages, not including the required supporting material.
- Describe in detail your process for selecting claims and conducting desk audits. Include in your response the procedure you will follow when a desk audit has been completed including, but not limited to, the requirements stated Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.2 Desk Audits.

**Supplier Response****MSQ3 – Desk Audits****Initiation and Selection**

Desk audits are claims-driven and include a focus on unusual or aberrant billing practices. Although we commit to random claim selection, we would suggest as an alternative approach utilizing algorithm-based claims detection from a set of random claims to avoid “noise” in the provider community and promote efficient use of resources. The Team can utilize state-approved algorithms against a random sample of claims. Our audit management system, CompassRx, can track and prevent overlapping audits in compliance with client policy and state law. It also tracks the number of claims against a pharmacy. The program keeps a running total of the number of claims audited over a specified time frame, specific to a pharmacy.

In our desk audits, inclusion of claims is based upon multiple factors, and all claims billed during the review period are evaluated for inclusion using proprietary methodology. Claims may be flagged for selection based on any of several different algorithms. Methodological concerns as well as manual auditor review are leveraged when reviewing claims for audit selection. This includes but is not limited to identifying claims appearing to possess potential errors in billing or those that are outliers with regards to factors such as quantity, day supply, and frequency with which they are billed. The algorithms can vary from audit to audit as they can be added or adjusted, depending on observed patterns or the State’s interests and focus. Regardless of the approach selected by the State, we commit to providing desk audit services with excellence.

Conducting a Desk Audit

Once selected for an audit, claims are tracked through our system to ensure compliance with required timelines for initial and final audit findings. We have the capability to deliver audit correspondence in multiple formats. Audit letters typically include claims information, response guidelines, and auditor contact information for any questions a pharmacy may have or to request an audit extension. We have extensive experience operating within the bounds of states’ pharmacy auditing bills of rights, where applicable. Pharmacies are afforded a reasonable amount of time, typically 30 calendar days, to respond to the audit notification letters. After providers have submitted their responses to the audit notification, our auditors conduct a comprehensive review of prescription records. This involves analyzing the entire prescription record for: validity of each prescription (i.e., the presence of all necessary information to validate the submission of the claim), compliance with federal and state laws, and compliance with the State’s policy. We welcome the client’s involvement through the entirety of the process including the initial findings stage.

Discrepancies identified during review may be considered either correctable or uncorrectable, with determinations made at the State’s discretion. Correctable discrepancies consist of those for which pharmacies may submit additional documentation during the audit process to resolve the discrepancy(s) discovered during initial review. Conversely, uncorrectable discrepancies consist of those the State determines shall not be resolved with additional documentation, usually due to the nature of the discrepancy.

Examples of documentation for correctable discrepancies may include:

- A statement from the prescriber or a new prescription order for those discrepancies wherein a prescription is filled based on an incomplete order.
- A member attestation for those discrepancies wherein proofs of receipt are missing or incomplete.



Although verbal or “call-in” clarifications are usually not acceptable as corrective documentation, the State may stipulate the manner, nature, and requirements of corrective documentation.

Once the review of the pharmacies’ first submissions has been completed, letters with initial results are issued. Pharmacy providers are given 30 calendar days from the date of the letter to respond, address, and/or correct any identified discrepancy(s). After receiving and reviewing pharmacies’ responses to the initial results, findings are updated in our audit management system and letters with final results are issued. Pharmacy providers are given 30 calendar days to respond, either by correcting any remaining discrepancy(s) or by submitting a grievance.

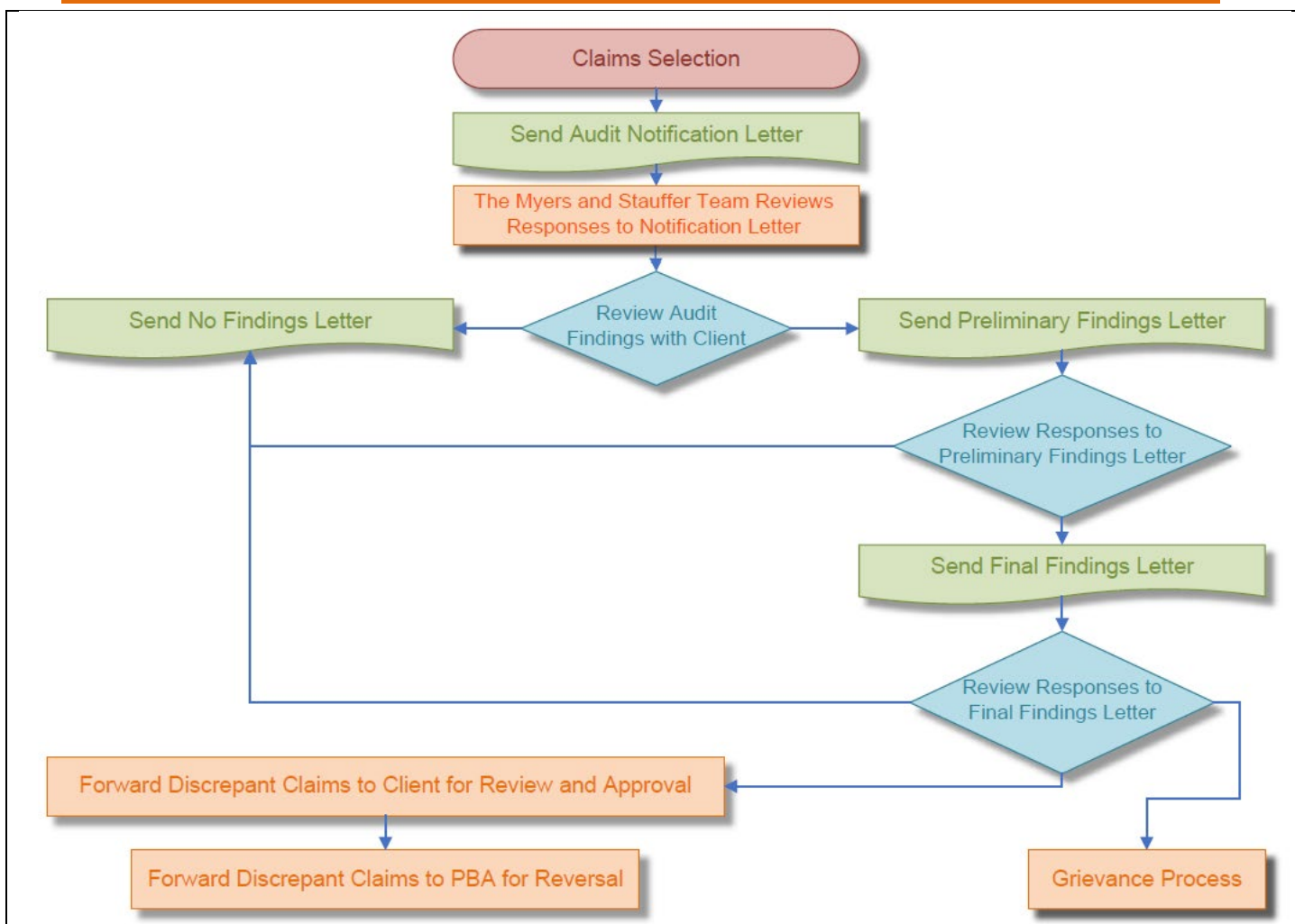
Responses to final results that are received by the listed deadline and that resolve correctable discrepancies are processed by the auditors and pharmacies are issued updated findings letters reflecting the adjustment(s). Grievances received by the listed deadline, which either address uncorrectable discrepancies or are insufficient to resolve correctable discrepancies, are forwarded to a separate grievance committee for review.

Closing Out an Audit

At the conclusion of the audit process, any remaining discrepant claims not included in a pharmacy’s grievance request are sent to the State for review and reversal approval. Once approved by the State, we forward these claims to the PBA vendor for reversal completion. Provider-submitted grievances are forwarded to a State-approved independent grievance committee for review. Discrepancies involved in the grievance process are separated and not included in the first set of claims sent for reversal approval.

MSQ3.1 – Desk Audit Flowchart





4. Bookmark Title: MSQ4 – Field Audits
 Bookmark Title for Supporting Material: MSQ4.1 – Field Audit Flowchart
 Narrative description is limited to two (2) pages, not including the required supporting material.
 Describe in detail your process for selecting claims and conducting field audits. Include in your response the procedure you will follow when a field audit has been completed, including, but not limited to, requirements identified in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.3 Field Audits.

Supplier Response

MSQ4 – Field Audits

Initiation and Selection

In contrast to the claims-driven desk audits, our field audits are pharmacy-driven. Pharmacies are grouped into regions and their dispensing patterns are analyzed by our auditors for inconsistencies or unusual activity and patterns. Our audit management system, CompassRx, tracks and prevents overlapping audits in compliance with client policy and state law. It also tracks the number of claims against a pharmacy. Reviews are typically performed monthly with select criteria analyzed on a year over year basis to detect potentially significant changes in dispensing patterns. Pharmacy selection takes into consideration:



- Risk Scoring - that is, a pharmacy has billing patterns of concern, which may include being an outlier in the network in certain metrics including but not limited to:
 - Prescription volume.
 - Concentration of controlled substance prescriptions.
 - Client-specific high dollar thresholds.
 - Drug specific measures: unusual quantities; number of prescriptions per member, package size mismatches.
- Results of prior desk audits.

Additionally, pharmacies may be selected for field audits based upon requests by the State or similar referral.

Quarterly, or at an interval determined by the State, we will submit a list of pharmacies selected to include in field audits for the State's approval. Once approved, claims are tracked through our system to ensure compliance with required timelines for initial and final audit findings.

Fourteen days prior to the scheduled on-site audit pharmacies are notified, via email or fax, of the date of the on-site audit with an approximate arrival time. Included in this notification is a masked list of claims that will be audited—wherein the last two digits of prescription numbers are omitted. Audit notifications also include auditor contact information for any questions a pharmacy may have.

Conducting a Field Audit

While on-site, our auditors allow assistance with pulling the prescriptions from the pharmacy's staff. Auditors conduct a comprehensive review of each prescription record, assessing the validity of each hardcopy, its compliance with federal and state laws, and its adherence to state policy. We also have extensive experience operating within the bounds of states' pharmacy auditing bills of rights, where applicable. Additionally, field auditors verify current licenses, review staffing against the federal and state exclusions lists, and observe activity in the facility or pharmacy for evidence of adherence to pharmacy regulations and support for the number of claims billed. Before concluding the on-site portion of field audits, our auditors conduct exit interviews with the pharmacist on duty. These consist of providing both a summary of our findings while on-site as well as a description of the remaining stages of the audit. Pharmacies are notified that all signature logs for the audited claims are due within two weeks. Copies of exit interviews as well as the auditor's contact information are left with the pharmacy should the providers have further questions or the need to request an extension.

As with desk audits, discrepancies identified in field audits are either correctable or uncorrectable - with determinations made at the State's discretion. We welcome the State's involvement through the entirety of the process including the initial findings stage. Once signature logs have been received and reviewed by auditors, letters with initial results are issued. Pharmacy providers are given 30 calendar days from the date of the letter to respond, address, and/or correct any identified discrepancy(s). After receiving and reviewing submissions from pharmacies responding to the initial results, findings are updated in our audit management system and letters with final results are issued. Pharmacy providers are given 30 calendar days to respond, either by correcting any remaining discrepancy(s) or by submitting a grievance.

Responses to final results that are received by the listed deadline and that resolve correctable discrepancies are processed by the auditors and pharmacies are issued updated findings letters reflecting the adjustment(s). Grievances received by the listed deadline, which either address

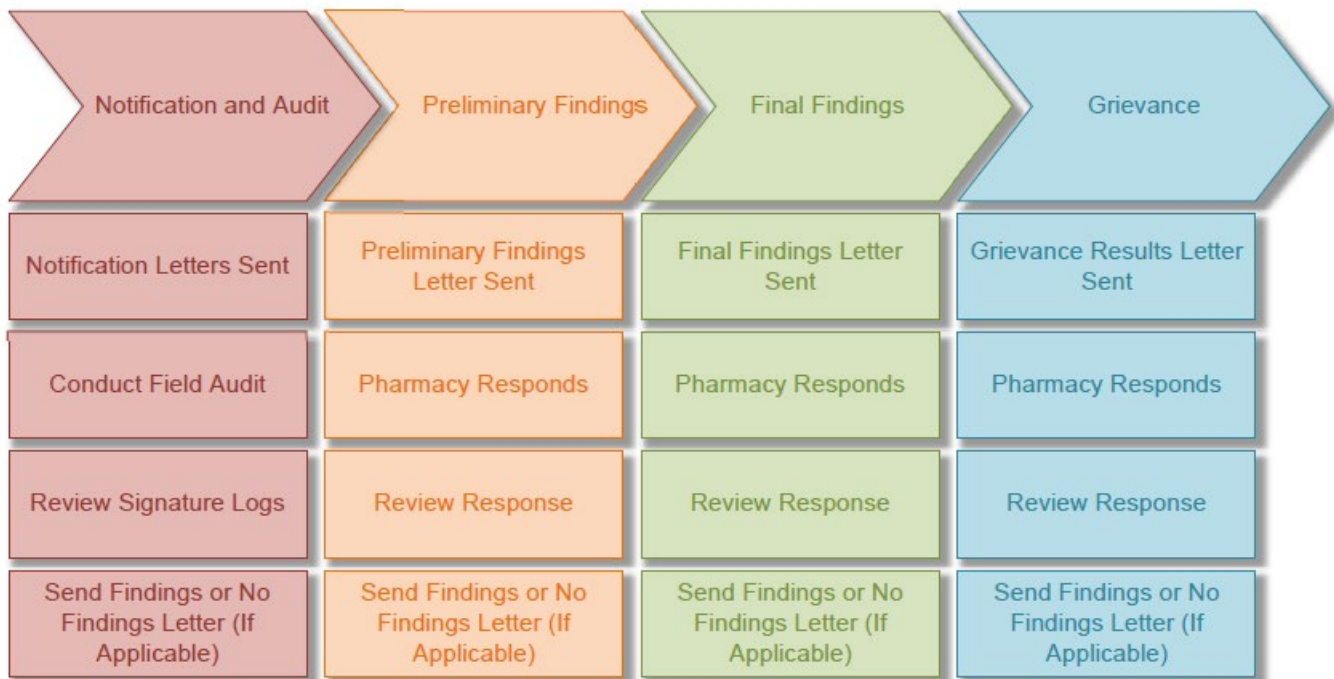


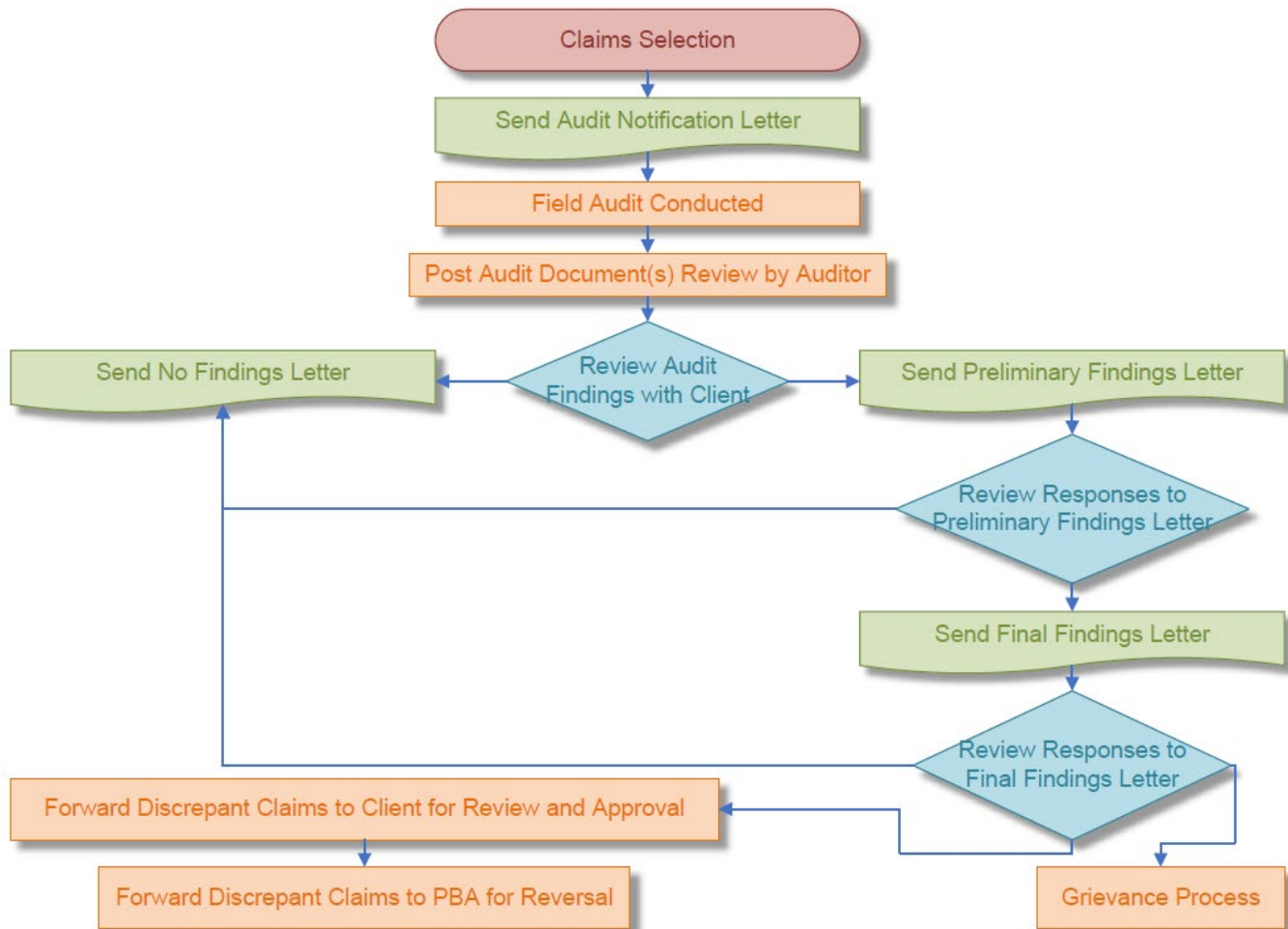
uncorrectable discrepancies or are insufficient to resolve correctable discrepancies, are forwarded to a separate grievance committee for review.

Closing Out an Audit

At the conclusion of the audit process, any remaining discrepant claims not included in a pharmacy's grievance request are sent to the State for review and reversal approval. Once approved by the State, we forward these claims to the PBA vendor for reversal completion. Provider-submitted grievances are forwarded to a State-approved independent grievance committee for review. Discrepancies involved in the grievance process are separated and not included in the first set of claims sent for reversal approval.

MSQ4.1 – Field Audit Flowchart





5. Bookmark Title: MSQ5 – Grievances
Bookmark Title for Supporting Material: MSQ5.1 – Grievances Flowchart
Narrative description is limited to two (2) pages, not including the required supporting material.
Describe in detail your procedure for addressing grievances and processing State approved settlements utilizing, but not limited to, the requirements as stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.4a Grievances.

Supplier Response

MSQ5 – Grievances

Pharmacy audits, by their very nature, seek to identify (and subsequently resolve and/or recover) aberrant billing practices. Inherent in the event of an adverse determination (e.g., recovery) is the opportunity for reconsideration and due process through an independent review. The processes outlined below addressing the handling of grievances and administrative review requests along with their associated letters will be submitted to the State for its review, amendment(s), and approval.

The Grievance Committee

Completed grievance requests received by the listed deadlines in pharmacy providers' final findings letters will be forwarded to members of a separate Grievance Committee. Grievances will be comprised of those submissions which address uncorrectable discrepancies and those which are



insufficient to resolve correctable discrepancies. The Grievance Committee, comprised of pharmacy professionals, will be approved by the State but independent from the State and separate from our auditors. Each member of this committee will independently review grievance documents submitted by pharmacy providers and make determinations to either uphold the original auditors' findings or to overturn them. Committee members will have authority to make decisions based on their professional judgment and discretion. The Committee will be allotted 30 calendar days to review and return their determinations to our auditors.

Upon receipt of the Grievance Committee's rulings, the auditors will abide by the majority decision for each grievance reviewed. The findings of the Committee will be saved and updated in our audit management system, and letters with the findings will be issued to pharmacy providers by our team. For grievances wherein the Committee rules to overturn the original auditor's findings, pharmacy providers will be notified of the decision and no further action will be taken on the affected claim(s). For grievances wherein the Committee rules to uphold the original auditor's findings, pharmacy providers will be notified of the decision as well as their right to request an administrative review. In these circumstances, the letters will give the pharmacies 30 calendar days to submit a request, along with all relevant appeal documentation, for an administrative review.

Discrepancies that are upheld by the Grievance Committee, and for which pharmacy providers do not submit administrative review requests by listed deadlines, will be sent to the State for review and reversal approval. Once approved by the State, we will forward these claims to the PBA vendor for reversal completion.

Administrative Review and Administrative Law Judge

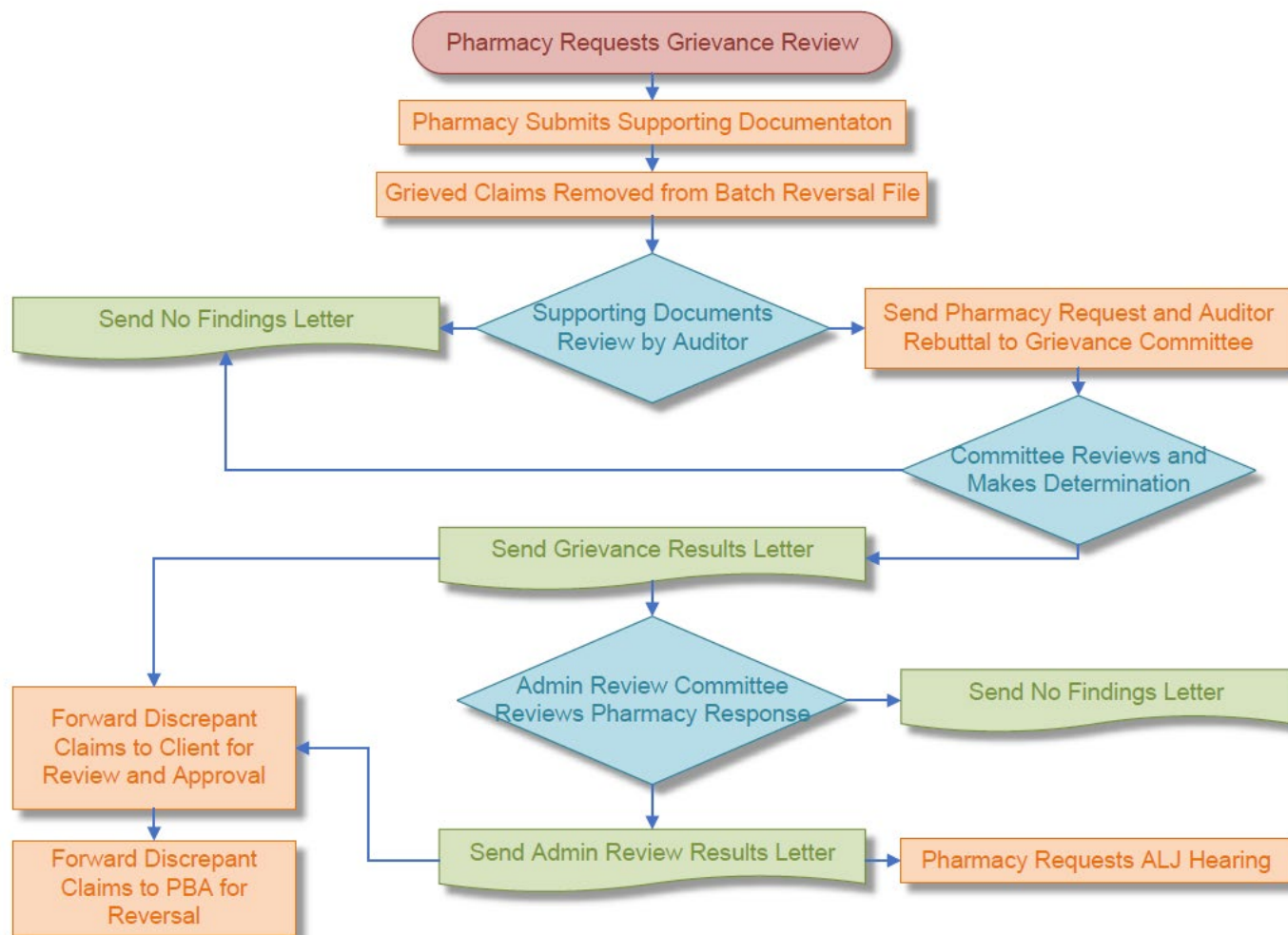
Administrative review requests that are completed and submitted by pharmacy providers by the listed deadline will be forwarded by our team to the Administrative Review Committee who will conduct a second-level appeal review. This body will have complete authority to overturn or uphold previous findings at its discretion. Once the administrative review is completed, the determinations will be forwarded to the team. Our auditors will save these findings, update our audit management system accordingly, and issue findings letters to pharmacy providers. For those appeals wherein the Administrative Review Committee rules to overturn the previous findings, pharmacy providers will be notified of the decision and no further action will be taken on the affected claim(s). For appeals wherein the State's Administrative Review team rules to uphold previous findings, pharmacy providers will be notified of the decision as well as their right to request a review by an Administrative Law Judge (ALJ). In these circumstances, the letters will give the pharmacies 15 business days to submit a hearing request with all relevant appeal documentation directly to the State's legal department. Delivery will be in a manner determined by the State.

If our team has not already been notified of a hearing request by the State's legal department, we will reach out by email to a State-designated legal department representative once 45 calendar days have passed from the date of letters informing pharmacy providers of their right to an ALJ hearing. If no hearing has been requested by a provider by that time, we will send the associated discrepant claim(s) to the State for review and reversal approval. Once approved by the State, the team will forward these claims to the PBA vendor for reversal completion.

For ALJ hearing requests received by the State's legal department, we will serve in a supportive capacity to the State's legal counsel when requested. Audit documents and case summaries will be provided by the auditors, as well as testimony regarding the review process when necessary. Claims associated with ALJ hearing requests will be flagged in our audit management system as

such and any subsequent reversal will be managed by the State pursuant to the outcome of the hearing.

MSQ5.1 – Grievances Flowchart



6. Bookmark Title: MSQ6 - Review Process
Narrative description is limited to four (4) pages.
- Describe in detail your process to review pharmacy and medical utilization of Members to identify areas of concern for both Members and Providers utilizing, but not limited to, the requirements stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 5 Pharmacy Lock-In (PLI) Program.

Supplier Response

MSQ6 – Review Process

Overview

Problematic behaviors are not only limited to providers but can include members as well. When there is a suspicion of member fraud, waste, abuse, or misuse, a robust PLI program combined with an education intervention can assist with deterring problematic behavior.



The overarching goal of any PLI program is to ensure the appropriate therapy and judicious use of services for Medicaid recipients. Secondary goals include identification of providers, both prescribers and pharmacies, whose behavior may indicate further review is necessary by the State's program integrity department.

One of the cornerstones of the Team's Lock-In solution is the utilization of pharmacist reviewers for program inclusion. Additionally, as part of our continuous quality assurance program, cases are randomly selected for secondary confirmatory review to ensure a 95% fidelity across reviewers.

The processes outlined below addressing the PLI Program will be submitted by NHC to the State for its review, amendment(s), and approval.

Initiation and Selection

Based upon the available claims data, a statistical-based methodology is employed via CompassRx to identify patients with behavior indicative of misuse or abuse for educational intervention or referral to the PLI program. Ideally, both medical and pharmacy claims data will be reviewed to identify members for further review against predetermined criteria for next steps. Prior to enrollment in the PLI program, the state may wish to employ an educational approach including outreach to providers to inform them of concerning behavior on the part of the member and request feedback and input of any clinically significant factors. Additionally, the member may also receive a letter to provide them with the opportunity to modify their behavior.

Currently, DCH will lock-in enrollees who meet their predetermined conditions for inclusion. Those criteria focus primarily on opiates and are outlined in section 604.1 of the Pharmacy Provider Manual and abbreviated criteria include the following parameters:

- Drug therapy is not supported by primary or secondary diagnosis.
- Member is suspected of drug abuse or fraudulent activities (forged prescriptions, borrowed ID cards, etc.).
- The member has filled prescriptions at more than two pharmacies/month or more than five pharmacies/year.
- The member has received more than three controlled substances/month.
- The number of prescriptions for controlled substances filled by the member (this includes all drugs with abuse potential) exceeds 10% of the total number of prescriptions filled by the member.
- The member was seen in the Hospital Emergency Room more than twice per year. If greater, the recorded diagnosis should be consistent with an emergency medical condition.
- The member received duplicate therapy from different physicians.
- The member received prescriptions from pharmacies or visited physicians located outside the member's county of residence.
- The member purchased drugs of abuse without utilizing their Medicaid prescription benefits.
- The member has a diagnosis of narcotic poisoning or drug abuse.

In addition to the PLI program, DCH has been successful at combating abuse and misuse with opiates through quantity level limits (QLL) based on morphine milligram equivalents, prior authorization (PA) criteria, and retrospective drug utilization interventions. We suggest additional criteria for inclusion for other agents of abuse such as tramadol, carisoprodol, and gabapentin to name a few. Other parameters that will be considered include:

- Multiple prescribers of controlled drugs.
- Early refills of controlled drugs.
- High dose of controlled drugs.
- Excessive use of controlled drugs.
- Chronic use of controlled drugs with no diagnosis.
- Duplication of therapy.
- Number of pharmacies.
- Diagnoses.
- Total cost.

Provider Identification

Once members eligible for intervention have been identified, a member notification letter will be issued. The member will be afforded the opportunity to identify a pharmacy and a prescriber of their choosing as potential sole providers. If possible, from a system perspective, we also recommend that members be limited to one hospital. We will then contact the identified providers to gauge their willingness to service the member. If necessary, we will follow up telephonically with the providers for acceptance into the PLI program. If there is no response or a declination to accept the member is received, we will initiate outreach to other providers within a mutually agreed upon geographical radius of the member. If no willing providers can be identified, we will notify the State of the difficulties in identifying a suitable provider. If a willing provider is identified, members will be provided with a 30-day advance notification via letter that their enrollment in the PLI program will occur on the first day of the month (after the 30-day notification period has expired). To summarize, the member notification letter will achieve the following:

- Identify concerns related to the member's utilization of the Medicaid program.
- Explain the PLI program and the member's appeal rights.
- Provide rationale for the Lock-In determination.
- Request the member identify potential Lock-In providers of their choosing for program outreach.

Member Progress

While enrolled, patient data will be reviewed for improvement in the predetermined inclusion criteria and tracked on a quarterly basis. Candidates will be eligible for reviews for release from the program after one year of inclusion. Once this review has been completed, members who maintain program eligibility will be enrolled for another year. Those members whose patterns no longer qualify for program inclusion will be eligible for disenrollment. If a provider requests member reassignment or if the provider is no longer able to service the member, we will recommence the provider identification process.

Program Termination

Upon disenrollment, the member and their providers will receive a notification letter. If a member is released from the program, they will continue to be followed for at least six months to track for recidivism and ostensibly program reenrollment.

Reporting

Through our audit management system, we can track program efficacy and respond to state requests for case-specific information. All PLI-related activity including member and provider inquiries are logged and date-stamped within our audit management system. The State will be



provided with monthly updates of the current number of members enrolled as well as those in the process of being enrolled or being considered for inclusion. Also included monthly, will be a list of members removed from the program. All members will be reviewed quarterly to assess progress towards program termination. In addition to the monthly (and quarterly) reporting, we will meet at an agreed-upon frequency or as needed with the State to discuss program performance and to review restricted members, problems, and changes in the review process. The monthly reporting will be provided to the State five days prior to the end of each month. Additional reporting will include lists of providers who engage in problematic behavior based on predetermined State-approved algorithms. We will also provide the State with any requested information or support applicable to any hearings or proceedings that occur in relation to member enrollment in the program.

7. Bookmark Title: MSQ7 – Cost Avoidance Strategy

Narrative description is limited to four (4) pages.

Describe in detail the effectiveness of your cost avoidance strategy for selecting claims in your concurrent review program.

Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 3 Concurrent Reviews.

Supplier Response

MSQ7 – Cost Avoidance Strategy

Concurrent Review offers the State and their providers the opportunity to identify and correct select claims, essentially in real time, which may indicate data entry errors, billing discrepancies, or a conflict with program policies. This enhanced service allows the State to employ changes designed to reduce provider administrative burdens such as minimizing the recurrence of aberrant billing practices and reducing the number of claims in the audit process.

The concurrent review program alerts the provider of a potential billing error prior to payment and potentially before receipt of the prescription by the patient. If successful, the provider is no longer at risk for recovery from a future audit and the state also avoids the associated costs from said audit. The notification is delivered via facsimile within 24 hours of claim submission when possible, providing the pharmacist the opportunity to review the claim as workload allows. In our experience, concurrent review is a low-cost high-impact program that is well received from providers. Although it can vary depending on the size and scale of the program, the cost avoidance compared to program cost typically exceeds 5:1.

The concurrent review program has been successful for multiple plans. By way of example, over 15 million dollars in cost avoidance was attributed to the concurrent review program for one client alone. With respect to the state of Georgia, in years past nearly 35,000 claims were touched by the program in an attempt to avert the need for desk or field audit inclusion. Moreover, the program is typically received positively by providers in acknowledgment that pharmacy audit programs should not be considered revenue streams because they are provided the opportunity to correct a claim and avoid a potential recovery via audit. Finally, prescription claims that are routinely misbilled despite educational efforts are forwarded to the clinical management department for potential utilization management intervention in the form of systematic edits. If appropriate and implemented, the edits such as QLLs will also serve as a cost avoidance mechanism although the claims and associated cost avoidance will no longer be attributed to the concurrent review program.



The processes outlined below addressing Concurrent Review will be submitted to the State for its review, amendment(s), and approval.

Concurrent Review

Concurrent review approximates a 'real-time' review when claims data is provided and audited on a daily or weekly basis. Concurrent review can serve as a prepayment review and eliminate the need for recoupment post-payment. All claims are analyzed utilizing dynamic logic that has been developed based on our experience as a leading pharmacy audit company and on our extensive experience as practitioners. Claims that appear to have been billed outside of normal patterns are selected for further review and intervention.

Concurrent review notifications are delivered via facsimile where possible, requiring no response by the pharmacy. Pharmacies are encouraged to review the flagged claims to ensure that they have been billed properly, in accordance with DCH pharmacy policy requirements and prescription directions. In addition to reducing errors on a prepayment basis, a primary goal of concurrent review is to eliminate "unnecessary noise" to the pharmacy provider by allowing an opportunity for claims correction before the claim is selected for more intensive auditor review. An additional benefit is avoidance of incorrectly billed claims in the rebate program, reducing manufacturer disputes and prior quarter adjustments. Finally, it provides a sentinel effect secondary to continuous, active claims surveillance.

Claims that are not modified may be flagged for further investigation through the desk audit program. Monthly reports are provided to document the positive impact of the concurrent review program.

Concurrent Review Process. Each night, 100% of paid, denied, reversed, and adjusted claims information are made available for review. Proprietary algorithms are then used to identify the aberrant claims and pharmacies are notified with specific information about these claims. This notification generally takes place within one business day via fax. Pharmacies then have an opportunity to review and, if necessary, correct and resubmit the claim per the provider agreement. If a pharmacy does not make corrections to a claim or if it still appears to be aberrant, the claim may be included in the normal quarterly audit.

One of the primary benefits in conducting Concurrent Review is provider relations. Pharmacy owners often assert that the sole purpose of an audit is to serve as a revenue stream. Concurrent Review reduces administrative burden on both pharmacies and states if an aberrant claim can be corrected before a field or desk audit is initiated and a resulting recovery is indicated. As a result, good will is cultivated between the State and the pharmacy network by demonstrating pharmacy reviews and audits can be educational processes and not a revenue stream for payors.

Selection Criteria. While all pharmacy submissions are eligible for inclusion in the concurrent review program, claims with a high degree of likelihood for having been billed incorrectly are the primary focus. Nevertheless, NHC offers a standard suite of claims selection criteria that is fully customizable to meet client needs including:

- Products that are billed with inconsistent package size or in large amounts.
 - Package size should be billed in whole multiples of the available package size (i.e., 17-gram inhaler should be billed as 17 grams, 34 grams, 51 grams, etc.) This edit includes oral inhalers, nasal inhalers, insulin, ophthalmic preparations, oral contraceptives, medications packaged as kits, etc.
- Excessive quantity and/or high dollar claims.



- Any quantities exceeding 1,000 individual oral solid dosage forms (i.e., tablets) and any liquids exceeding 1,000 milliliters.
- All medications with a pharmacy due amount over \$3,500.
- All topical preparations in excess of 60 grams.
- High dosage alert.
 - Claims that exceed the recommended maximum daily dose.
- Age.
 - Primarily includes medications that fall outside the normal age range (e.g., antihypertensive medications in patients under age 18, Type 2 diabetes medications under age 18, anti-hypercholesterolemia medications in patients under age 18).

Periodically, NHC will assess the efficacy of our algorithms by comparing the number of claims which are modified post-intervention against the total number of claims identified for the specific algorithms. Generally, a minimum percentage of claims identified by an algorithm must be reversed or rebilled for continued claim inclusion in the concurrent review program.

Reporting. Reports will be provided monthly, quarterly, and annually detailing the results of the Concurrent Review Program. The reporting will provide a high-level overview of claims, as well as summary details grouped by intervention reason code and pharmacy provider. The reporting details will include the total number of providers contacted, total number of claims flagged for review, number of unresolved discrepant claims, and the State's estimated cost avoidance. The cost avoidance calculation compares the pre and post claim status and final paid amount after concurrent review has been initiated.

8. Bookmark Title: MSQ8 – Proposed Reports
Bookmark Title for Supporting Material: MSQ8.1 – FWA Reporting Samples
Narrative description is limited to five (5) pages including the outline(s) of the sample reports, not including the required supporting material.
- Provide a listing of all proposed reports including the frequency of each report, purpose and synopsis that will be provided to the State. Include with your response an outline of a quarterly utilization and performance report that will be developed and customized to meet the needs of the State and are readily accessible to authorized users along with any limitations with accessing each report.
- Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 4.1 Reporting.

Supplier Response

MSQ8 – Proposed Reports

Routine reporting is a vendor's opportunity to provide their clients with a summary often in graphical representation of performance and program effectiveness. Accordingly, the Myers and Stauffer Team offers a robust suite of reports compiled using our *CompassRx* Audit Management System. We utilize a comprehensive case tracking system. As such, we can produce in-depth reports of audit activity including at the claim level detail, by pharmacy, based on audit stage, for specific medications and by total number of dollars recovered. Due to the potentially sensitive nature of the contents, our preference would be to deliver all reports via secure web protocols, ensuring necessary State employees are authorized and possess credentials needed to retrieve them.



However, we are willing to collaborate with the State to determine an otherwise secure method of delivery.

Proposed Monthly Reports

On a monthly basis, we will submit an audit activity reporting package to the State in order to demonstrate a high-level summary of the state of their program. The included reports will serve to provide the State with a snapshot in time of the status of ongoing audits. The reporting package, which is customizable to meet the needs of the client, may include, but not be limited to:

- Audit Summary.
 - Audit ID.
 - Audit Method.
 - Total Number of Audited Claims.
 - Total Number of Claims Found Not Discrepant.
 - Total Number of Discrepant Claims.
 - Total Dollar Amount of Discrepant Claims.
 - Total Dollar Amount of Reversed Claims.
 - Total Dollar Amount of Appealed Claims.
 - Total Dollar Amount Under Review.
 - Total Dollar Amount Upheld.
- Top 10 Pharmacies by Recoupment.
 - Pharmacy Name.
 - Total Number of Discrepant Claims.
 - Total Dollar Amount of Reversed Claims.
- Top 25 Drugs by Recoupment.
 - Drug Name.
 - Product National Drug Code (NDC).
 - Total Number of Discrepant Claims.
 - Total Dollar Amount of Reversed Claims.
- Monthly Executive Summary (see pages 1-2 of MSQ8.1 Supporting Document).
 - Audit Summary by Type.
 - Number of Audits.
 - Number of Pharmacies.
 - Recoupments/Cost Avoidance.
 - Appeals Summary by Type.
 - Number of Administrative Reviews Requested.
 - Number of Administrative Reviews in Process.
 - Number of ALJ Hearings Requested.
 - Number of ALJ Hearings in Process.
 - Concurrent Review Summary.
 - Number of Claims.



- Estimated Cost Avoidance.
- Top Five Drugs by Provider-Adjusted Claims.
- Top Five Drugs by Cost Avoidance.
- Details of Updated Claims.
 - Drugs Updated by NDC.
 - Number Claims, grouped by Type of Update (e.g., reversed versus modified).
- Provider Education.
 - Pharmacy Names.
 - Type of Education or Corrective Action Plan.

Proposed Quarterly Reports

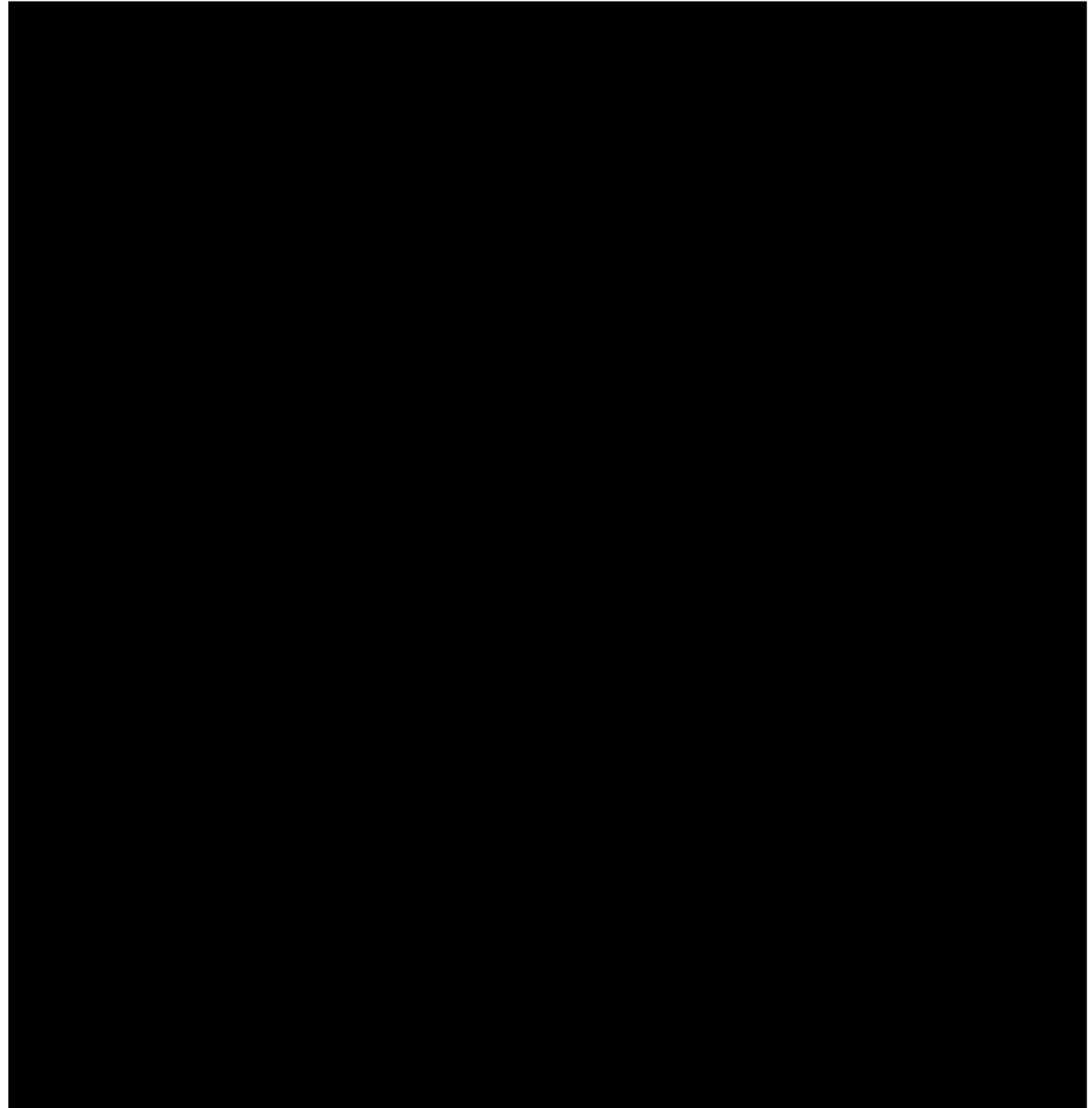
A quarterly reporting package serves to provide the State with an enhanced overview of all audit activity that occurred during the three-month timespan. Also provided in the quarterly reporting package is a summation of all audit activity that occurred over an extended time period, in this case 18 months, in a dashboard format. The quarterly reporting provides the State with a more comprehensive status of their audit programs given the expanded time period compared to the monthly reporting. Because most audits progress through stages with guaranteed provider minimum response times, some audits may not reach the final stage for over one year. The ebb and flow of the entirety of the audit program is better captured in a dashboard format with an 18-month review period to account for the completion of an audit cycle. Finally, pharmacy scorecards upon which inclusion in field audits is often based are made available in the quarterly package. This reporting package, also customizable to the State's needs, typically includes, but is not limited to:

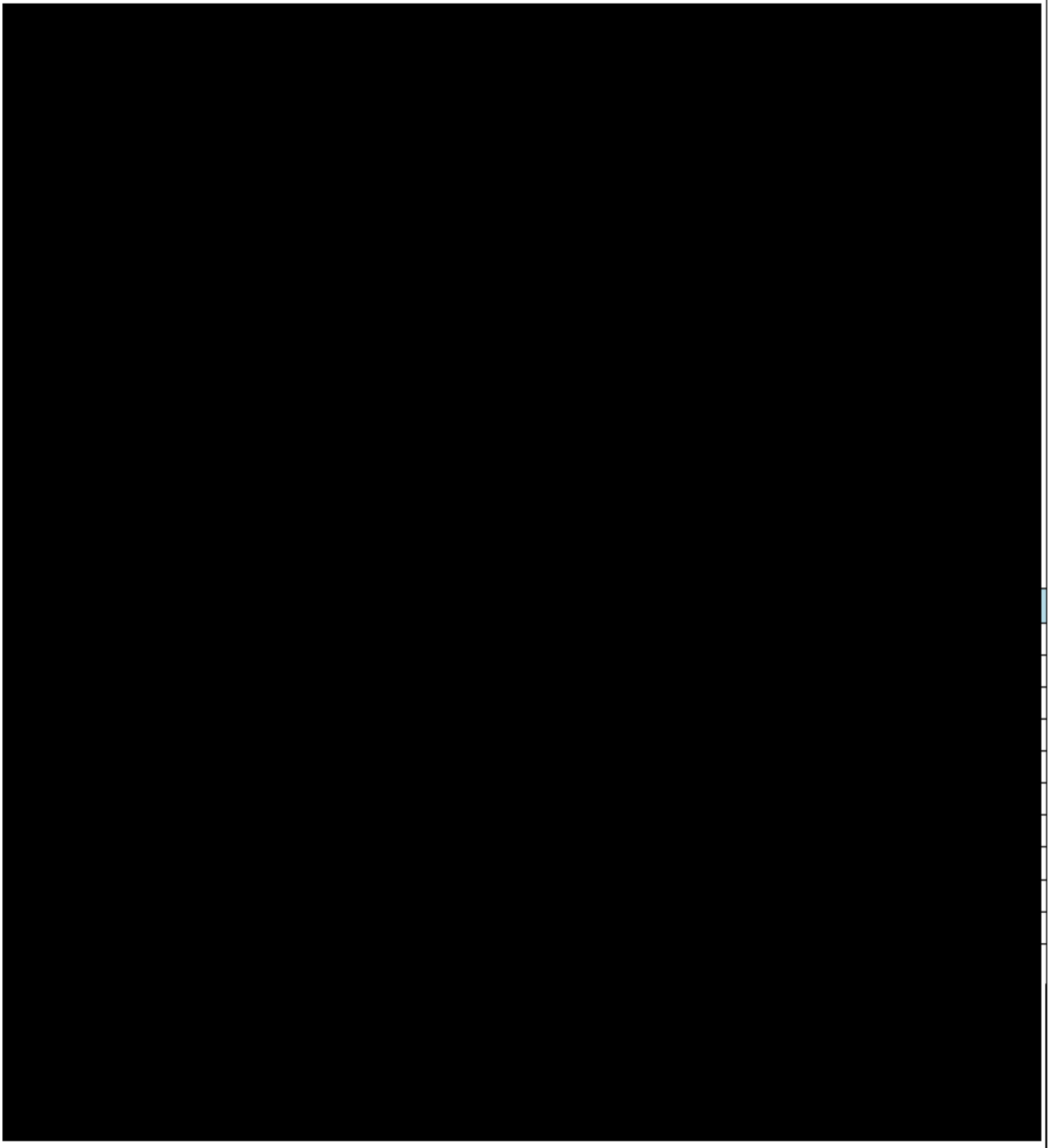
- Quarterly Audit Executive Summary (see pages 3-7 of MSQ8.1 Supporting Document).
 - Summary of Audit Activity.
 - Number of Audits: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Number of Pharmacies Audited: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Number of Claims Audited: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Total Dollar Amount Recovered: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Number of Claims Selected for Concurrent Review: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Estimated Cost Avoidance: Current Quarter, Fiscal Year, 12 Months, Year to Date.
 - Status of Current Quarter's Audits.
 - Key Findings.
 - Number of Discrepant Claims by Type.
 - Total Dollar Amount by Discrepancy Type.
 - Items Pending Decisions by the State.
 - Status of Open Audits from State's Prior Fiscal Year.

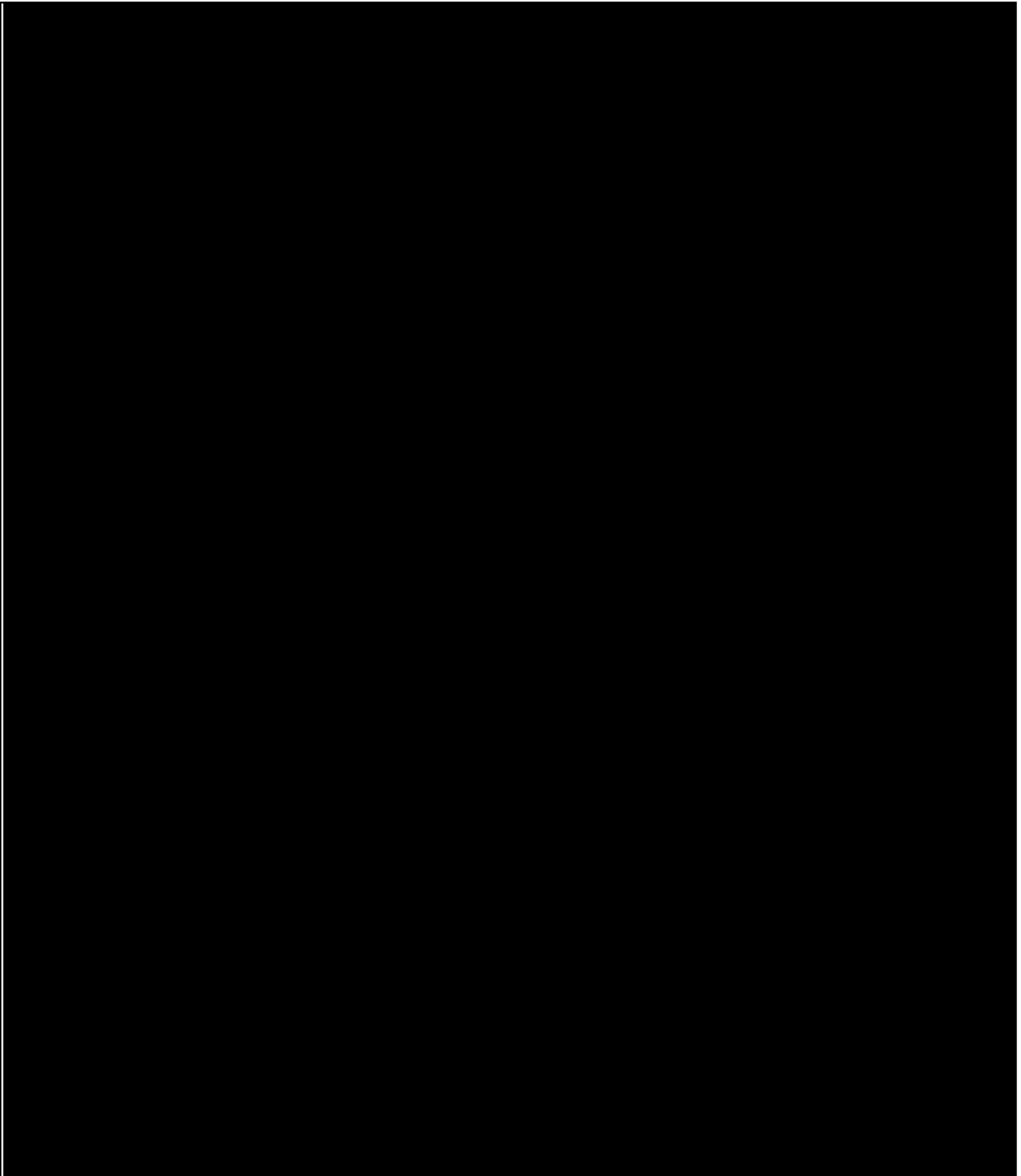


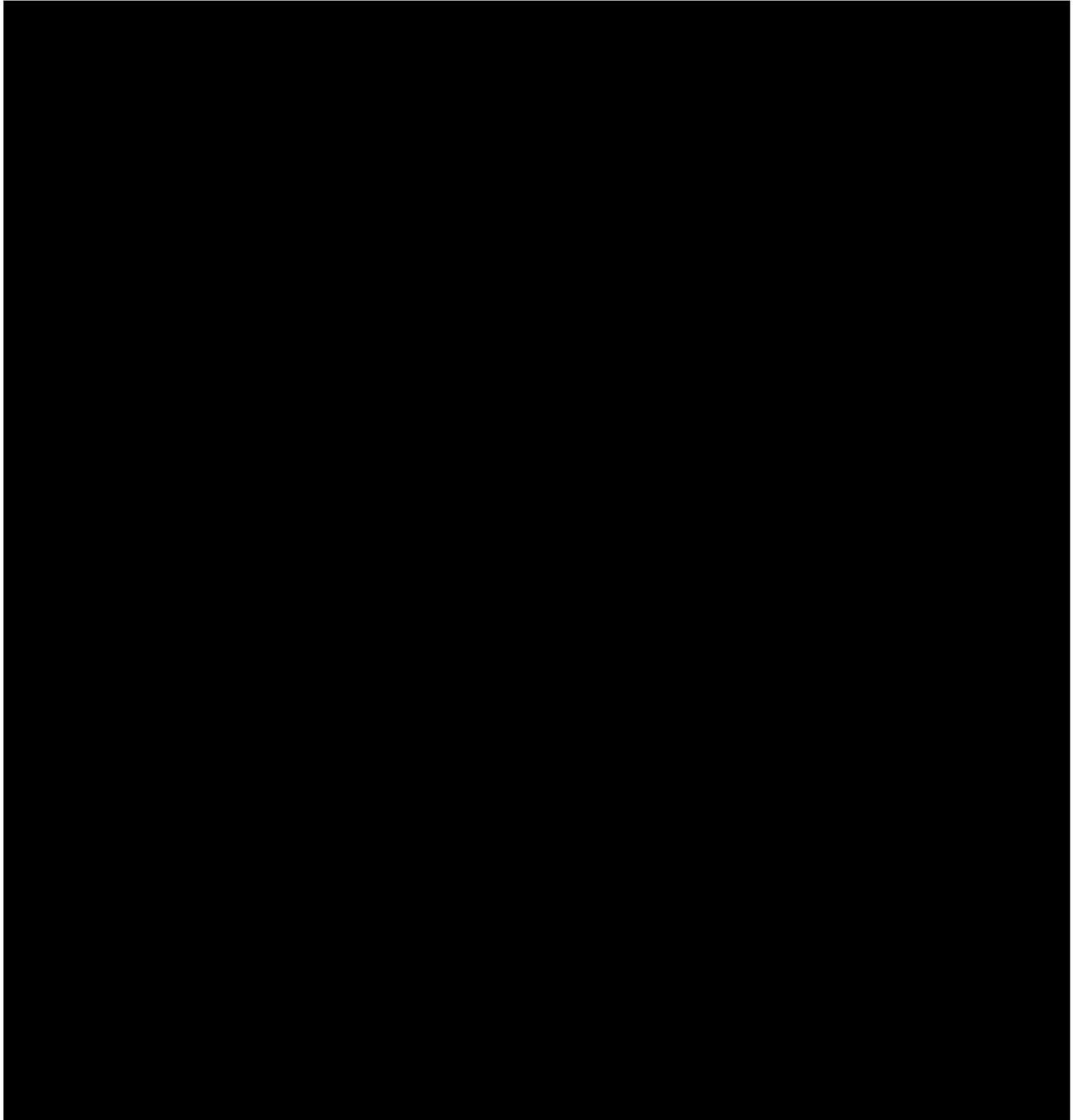
- Audit Dashboard: Rolling 18-Month Report, Listed by Month (see page 8 of MSQ8.1 Supporting Document).
 - Number of Desk Audits in Progress.
 - Number of Desk Audits Closed.
 - Number of Field Audits in Progress.
 - Number of Field Audits Closed.
 - Number of Daily Concurrent Review Claims.
 - Estimated Cost Avoidance from Concurrent Review.
 - Total Dollar Amount Recovered from Closed Audits.
 - Summation of Estimated Cost Avoidance from Concurrent Review and Total Dollar Amount Recovered from Closed Audits.
 - Top Ten Discrepancies by Occurrence on Closed Audits.
 - In-Process vs. Completed Recoveries by Quarter on Closed Audits.
- Pharmacy Scorecard: Pharmacy-specific Risk Scoring Summary (see page 9 of MSQ8.1 Supporting Document).
 - Overall Risk Score.
 - Network Risk Score Percentile.
 - Top Five Categories by Percent Variance from Network Average.
 - Top Five Categories by Weighted Risk Score.

MSQ8.1 – FWA Reporting Samples





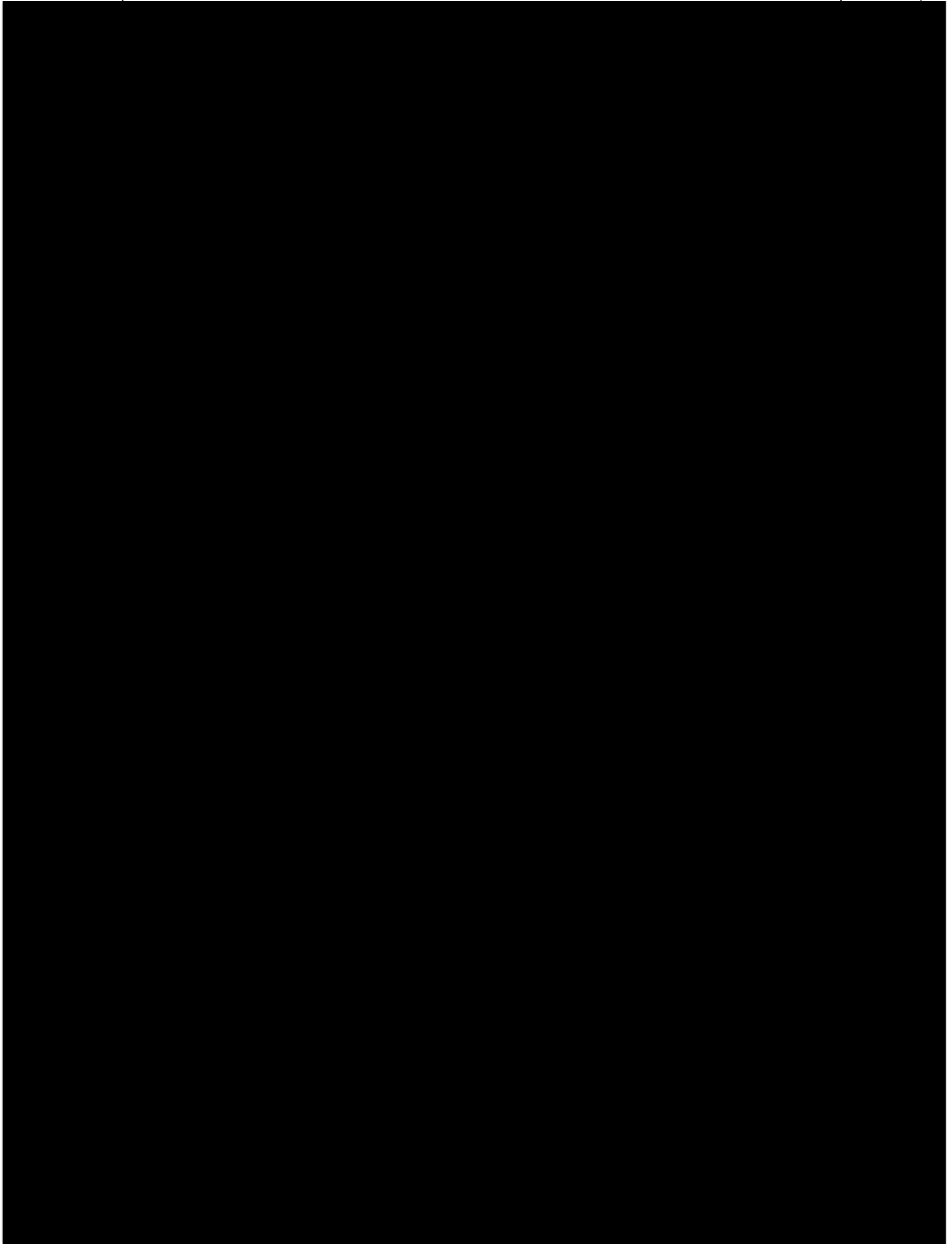


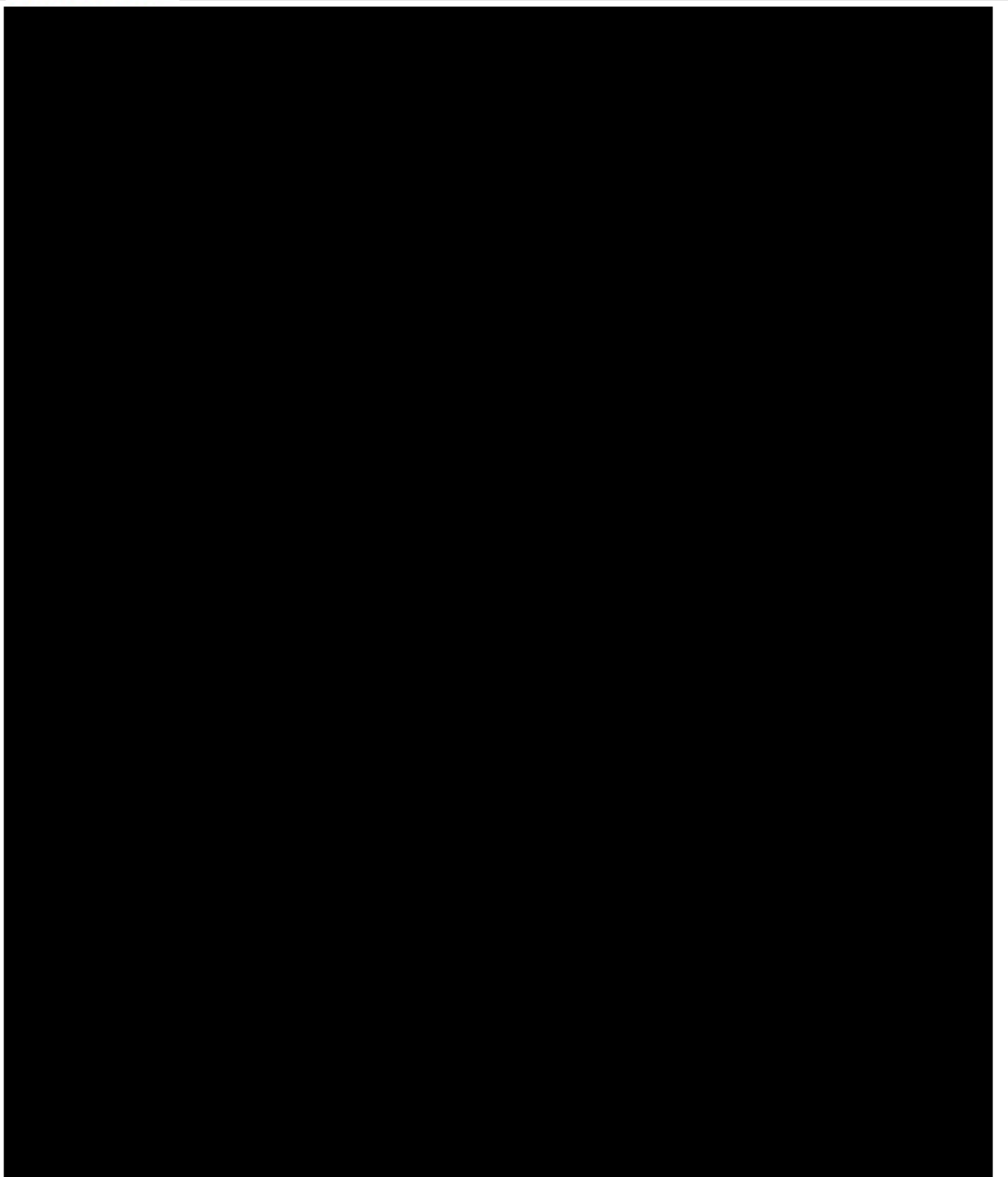


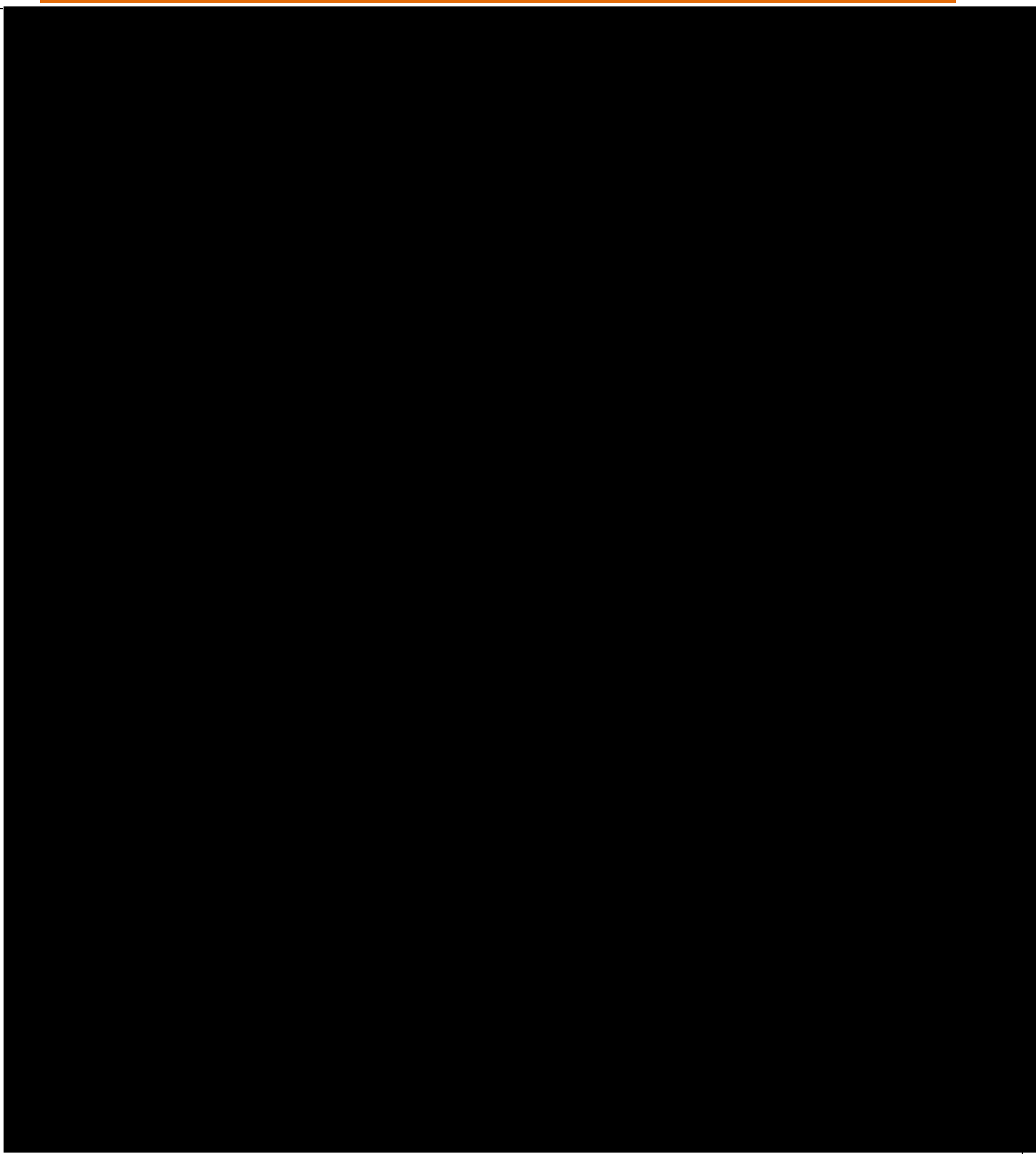


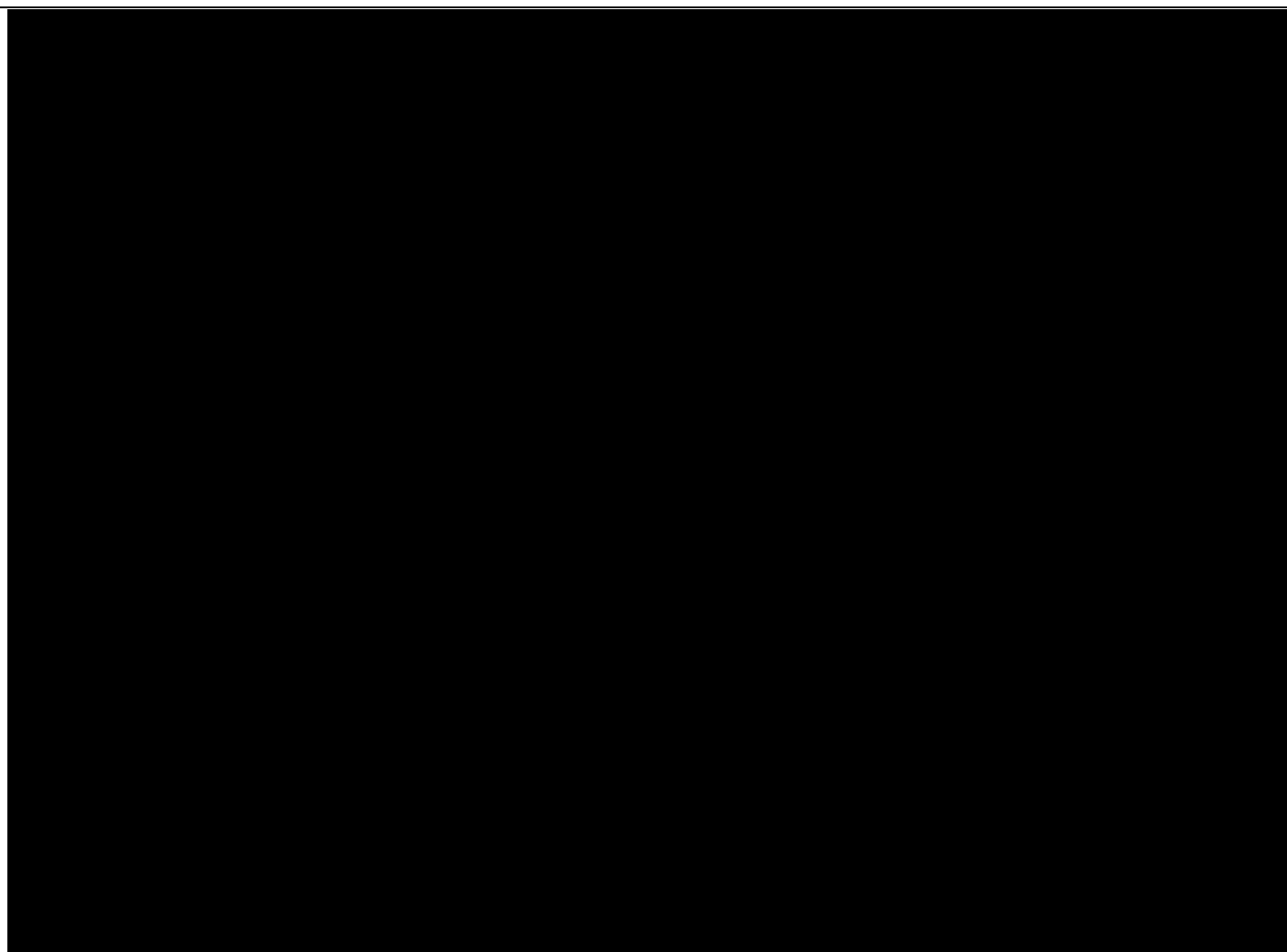
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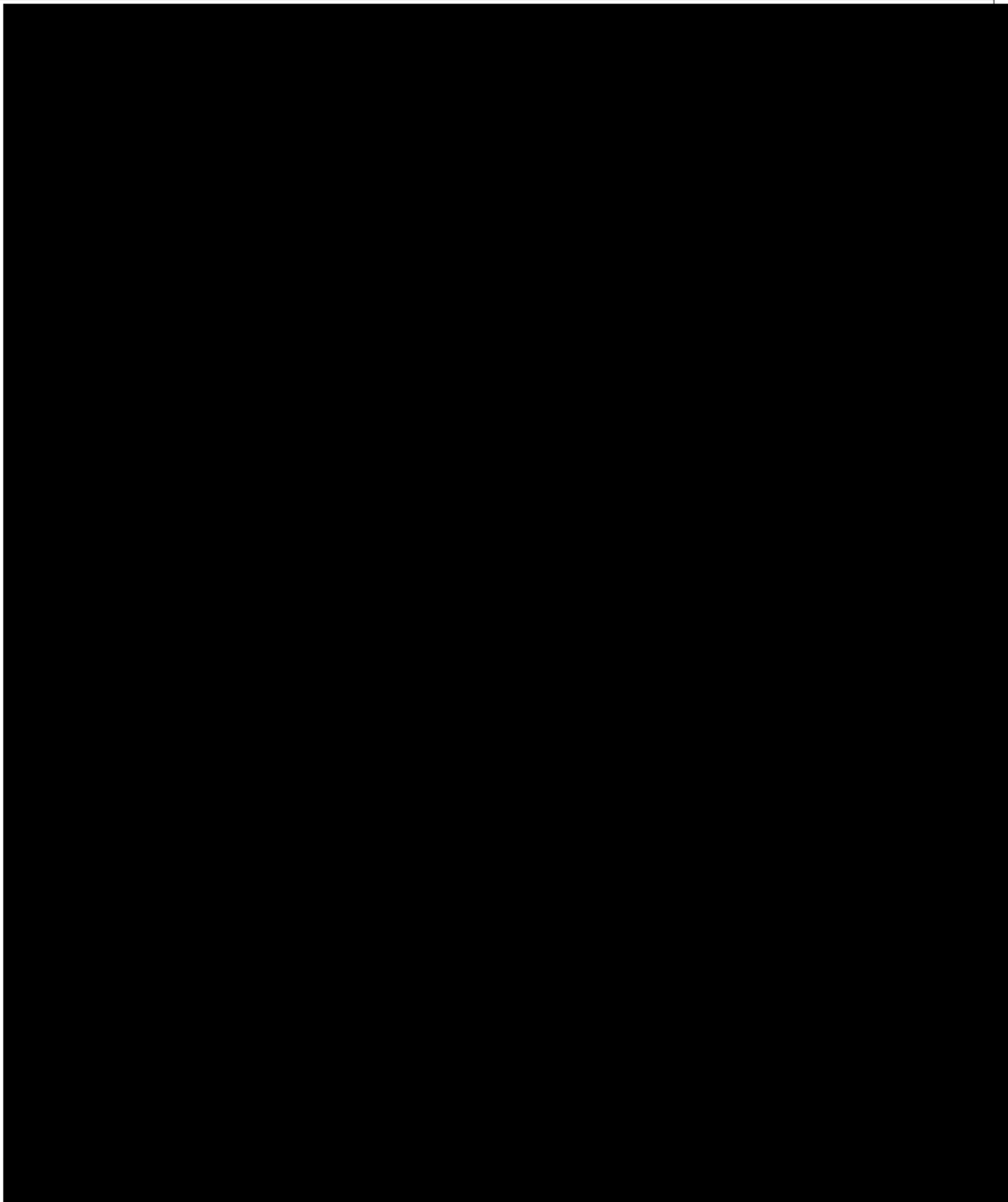
State of Georgia
In Conjunction with NASPO ValuePoint
eRFP Number: 41900-DCH0000136
Pharmacy Benefit Services













9. Bookmark Title: MSQ9 – Security Controls
Narrative description is limited to five (5) pages.
- Describe in detail how your administrative, technical, and physical security controls demonstrate compliance with HIPAA Security Laws and Regulations to meet the requirements stated in Attachment C - Common Scope Requirements and Security Standards Section 6: Medicaid Enterprise System Security Standards.

Supplier Response

MSQ9 – Security Controls

As a government contractor that handles large volumes of confidential data, Myers and Stauffer takes every precaution to ensure data is securely accessed, managed, transferred, and stored according to the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act, and state-specific privacy and security laws. We employ a coordinated approach to the protection of information resources and depositories of sensitive information that are under our custody by establishing reasonable and appropriate administrative, technical, and physical safeguards that include all departments, individuals, and others that administer, install, maintain, or make use of Myers and Stauffer's computing resources and other depositories of information. We have had a comprehensive HIPAA privacy manual in place since 2003, and privacy policies and procedures have been incorporated within our workflows and workforce trainings. We have been and are committed to continuous adherence to the seven principles of data privacy, and we apply these principles to all aspects of data management.

Myers and Stauffer follows National Institute of Standards and Technology (NIST) and Federal Information Security Modernization Act (FISMA) compliance framework standards and industry best practices. We are FISMA and Federal Information Processing Standards (FIPS) 200 compliant and have in place privacy and security policies and procedures that support an enterprise-wide information security plan (ISP). Our ISP includes security-related controls that address among other things: access; awareness and training; audit and accountability; information system inventory and categorization; monitoring; security assessments; configuration management; contingency planning; identification and authentication; incident response; maintenance; media protection; physical and environmental protection; planning; personnel security; risk assessment; systems and services acquisition; system and communications protection; and system and information integrity.

Myers and Stauffer utilizes the International Organization for Standardization (ISO)/International Electrotechnical Commission 27002 code of practice as our information security standard and baseline for minimum-security requirements and compliance. In addition, our information technology (IT) general controls are aligned with the Control Objectives for Information Technologies IT governance framework and reviewed regularly for compliance. Training courses have been created outlining regulatory rules along with the standard practices of Myers and Stauffer in handling confidential data. This training is required of all members of the workforce.

Myers and Stauffer has contracted with a third party, offsite data center vendor, which is responsible for the infrastructure that hosts Myers and Stauffer's primary data systems and relevant engagement data. The data center vendor is a Myers and Stauffer business associate, complies with SOC 1, 2, and 3 audit standards, and is FedRAMP certified. The vendor maintains Myers and Stauffer data in a primary data center within the United States and provides physical and environmental controls and security, 24/7 monitoring, and connectivity with multiple layers of



security, including: escalated access, staffed personnel, mantraps, biometric entry, security cameras, and floor monitoring. An alternate disaster recovery (DR) site is located over 900 miles from the primary location and also in the United States. Data residing in the data center is encrypted at rest.

Myers and Stauffer utilizes security protocols to limit access to all client data to only those personnel who are authorized by project managers and actively working on an engagement.

Members of the Myers and Stauffer workforce must adhere to established policies and procedures that address information security classifications, roles/responsibilities, access control, password management, network connectivity, data transmission and hardware encryption, virus/malicious software, change control, privacy, and more. In addition to internal policies, Myers and Stauffer has in place firm-specific policies and procedures that are uniquely written for the environment and industry in which we conduct business. All members of the workforce are required to sign a confidentiality agreement, which includes privacy and security rule compliance provisions, and to complete mandatory privacy and security awareness training throughout the year. The training covers topics such as updates to privacy and security policies and procedures, encryption, access and management of confidential information, security event reporting, encryption, phishing, changes in legislation, and more.

We require a unique user name and password for each individual who is authorized to access a specific set of data. We use a superior industry-recommended directory service solution that authenticates and authorizes users of the Myers and Stauffer network through role-based access, utilizing a Least Privilege (the restrictive “need-to-know”) approach that defines zero access by default and then opens security as required. User accounts impose complex password requirements and also mandatory resets on a regular interval to prevent inactive or dormant user access to databases. Group Policy is used to restrict unauthorized users from holding local administrator rights to computers; authorized users are reviewed quarterly. User access to internet is restricted using content filtering. Upon a workforce member’s termination, Myers and Stauffer follows established off-boarding procedures that ensure that user access is removed from systems and networks. Company-owned equipment, devices and other physical property are collected from the departing workforce member, production systems’ access is immediately removed from applicable environments, and documentation detailing termination of system access is stored for reference.

Myers and Stauffer’s incident response plan is fully operational. Internal users and IT Support Desk technicians communicate potential security incidents and breaches by completing a HIPAA Security Event Report (SER) and submitting it through an internal ticketing system. The SER is then sent to and reviewed by the Privacy Officer, who then notifies the Privacy and Security Team (PST) and project leaders of high risk outbound events. A communication plan, which includes completion of a situation-specific risk assessment, is developed if needed. Engagement team managers work with others to immediately assess the event to determine its scope, potential/actual impact, and to notify the client if necessary in accordance with contracted reporting and notification requirements and timelines.

Myers and Stauffer employs IT solutions that encrypt data both at rest and in motion. Procedures for transmission of electronic protected health information (ePHI) and other sensitive information over electronic communications networks are supported by the establishment of secure file transfer protocol (SFTP) websites and portals. Data is encrypted during transmission using transport layer security (TLS). We leverage FIPS 140-2 certified encryption standards and technologies to



determine appropriate encryption and hashing algorithms. We leverage software key storage and prevent key fragmentation. We leverage both an internal and external Certificate of Authority, which are deployed depending on need. PHI and other sensitive data may only be transmitted when expressly authorized. In very limited circumstances and only for small files or confidential communications, transmission may be authorized through our secure email system.

Myers and Stauffer laptop computers are whole-disk encrypted, centrally managed, and password-protected at the system boot-up level. Connections to Myers and Stauffer's internal networks must be made either while directly connected to the network (by Myers and Stauffer-issued computers only) or through a secure virtual private network (VPN) that encrypts all traffic. Myers and Stauffer provides a system that monitors, routes and controls traffic for remote access while utilizing a strong cryptographic mechanism for securing the connection. This system allows for user remote access to be disabled immediately upon request. Myers and Stauffer authorizes and documents privileged remote command access for approved needs.

For external users, the primary form of authentication is the combination of internet protocol (IP) whitelisting, email, and password. Myers and Stauffer requires third party users (i.e., clients and providers) to complete an account registration process before access may be authorized. Initial passwords are system-generated but must be shared with the user by a telephone call and not by email. Alternatively, initial and subsequent password resets may be conducted by the user via email address. Password complexity includes a minimum length and mix of characters. User passwords are stored in a one-way, salted hashing algorithm of at least AES-256 bit SHA. Myers and Stauffer employs IP whitelisting to prevent users from accessing any of our SFTP site or web portal login pages to reduce brute force attacks and prevent further access by third party users who have lost authorization due to a change in employer, project reassignment, etc.

Patches, upgrades, and configuration changes are applied by either the IT Infrastructure Team or the third party database, data center, or hardware vendors. They are coordinated with the application vendors and generally applied on a set monthly schedule, although critical patches are applied earlier when warranted. Patching that requires installation on a schedule other than monthly is evaluated and scheduled according to risk level. Vulnerability remediation leverages a risk-based approach that evaluates both impact and severity to prioritize effort. Depending on the required remediation effort, vulnerabilities are prioritized and addressed. Verification of results vary according to level and scope of remediation activity.

Because it is best practice not to hard-code credentials into software components, Myers and Stauffer stores credentials if needed either in a configuration file or as a configurable item within the software. This is done so Identity and Access Management can be performed in regular intervals, which does not require new changes to the coded software. Myers and Stauffer maintains configuration standards that align with NIST and industry standards. Known vulnerabilities are addressed, such as but not limited to running versions of operating system and application software for which security patches are made available and installed in a timely manner.

Myers and Stauffer performs continuous system monitoring and requires annual completion of a project data inventory and non-technical security evaluation. Internal risks identified through continuous system monitoring are addressed and prioritized by the IT infrastructure team and reviewed with internal leadership and the PST. Third-party vendors are categorized for review according to risk; findings are evaluated by the PST and are assigned and addressed through remediation plan development. The Privacy Officer maintains documentation for a period of six years. Members of the workforce must complete privacy and security training and comprehension



testing annually, with complementary targeted trainings (also mandatory) conducted throughout the year. Local office members of the firm-wide HIPAA Committee are required to conduct periodic HIPAA security office walk-through evaluations, report the results, and if necessary prepare a remediation plan.

Myers and Stauffer further fortifies review and evaluation of client data and processing security with the engagement of independent, third-party vendors to perform an external HIPAA security risk assessment, and external System and Organization Controls (SOC) 2 audit, penetration testing, and vulnerability scans. Each is briefly described as follows:

- HIPAA security risk assessment is performed every three years, with one year devoted to asset identification and risk assessment and two years spent on access management and risk reduction. This is an internal security review, and results are shared only with Myers and Stauffer executive and IT leadership.
- An external SOC 2 audit is performed annually. The scope of the audit is firm-wide and includes a rolling sample of Myers and Stauffer local offices, and compliance with Myers and Stauffer's security, availability, processing integrity, confidentiality, and privacy controls with respect to data, systems, processes, policies, and procedures. Moreover, Myers and Stauffer has committed to maintaining SOC 2 Type 2 certification, which requires that we have in place an established change management and system development life cycle (SDLC) process. Changes to the production environment are authorized by an internal change advisory board. Developers do not have the access to make unauthorized changes to the production environments. We employ an industry-recommended solution for our main SDLC toolset. Production code is backed via a source code repository. Projects that support an automated build and deployment process are achieved using a solution that incorporates 100% transparency, tracking, and roles for monitoring the deployment artifacts between every environment. SOC 2 results are shared with outside parties only when contractually obligated.
- Myers and Stauffer engages a qualified third party vendor to conduct annual internal and external penetration testing to evaluate assets. Results are reviewed by the Security Officer and top leadership, and all findings are investigated. Those deemed to be significant are prioritized, and subject matter experts are convened to develop a remediation plan with timelines to add to the plan of action and milestones (POA&M), which are then shared with the parties that are impacted. Progress is closely monitored and communicated through to resolution. Myers and Stauffer does not generally allow clients to perform penetration tests due to possible unknown impacts from those tests on availability or integrity.
- Scans are performed by a qualified third party vendor on external ports and IP addresses and open ports in search of vulnerabilities and configuration errors. The scans occur on a weekly basis, continuously throughout the year. Results are reviewed by the Security Officer and top leadership, and all findings are investigated to determine impact on systems and data. Those deemed to be significant are prioritized, and subject matter experts are convened to develop a remediation plan with timelines to add to the POA&M. The POA&M is shared with impacted parties as applicable.



- 10.** Bookmark Title: MSQ10 – Encryption
Narrative description is limited to five (5) pages.
- Describe in detail your method(s) for ensuring encryption of all stored and transmitted State data containing Protected Health Information (PHI) including email and data that is stored in databases, file systems, desktop and mobile devices, removable media, disaster recovery platforms or other structured storage methods using NIST approved encryption protocols to meet the requirements stated in Attachment C - Common Scope Requirements and Security Standards Section 6: Medicaid Enterprise System Security Standards.

Supplier Response

MSQ10 – Encryption

The Myers and Stauffer Team is committed to ensuring that all data containing Protected Health Information (PHI), both in-transit and at-rest, is encrypted using advanced encryption methods used across the industry.

In health care, as with many industries, encrypting data is a critical component of data security. Encryption is an integral component of HIPAA compliance, and necessary to ensure that PHI is adequately protected from potential cyber threats. Encrypting data renders the information unreadable by anyone but those authorized to read it. This is accomplished through various programming methods, obfuscating the original data. We currently leverage multiple encryption standards to ensure the data for which we are responsible is encrypted in-transit and at-rest.

Myers and Stauffer has contracted with a third party, offsite data center vendor, which is responsible for the infrastructure that hosts Myers and Stauffer's primary data systems and relevant engagement data. The data center vendor is a Myers and Stauffer business associate, complies with SOC 1, 2, and 3 audit standards, and is FedRAMP certified. The vendor maintains Myers and Stauffer data in a primary data center within the United States. An alternate DR site is located over 900 miles from the primary location and also in the United States. Data residing in the data center is encrypted at rest.

Myers and Stauffer employs information technology solutions that encrypt data both at rest and in motion. Procedures for transmission of ePHI and other confidential information over electronic communications networks are supported by the establishment of SFTP websites and portals. Data is encrypted during transmission using TLS. We leverage FIPS 140-2 certified encryption standards and technologies to determine appropriate encryption and hashing algorithms. We leverage software key storage and prevent key fragmentation. We leverage both an internal and external Certificate of Authority, which are deployed depending on need. PHI and other sensitive data may only be transmitted when expressly authorized. In very limited circumstances and only for small files or confidential communications, transmission may be authorized through our secure email system.

Myers and Stauffer laptop computers are whole-disk encrypted, centrally managed, and password-protected at the system boot-up level. Connections to Myers and Stauffer's internal networks must be made either while directly connected to the network (by Myers and Stauffer-issued computers only) or through a secure VPN that encrypts all traffic. Myers and Stauffer provides a system that monitors, routes and controls traffic for remote access while utilizing a strong cryptographic mechanism for securing the connection. This system allows for user remote access to be disabled immediately upon request. Myers and Stauffer authorizes and documents privileged remote command access for approved needs.



- 11.** Bookmark Title: MSQ11 – Data Mining
Narrative description is limited to five (5) pages.
- Describe in detail the Data Mining tool(s) and strategy that will be used to identify patterns of fraud, waste and abuse for field and desk audits as stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 4.6 Data Mining.

Supplier Response**MSQ11 – Data Mining**

The Team understands that fiscal prudence is crucial to any program subject to fiduciary responsibility and oversight. Identifying and addressing patterns of FWA is a vital part of our approach and serves to foster a network where misallocation or waste of funds needed for patient care is minimized. Pharmacy audits and the associated program-specific analytics and data analytics play critical roles in the identification of these patterns, especially within Medicaid populations. With that understanding, our team offers a customizable approach to conducting audits, including, but not limited to, the frequency in which audits are conducted, the focus of the audits, the providers to be audited, and the size of the audits, all of which are in part dependent on data mining efforts.

The Team will include experienced data analysts, policy specialists, technical consultants, and statistical experts to fulfill the analytical needs of the FWA work. In particular, developers trained in Structured Query Language (SQL) will create code to extract and analyze claims with specified risk parameters, analysts will design sampling plans customized to each audit, and experienced claim auditors will incorporate the State's policies and payment methodologies in the calculation of overpayments and underpayments. Each audit will be discussed with OIG officials to ensure alignment with program integrity goals.

We offer comprehensive data analysis services tailored to the unique needs of our clients. Our team develops custom algorithms to analyze claims data and confirm that payments align with applicable policies and regulations. By utilizing pharmacy guidelines and the knowledge of our experienced clinical team into SQL logic, our analysts are able to programmatically identify and focus on areas of concern, providing our clients with actionable insights. Our goal is to deliver clear, direct, and practical data-driven solutions to complex issues, while maintaining an open and approachable relationship with our clients.

Data Sets

Claims access and review are critical to any program seeking to identify and combat FWA. We will work with the State's PBA and Medicaid Management Information System (MMIS) vendors as outlined in Attachment EE of this eRFP in order to access and integrate pharmacy and medical claims to perform analytics with the goal of identifying aberrant claims and detecting patterns of potential FWA. Working collaboratively with the State and their vendors, we will seek to ensure the secure transmission of claims data, which can be completed as often as once daily.

Large data sets, such as medical and pharmacy claims data as well as eligibility and provider files, are typically transmitted as delimited files. Our team has a long history of working with Georgia claims and encounters. We have received pharmacy claims and encounters for over 15 years, and understand current formats and have an understanding of how file formats will be changed in the transition from an MMIS system to the Medicaid ES system. We agree to receive data in a mutually agreed-upon format. Upon receipt of the data sets, we will leverage our existing quality assurance (QA) process to ensure data integrity prior to being ingested into our CompassRx system. Key



components of the QA process include data cleansing and validation; data mapping and transformation; and data integrity and consistency. Data sets that are relational have pre-defined relationships between them and can be linked for further analysis in relational databases.

Our systems are built on the basis of proficient project management philosophies coupled with sophisticated technology that allows us to manage large volumes of data in a secure environment while producing reliable results. We utilize a variety of programs when analyzing claims data sets. A few examples of commercially available software we currently utilize for analytics across the firm include:

- **Caseware IDEA Data Analysis Software.** IDEA assists us in analyzing large sets of data. Using IDEA, we will employ specific audit techniques and tools which include data stratifications, specific cost matching sequencing programs and pattern testing for even dollar amounts, identifying dollar thresholds and duplicate entries, identify outliers, anomalies, trends and patterns that may indicate abuse of contract billing practices, and claims processing and/or other related systems processing.
- **Alteryx.** Alteryx is a tool developed to allow easy development of automated analysis. It has similar capabilities as Caseware Idea in that the tool incorporates a graphical user interface to perform the series of manipulations necessary to develop standardized data analysis. Users are able to drag and drop data manipulations that follow a path. There are options to allow the tool to follow alternative paths, depending on decisions made in prior steps.
- **R/Python.** R is one of the industry-leading statistical analysis programs, composed of multiple different modules that can be combined to perform complex statistical analyses. It is often used to identify the relevant factors (referred to as variables in the program) that can be used to distinguish different rows (also referred to as observations) from each other. In machine learning, generally Python, a programming language, is used to develop the programming trees that make up machine learning models. These tools can be utilized to do almost any analysis. For example, we leverage Python in our network adequacy analysis and have also used R to sample claims data for audits and investigations. Both of these tools are open source, although we generally utilize the version and capabilities bundled with purchased software (in our case, Microsoft SQL Server or ArcGIS from ESRI).
- **Microsoft SQL Server.** We have experience in several different relational databases; however, Microsoft SQL Server is an industry-leading relational database. It is utilized in our environments to load, transform, and store the data being analyzed. It features advanced analytic abilities designed to develop and deploy reporting, along with several built-in machine learning models.

Databases

The Myers and Stauffer Team uses a relational database through which we employ both canned and ad-hoc algorithms programmed in a combination of SQL and programmatic languages running on a Microsoft Azure Server. A relational database is an efficient industry standard method for housing data. The information set contained within the database is logically stored in defined rows and columns with at least one unique identifier (e.g., key) that “relates” between data sets. Once the data is confirmed to have been successfully ingested into our database, we will apply our suite of proprietary analytics to begin the process of identifying patterns of FWA. While we offer a standard set of algorithms, our suite of analytics can be enhanced to suit the needs of the State.

Our Approach to Data Mining



Our core set of algorithms is dynamic and extensive, having evolved over nearly 20 years of experience detecting behavioral patterns indicative of fraud. At a higher level, our approach is multifaceted with various techniques to identify member and provider patterns, both prescriber and pharmacy, that warrant further review and consideration. Our ability to scan and identify patterns in suspicious billing practices is enhanced by the integration of data sets from a variety of sources including medical, pharmacy, and DMEPOS.

The availability of medical data enhances the specificity of our claim detection algorithms and assists with identification of aberrant prescribing and dispensing practices as well as irregular member behavior. Indeed, the review and comparison of pharmacy data (both point-of-sale and provider administered) and medical claims data are often instrumental in the detection of provider fraud. However, in order to harness the full potential of an integrated relational database, one must also possess the clinical knowledge of when (e.g., what disease state) it is appropriate to utilize certain medications. Additional areas of consideration include the provider specialty, if any, and the location of administration. This knowledge, coupled with selected algorithms, is a powerful combination in the arena of provider-driven fraud detection. Regardless of the source of the available data, we will use publicly available provider and member information to supplement our efforts.

One such algorithm compares individual medication history to the diagnosis code on file (or inferred diagnosis from medication history) to identify billing practices that are unsubstantiated by claims data and/or indicative of troublesome member behavior. For instance, a prescription for epoetin alfa (e.g., Procrit and its biosimilars) in the *outpatient* setting should be supported by a diagnosis indicative of cancer or zidovudine induced anemia which can be inferred by prior claims of zidovudine in the outpatient pharmacy claims data. The use of other formulations of epoetin alfa (e.g., Epogen and its biosimilars) is typically limited to physician-administered drugs as this formulation is administered during or adjacent to dialysis. The utilization of either of these products is often limited to specialists such as hematologists/oncologists, infectious disease specialists, or nephrologists which is an additional check to ensure claim integrity. Because these products can be billed through both the point-of-sale system and the PAD list (depending on diagnosis and location of administration), it is critical the FWA vendor not only have knowledge of claims data, but also the clinical knowledge behind the appropriate utilization of these products. Because these products can be billed through multiple systems, claims should be continuously monitored for double billing by comparing the dates of service across data sets.

Even when limited to point-of-sale pharmacy claims, our algorithms have been highly successful at identifying claims worthy of further investigation. Looking at claim level detail at any given point in time, we review claims based on multiple metrics that have been proven across multiple clients and settings. Selected metrics for claims review include the following:

- Package size inaccuracies.
- Quantity discrepancies.
- Number of refills to drug mismatch.
- Excessively high dose per day.
- Total number of prescriptions.
- Duplication of therapies.
- Mismatch between prescriber, pharmacy, and member zip codes.



And leveraging these systematic analytics is only the first step in identifying aberrant claims. After the application of these algorithms, the identified claims are subsequently reviewed by a pharmacy professional who will leverage their expertise to ensure that the claims and pharmacies identified by the algorithm are substantive, thereby reducing extraneous “noise” and minimizing unnecessary administrative burdens for network providers. The resulting collection of pharmacies and claims are marked for inclusion in desk or field audits.

Taking a step back and looking at the totality of provider (and member) practices over a selected time period, while not appropriate for individual claim selection, has proven valuable at identifying problematic trends and patterns that warrant further review and consideration. To that end, we utilize scheduled, preprogrammed queries and reporting, to identify providers and members of interest. These reports identify patterns in pharmacy billing that may indicate FWA including, but not limited to, the rate at which a provider reverses and resubmits claims, the percentage of a provider’s claims that are denied, out-of-network providers with an abnormally high number of claims, claims billed at unusual frequencies, or at times inconsistent with normal business hours. In fact, a successful referral to the Georgia MFCU was partially based on these standard reports. Like the majority of our offerings, this set of reports can also be tailored to suit the State’s needs.

Prescribers who are consistently identified are referred to the Pharmacy Department and Program Integrity for further review. Pharmacies that are frequently identified may be selected for field audits and or have individual claims included in desk audits. Members identified through this program may be eligible for referral to the PLI Program.

The higher-level review of providers is rooted in performance compared across network averages, taking into account specialties and geographic concentration whenever possible. Providers who consistently rank outside of acceptable deviations from the average network performance may be referred to program integrity for further analysis or to the pharmacy department for a possible educational intervention including retrospective drug utilization review (RetroDUR).

With respect to pharmacy risk scoring, we implement higher-level analytical tools to assist in the identification of FWA. One such tool is the Pharmacy Network Scorecard. The Pharmacy Network Scorecard compares the billing patterns of similarly situated pharmacies within the network across several metrics. It is used to identify providers that differ greatly from their peers in areas that have been shown to indicate aberrant and potentially fraudulent billing patterns. Our Pharmacy Network Scorecard has been meticulously designed to incorporate the extensive experience of our staff. The standard set of metrics included are a compilation of those that are most indicative of high-risk billing patterns, such as the percentage of the pharmacy’s claims that are billed for a dollar amount nearing the program limit. Each pharmacy receives a risk score for every metric based on how they compare similarly situated pharmacies within the same metric, as well as a weighted overall risk score. As with all our FWA solutions, the metrics included are customizable to suit the State’s needs.

The PLI program is pre-programmed to monitor several aspects of beneficiary behaviors to identify patterns including medication over-utilization (such as multiple opiates), indications of visiting multiple prescribers, hospitals, or pharmacies, and medications inconsistent with their diagnosis. Once identified, beneficiaries exhibiting these behaviors and their prescribers are contacted to ensure the prescriber’s awareness of the patterns and to afford them the opportunity to evaluate or document the medical necessity of the patterns identified. Generally, the initial contact results in an educational discussion between the beneficiary and the prescriber regarding the inappropriate patterns. If the patterns persist, the program can insist that the beneficiary select a single prescriber



to receive prescriptions for the identified medication to ensure appropriate coordination of care. Additionally, a member will also be restricted to one pharmacy after they have been deemed eligible for the PLI program and if the system allows, one hospital.

While much has been written about the technical aspects of data mining, we would be remiss if we did not acknowledge that behind all of the technology are seasoned professionals. In the world of pharmacy audits and data mining, the judicious employment of resources who understand pharmacy and data can mean the difference between effective interventions that prevent FWA and those interventions that merely generate provider noise and pushback.

12. Bookmark Title: MSQ12 – Staffing

Narrative description is limited to five (5) pages, exclusive of organizational chart(s) and Subcontractor contract(s) or letter(s) of agreement, if applicable.

Provide a narrative description of the proposed staffing plan that details policies, plans and staffing strategies. The proposed plan must include the following:

- a. Organizational charts that provide a complete and detailed description of the proposed organizational structure the vendor will use, including Subcontractors and how they fit into the vendor's overall organizational structure.
- b. Roles and responsibilities of staff.
- c. Job titles and the requisite qualifications, skills, and credentials, including clinical licensures relevant to this Contract.

If Subcontractors will be used, provide the following:

- a. Subcontractor's name and address.
- b. Roles and responsibilities to be delegated to the Subcontractor for purposes of this Contract.
- c. Subcontractor's qualifications to perform these roles and responsibilities.
- d. Copy of the Subcontractor contract; the State will accept a letter of agreement with a prospective Subcontractor pending formalization of a final contract with details relevant to "c" in this section.

Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work and Attachment C - Common Scope Requirements and Security Standards, Sections 2.15 Staff Management and 3 Staffing.

Supplier Response

MSQ12 – Staffing

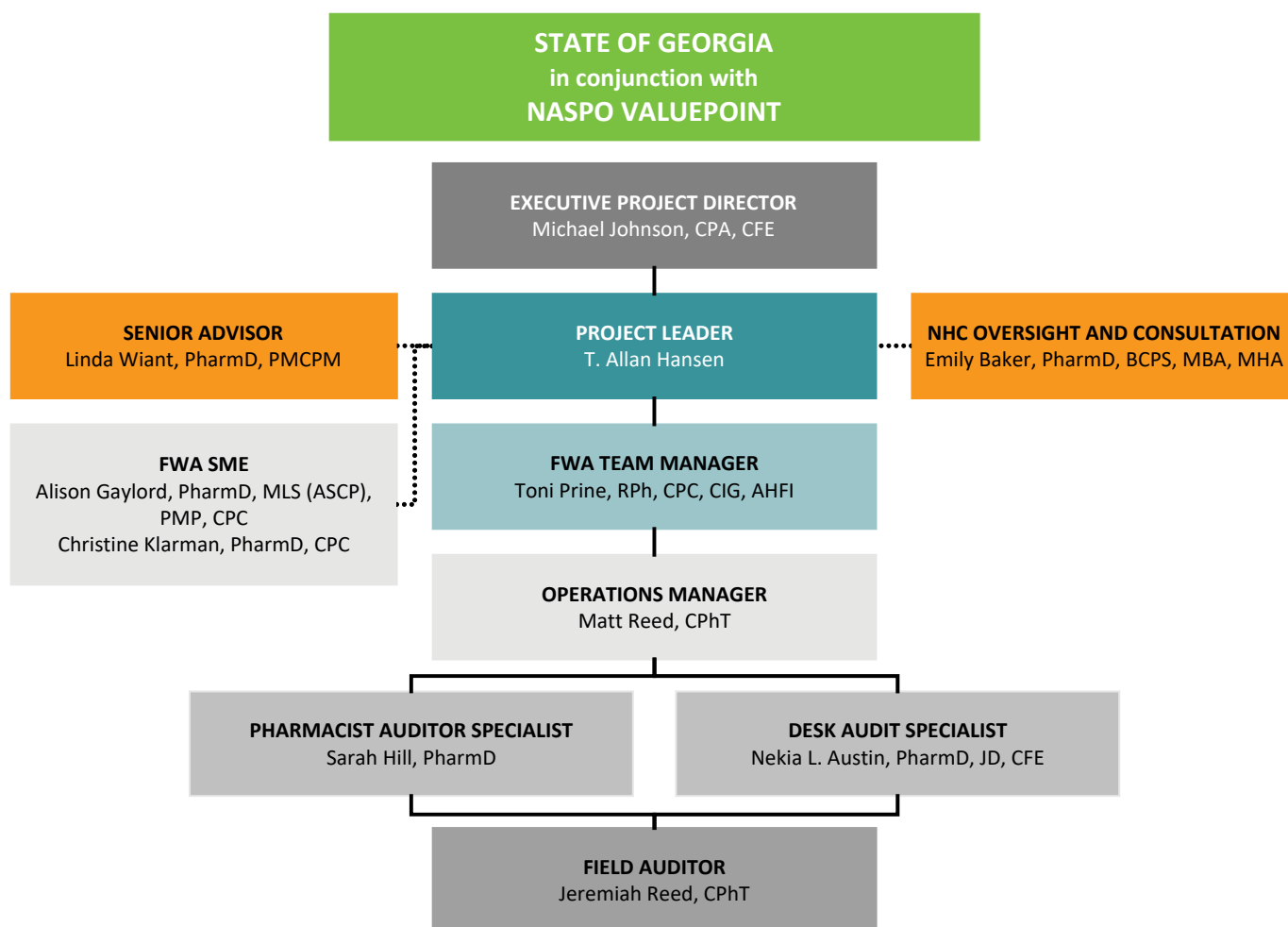
The Myers and Stauffer Team includes highly skilled specialists with significant knowledge and expertise in PFWA review services within a Medicaid program. All staff assigned to this master agreement have past experience providing direct services for CMS and state Medicaid agencies. At contract onset, we will implement a Staff Management Plan according to eRFP requirements and adhere to that plan. Following, we present an overview of plan elements.

Organizational Chart (a)

We are pleased to present our organizational chart below, which shows the specific staff structure proposed to accomplish the requirements of the FWA scope and includes our subcontractor, NHC. We understand that if there are changes to our staff plan, we must update the organizational chart within five business days prior to the change/vacancy. The team, as depicted in below, includes



individuals with an intimate understanding of Medicaid programs including Georgia and firsthand experience in other Medicaid pharmacy programs.



Roles and Responsibilities of Staff (b)/Job Titles, Qualifications, Skills, and Credentials (c)

The table below presents our proposed staff, their credentials, roles and responsibilities, and qualifications/skills. The adequacy of our staffing plan is evidenced by the quality of our Team's historical FWA experience — meeting and exceeding contract requirements.

Myers and Stauffer: Proposed Staff

Staff Name/Role/Responsibilities	Qualifications
Michael Johnson, CPA, CFE <i>Member/Partner, Myers and Stauffer</i> Role: Executive Project Director Provides executive project oversight to maintain alignment with identified project goals.	- More than 29 years of experience in health care and leads the firm's Managed Care and Program Integrity engagement teams, member of the firm's Executive Committee and oversees the Atlanta, Georgia office. - Extensive experience working with state Medicaid agencies, assisting them with managed care oversight. Has overseen multiple state medical loss ratio examinations and was recognized by CMS as an expert in this area.



FTE: 0.10 Allan Hansen <i>Principal/Partner, Myers and Stauffer</i> Role: Project Leader Provides direct project governance. Maintains focus on project goals and supports the Team by providing timely decisions, sets priorities and strategy, and provides resources.	• More than 30 years of professional experience with over 20 in Medicaid pharmacy rate setting and reimbursement. • A principal of the firm and co-partner-in-charge of our national pharmacy engagement team. • Oversees Myers and Stauffer's contract with CMS to develop and maintain the National Average Drug Acquisition Cost benchmark. • Has managed and provided QA on a variety of projects including pharmacy consulting, pharmacy reimbursement and program integrity.
FTE: 0.10 Emily Baker, PharmD, BCPS, MBA, MHA <i>President and CEO, NorthStar</i> Role: NHC Oversight and Consultation Serves as a resource regarding the intersection between health care law, pharmacy practice and fraud detection.	• Founder of NHC and serves as President and CEO. • Over 25 years of experience working with Medicaid programs in both the FFS and managed care spaces; former Interim Medicaid Pharmacy Director for Georgia Medicaid. • Experience includes PA management; FWA; formulary and preferred drug list (PDL) development. • PharmD, University of Georgia, College of Pharmacy.
FTE: 0.20 Toni Prine, RPh, CPC, CIG, AHFI <i>Senior Manager, Myers and Stauffer</i> Role: FWA Team Manager Provides overall management for FWA Services.	• More than 31 years of public and private sector experience in various forms of program integrity work. • Extensive knowledge of policy development, enforcement, and governance to provide clients with thought leadership and innovative FWA detection methods.
FTE: 0.50 Matt Reed, CPhT <i>Operations Manager, Program Compliance, NorthStar</i> Role: Operations Manager Managing and improving operational systems, data analytics and reporting, account management, and audit tool maintenance.	• Ten years of experience conducting routine desk and on-site audits of pharmacy claims and responsible for account management, reporting, and analytics. • Oversees our comprehensive audit tool that provides data transformation, warehousing, organization, and querying, while tracking all aspects of an audit, such as results, audit documentation, disposition, and notification letters.
FTE: 0.5 Sarah Hill, PharmD	• Nine years of experience in compliance consulting and retail pharmacy.



<i>Pharmacist Auditor Specialist, NorthStar</i> Role: Pharmacist Auditor Specialist Conducts desk and on-site pharmacy audits. FTE: 1	• Brings strong analytical and investigative skills to the audit process. • Well versed in pharmacy laws and regulations at the state and federal levels. • PharmD, University of Georgia, College of Pharmacy.
Jeremiah Reed, CPhT <i>Field Auditor, NorthStar</i> Role: Field Auditor Conducts desk and on-site pharmacy audits. FTE: 1	• Experience serving Georgia's FWA contract. • Expertise in claims auditing and HIPAA compliance. • 10 years of prior experience working with a major grocery chain starting as a pharmacy technician and progressing to a district oversight position with training responsibilities for 21 pharmacies.
Nekia L. Austin, PharmD, JD, CFE <i>Advisory Consultant, NorthStar</i> Role: Desk Audit Specialist Conducts desk and on-site pharmacy audits. FTE: 1	• Over 15 years of experience serving in an advisory capacity and provides valuable insight to the intersection pharmacy law and pharmacy practice. • Doctorate of Jurisprudence, Indiana University School of Law-Indianapolis with a concentration in Health Law. • PharmD, Florida Agricultural and Mechanical University, College of Pharmacy.
Additional FWA Pharmacist Senior Advisor* and SMEs (FTE: 0.10, each) Linda Wiant, PharmD, PMCPM <i>Health Care Senior Manager, Myers and Stauffer</i> *Senior Advisor Alison Gaylord, PharmD, MLS (ASCP), PMP, CFE, CPC <i>Health Care Senior Consultant, Myers and Stauffer</i> Christine Klarman, PharmD, CPC <i>Health Care Manager, Myers and Stauffer</i>	The combined group of the pharmacist senior advisor and pharmacist SMEs have extensive experience in PFWA, including the following qualifications, and they will provide Medicaid-specific pharmacy perspectives to support the FWA management team: • Former Medicaid Director, state of Georgia. • Former Medicaid pharmacy director for Georgia. • Pharmacy investigator for a large federal employees health benefit plan. • Diverse roles in the health care sector, spanning prescription benefits administration, Medicare Parts C & D Oversight Group audits, Medicaid program integrity, and inpatient clinical and retail pharmacy. • Former Pharmacy Section Director for the Special Investigations Unit within the OIG. Performed investigations of fraud and abuse cases; on-site audits; referrals to the MFCU.

Key Staff. Per eRFP Attachment C, Section 3.2, Contractor Key Staff, we acknowledge that staff designated as key staff following contract award will be committed to the project 100% of the time or as agreed upon by the State. We will work in partnership with the State to ensure staffing levels



and time commitments meet the needs of the program throughout the contract term. The Myers and Stauffer Team has sufficient staff on for all key staff positions for this engagement and a fully staffed Team will be ready to begin upon contract start. For key staff, we understand that we must notify the State within two business days of the date a key staff position resigns; obtain the State's written consent before key staff and other proposed project staff can be reassigned or replaced; name a temporary replacement acceptable to the State when key staff resigns or is reassigned and must do so within five business days of the position's vacancy; name a temporary replacement acceptable to the State prior to periods of planned leave for key staff positions; and ensure a permanent replacement is working on the project within 60 calendar days of the date a key staff position becomes vacant. We acknowledge that the State may request reassignment/replacement of key staff at any point throughout the life of the contract.

Meeting Federal and State Requirements. Our team is committed to being fully compliant with all federal and state requirements relative to our workforce. Each team member has equal employment opportunity policies and procedures in place to ensure fair employment and treatment of all employees without regard race, color, religion, national origin, or physical disability. Team members adhere to all federal and state laws regarding social security registration and legal work status of all their employed or contracted staff. We complete criminal background checks for all employed or contracted staff prior to project participation and we commit to using State-accepted background check criteria and submit results to the State for review. Both Myers and Stauffer and NHC are located within the United States and will not perform any work related to this contract outside of the United States for the duration of the contract. Both Myers and Stauffer and NHC associates are subject to the guidelines stipulated in their respective employee handbooks, including requirements to disclose any potential areas of conflict. Once approved by the State, we understand it is our responsibility to maintain compliance with the Staff Management Plan for the duration of the contract.

Subcontractor Information

Myers and Stauffer will utilize the services of NHC throughout the contract. We understand that we are responsible for all work performed by NHC and that State approval is required in writing prior to any agreement between Myers and Stauffer and any subcontractor.

Subcontractor Name and Address (a). NorthStar HealthCare Consulting; 4080 McGinnis Ferry Road; Alpharetta, GA 30005.

Subcontractor Roles and Responsibilities (b)/Tasks the Subcontractor will Perform. NHC will collaborate with Myers and Stauffer to provide FWA services as described in Attachment H of the eRFP to include desk audits, field audits, grievances, concurrent reviews, and pharmacy lock-in services.

Subcontractor Qualifications (c). NHC specializes in clinical cost containment strategies for government-sponsored health care, commercial programs, and fraud and abuse. Founded by clinicians, their extensive staff expertise comprises over 30 years of Medicaid, managed care, and fraud and abuse experience. Their clinicians have personal experience in over 16 Medicaid states assisting with formulary management, PA programs, and RetroDUR programs, among others.

Subcontractor Letter of Agreement (d).



April 19, 2024

Mike Johnson, CPA, CFE
Myers and Stauffer
1349 W Peachtree Street NE, Ste. 1600
Atlanta, GA 30309

Dear Mr. Johnson:

NorthStar Healthcare Consulting (NHC) is pleased to serve as a subcontractor to Myers and Stauffer LC (Myers and Stauffer) in response to the Electronic Request for Proposals (eRFP), Event Number 41900-DCH0000136 – Pharmacy Benefit Services.

We are a Georgia-based Tier I small business and we are a 100% female-owned consulting services firm that specializes in clinical services and pharmacy audits. NHC has worked as the clinical management and fraud, waste, and abuse vendor to the state of Georgia since 2006 via a subcontract relationship with the current Georgia Medicaid fee-for-service program pharmacy claims processor. As the incumbent for the clinical management and fraud, waste, and abuse scopes of work for the lead state, NHC possess the qualifications to perform these roles and responsibilities.

NHC's extensive staff expertise comprises over 30 years of Medicaid, managed care, and fraud and abuse experience. Our clinicians have personal experience in over 16 Medicaid states and numerous commercial clients assisting with formulary management, prior authorization programs, and retrospective drug utilization review programs among others. Our fraud and abuse staff have performed audits in every state of the country and has added expertise in Bill of Right states.

As required in RFP Sections Attachment U Pharmacy Clinical Management Services MSQ8 and Attachment W Pharmacy Fraud, Waste, and Abuse Audit Services MSQ12, we have provided this letter of agreement to conduct the following activities for this engagement:

■ *Pharmacy Clinical Management Services.*

- *"Pharmacy Clinical Management Services" as described in Attachment G of the eRFP, to include:*
 - *State Advisory Board support.*
 - *Drug Utilization Review Services.*
 - *Utilization Management Program.*
 - *Retrospective Drug Utilization Review.*



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■ *Pharmacy Fraud, Waste, and Abuse.*

- *“Pharmacy Fraud, Waste, and Abuse (FWA) Audit Services” as described in Attachment H of the eRFP, to include:*
 - *Audits.*
 - *Concurrent Review.*
 - *Reporting.*
 - *Pharmacy Lock-In Program.*

I, Emily Baker, President and CEO, am authorized to contractually obligate our company and negotiate a contract on behalf of NHC. My contact information is:

Emily Baker, PharmD, BCPS, MBA, MHA
NorthStar HealthCare Consulting
4080 McGinnis Ferry Road
Alpharetta, GA 30005
Phone: (678) 672-4210
E-mail: ebaker@nhc-llc.com

Thank you for providing us with the opportunity to participate in this bidding process.

Sincerely,

Emily Baker, PharmD, BCPS, MBA, MHA
President and CEO



Additional Staff Management Plan Details/General Requirements

Subcontractor Management. We understand we are responsible for all work performed by our subcontractor and that the State must approve all subcontractors in writing prior to any agreement between Myers and Stauffer and NHC. Myers and Stauffer's approach to using subcontractors on engagements is to seamlessly integrate the staff of the subcontractor with our staff. Our subcontracting staff work alongside the Myers and Stauffer staff and are involved in planning, meetings, and any project team communications and receive consistent training.

Estimated Subcontractor Percentage of Total Contract Dollars. The estimated utilization of the subcontractor is 49% of total contract dollars.

Staff Training. We will cross-train our staff to ensure someone is always available for our clients. New staff members are provided with additional training commensurate with their experience and work assignments. We also maintain an electronic learning management training system through which staff complete required and on-demand learning modules to increase their knowledge base.

Escalation Paths. Myers and Stauffer will provide and maintain a Responsible, Accountable, Consulted, and Informed contact list for both routine and emergency situations.

Resources Calendar. During our kick-off call for each project phase, we will present a resource calendar including staff names, time commitment, location, and other relevant details. This will be a living document and updated/reported weekly.

Secure Communications. Myers and Stauffer is able to provide a variety of tools to accommodate secure communications including the use of secure email, portals, and secure file transfer protocol methods.

Implementation Phase Interaction. Although our team member, NHC, is the incumbent vendor for FWA services for the state of Georgia's Medicaid FFS program, we understand that some project implementation will still be necessary to coordinate with other potential changes being implemented by the State. The team will develop a Communication Plan (see response at MSQ15.8) and an Implementation Plan (see response at MSQ15.3) to address appropriate during the Implementation Phase.

Staff Retention. We strive to maintain staffing consistency on all of our engagements to ensure project continuity and maintain the highest levels of client satisfaction. In the event of staff turnover, we will offer replacement personnel of equal or greater credentials and experience and will comply with the State's requirements for the replacement of key staff (see *Key Staff* section above).

Additional Contractor Duties, Responsibilities, and Requirements. The Myers and Stauffer Team will maintain the level of staff described in the plan through the life of the contract unless the State agrees to a change in advance; obtain State approval prior to changes to staffing and/or skill levels; increase staffing levels if requirements or standards are not being met based on the discretion of the State and at no additional cost to the State; ensure Myers and Stauffer Team staff only perform work under the contract which has been approved by the State; comply with all other State staffing requirements, including but not limited to, those pertaining to security, health, and safety issues; commit key staff to the project 100% of the time or as determined/agreed upon by the State; only allow key staff to serve in one role, unless approved by the State in writing; ensure key staff have experience with health care and Medicaid program operation; be available after normal work hours as required by the State.



- 13.** Bookmark Title: MSQ13 – Project Stages and Phases
Narrative description is limited to five (5) pages.
- Demonstrate your understanding of the Project Stages, Project Phases, timeline, expectations, and responsibilities as outlined in the Attachment C - Common Scope Requirements and Security Standards, Section 2.2 Project Stages and Project Phases. If your plans for the proposed services differ from the suggested outline, please explain the differences and how the proposed plan is a better fit for the State's needs.
- Include any best practices and lessons learned that may be applied in the execution of these services and identify any additional proposed Milestones for the project.

Supplier Response

MSQ13 – Project Stages and Phases

The Myers and Stauffer Team recognizes the importance of following an agreed-upon project timeline and achieving its various milestones throughout the life of the contract. We will not deviate from the outline which recognizes two project stages: Design, Development, and Implementation (DDI); and Operations and Maintenance (OM).

Design, Development, and Implementation (DDI) Stage

As will be described in a Communications Management Plan to be developed by the Team, the DDI stage will begin with a joint project planning kick-off meeting with the State. The Project Manager will disseminate a meeting agenda to identified stakeholders and participants to facilitate the kick-off meeting. During the meeting, our plans and processes for Project Schedule/Project Work, Communications Management, Risk and Issue Management, Project Change Management, and QA and Control. These plans will have been drafted based on our existing knowledge of the State's programs combined with any new functionality as described within this solicitation. Further, we will collaborate with the State to agree on a conflict resolution process and escalation procedure. The expectations for the Project Core Team (PCT) will be clarified. The team's ground rules (i.e., those for communication via electronic mail, meetings, phone; production of meeting minutes; availability; etc.) will also be established. Towards the end of the kick-off meeting, time will be allowed for questions and answers as well as any other business. Finally, a summary of the discussion will be provided, including any decisions, actionable items, and risks.

Following the kick-off meeting's planning phase will be a Design, Development, and Testing (DDT) phase. During this time the Team will:

- Seek and receive approval of audit phases, audit timelines, audit letters and the audit process.
- Collaborate with the State to determine a claims file format and transmission method.
- Conduct QA and data cleansing of claims file for ingestion.

Immediately after DDT, we will enter the Operational Readiness and Production Cutover phase. Our *CompassRx* Audit Management System will be tested to confirm the successful ingestion of claims data and generation of audit letters. We will submit an implementation letter to the State indicating readiness of implementation. Once approval from the State is secured, the operations as outlined in the implementation letter will be deployed.

DDI Stage Summary



Design, Development, and Implementation Project Stage			
Project Phase	Project Phase I Project Planning and Startup	Project Phase II Design, Development, and Testing	Project Phase III Operational Readiness and Production Cutover
Purpose	- Project planning kick-off meeting. - Presentation of plans and processes for Project Schedule, Communications, Risk/Issue Management, Change Management, and QA/Control. - Define conflict resolution process/escalation procedure. - Clarify expectations for the PCT. - Establish ground rules for communications.	- State approval of audit phases, timelines, letters. - The Team/State determine claims file format/transmission method. - Conduct QA and data cleansing of claims file for ingestion.	<i>CompassRx</i> Audit Management System tested to confirm successful ingestion of claims data/generation of audit letters. - State approval of implementation letter. - Operations as outlined in implementation letter deployed.

OM Stage

The project's OM stage will be next to launch with its first phase of Initial Operations. Herein a Go Live milestone will be achieved with initiation of the first set of audits, Concurrent Review, and the PLI program. As audits, Concurrent Review, and PLI processes are continued through the operations phase, OM will incorporate the execution of reporting tasks and management of State-approved change orders as needed.

During OM's final phase, the Team will commence tasks involving the project's turnover and contract close-out. Turnover readiness will be demonstrated with the closing out of all open audits, the cessation of Concurrent Reviews, the changeover of the PLI program to the incoming vendor, and the performance of other tasks as needed to transition to the incoming vendor.

OM Stage Summary

Operations and Maintenance Project Stage			
Project Phase	Project Phase IV Initial Operations and CMS Certification	Project Phase V Operations Project	Phase VI Turnover and Contract Closeout
Purpose	Initiation of first set of audits, Concurrent Review, PLI.	Incorporate execution of reporting tasks.	Closeout of open audits.



		• Manage change orders.	• Cessation of Concurrent Reviews. • Changeover of PLI program to incoming vendor. • Other tasks as needed for transition.
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- 14.** Bookmark Title: MSQ14 – Transition & Integration
Narrative description is limited to three (3) pages.
- Describe how you will handle the transition activities from the incumbent Fraud, Waste, and Abuse vendor. Include the value-add of your approach and techniques in terms of cost savings, quality improvement, and/or savings to the project schedule for the State.
- Describe your integration approach with the Pharmacy Benefit Administrator vendor and its system.

Supplier Response

MSQ14 – Transition & Integration

The Myers and Stauffer Team has years of experience working with other vendors in successfully transitioning services, both as the incumbent and as the newly-selected vendor. Specifically, our Team has significant experience working with all of the leading Medicaid pharmacy claims processors and drug rebate administrators. We understand all the transition steps that must be taken and the timelines that must be met to ensure the continuation of services, and we are fully committed to ensuring that all contract requirements are met.

Transition from Incumbent. Because we are working with the current incumbent, NHC, the Myers and Stauffer team does not anticipate needing a transition in period, and therefore, would result in minimal implementation. However, most of our client contracts do include transition provisions, and we are very familiar with establishing transition plans and working with other vendors to ensure a seamless transition of activities. For any new engagement where a transition is required, our approach is designed to minimize or eliminate the impact on both our clients and their members. We execute standardized processes that are consistent, collaborative, and well communicated, leveraging a variety of easily customizable tools and templates (e.g., vendor transition plan, readiness review checklists, communication guides, etc.). Transition activities generally include the following:

- **Project Monitoring and Performance Tracking.** We recognize that even the most minor issue can escalate quickly. It is our practice to monitor and report on any potential challenges to be prepared to address and resolve any transition issues. Using industry-standard tools, we will monitor all aspects of the transition project to make certain that relevant information is provided to the transitioning in vendor for new operations, historical information is maintained and presented in the proper format, and any activities performed by the transitioning out vendor do not adversely affect other vendors.
- **Best Practices.** We use an internal library of health care program and system transition best practices and lessons learned, coupled with our consultants' expertise, our team provides



proven solutions and options to take specific direction in transition planning or to course correct where necessary.

- **Program Assets.** At the onset of any transition project, our experts analyze previous program assets provided by the original vendor. We also seek to understand lessons learned from the previous implementation and other similar vendor solutions. We use this experience to emulate best practices and learn from previous issues. Where necessary, we provide recommendations for possible improvements to support the vendor onboarding process.
- **Client Communication, Project Status, and Risk Mitigation.** We work closely and collaboratively with our clients to maintain open lines of communication. We bring recommendations or issues to the attention of the project lead in a timely manner. Our use of project management tools gives our team, the client, and relevant stakeholders a strong understanding of the transition project status and task completion. Our project management approach, which includes recurring status meetings, provides transparency into any issues or risks, along with recommended risk mitigation strategies and specific methods to address issues.
- **Disruption Avoidance.** Limiting or eliminating service disruption during the transition of vendors is dependent upon several critical factors such as the vendor's level of expertise, the project phase, and successful application of the transition plan. Our vendor transition techniques provide an understanding of business processes, what key resources are responsible for specific tasks, and progress in meeting requirements. We review contracts and other key documentation to enable successful transition planning, understand the requirements that the vendors must meet, and determine the interdependencies between vendors. We also host meetings at the beginning of each transition to identify issues and mitigate risk.

Knowledge Transfer. Recognizing that knowledge transfer is not a one-size-fits-all process, we develop a roadmap for knowledge transfer that addresses both explicit and tacit knowledge. We collect information regarding type of knowledge, source, and tactic such as process mapping, use cases, interviews, etc. We use this information to carefully identify knowledge, capabilities, and risks. We then prioritize risks, determine tactics for knowledge transfer, and develop a plan for key individuals. This approach allows the project team to leverage opportunities and mitigate risks, while avoiding potential negative impacts.

Integration with PBA. As a current contractor with agencies in all 50 states and the federal government, we have extensive experience working with all of the major Medicaid fiscal agents and PBA vendors to support eligibility functions, PDLs, drug utilization reviews (DURs), point-of-sale, and more. We work with pharmacy claims processors on a daily basis, transferring files, loading and verifying claims access and adjustments surrounding audit activities, provider relations, member communications and other ancillary FWA functions. As such, we understand the importance of sound data transfer procedures and will coordinate with the State, its PBA, and other identified stakeholders to determine the most appropriate procedures for this engagement. Our approach to ensuring both accuracy and security of data transmitted includes the following:

- **User Access.** We utilize security protocols to limit access to sensitive data to only those personnel who are actively working on an engagement. We employ a centralized and standardized system that automates network management of user data, security, and distributed resources; assigns unique user names and complex passwords to each Myers and Stauffer personnel; and authenticates and authorizes users of our network. Only those



personnel who are identified to access specific records will be allowed to perform analysis using data received.

- **Emergency Plans.** We maintain a firm-wide emergency response plan which details the chain of command and contact information for DR managers and hardware and network managers in charge of the reinstatement of network and hardware functions. Specific DR plan procedures are established for each Myers and Stauffer office location and are customized to accommodate site-specific circumstances and local requirements. The emergency response plan and local office procedures collectively address the establishment of temporary headquarters, reestablishment of necessary equipment, execution of SQL database restoration procedures, restoration of SFTP sites and websites, and restoration of custom applications and software packages. If necessary, Myers and Stauffer is capable of operating in a fully remote environment.
- **Electronic Session Termination.** Per company policy, staff are required to lock their computer terminals whenever they leave their desks. Myers and Stauffer also has in place procedures that automatically terminate an electronic session after a predetermined period of inactivity, which minimizes the potential for security breaches. Unique usernames and passwords are needed to access computers after a lockout has occurred.
- **Data Encryption/Decryption.** In addition to our various physical and hardware/software security measures, Myers and Stauffer utilizes an enterprise-grade data compression and encryption system to encrypt and decrypt sensitive data. We have utilized this software for several years and have no issues or concerns. Our solution is FIPS 140-2 compliant and makes data impregnable to anyone but authorized staff.
- **Information System Examination.** We actively monitor and log user activity through a centralized credentialing solution. We are able to determine who and when specific files were accessed and downloaded. In addition, we are able to determine when unauthorized users have made attempts to access information that they are not privileged to access. The solution automatically monitors all activity in a way that facilitates the ability of the IT Infrastructure Team to identify and quickly follow up when unexpected activity occurs.
- **Alteration/Destruction.** Myers and Stauffer has developed data transfer strategies with a number of claims processors and follows a process of careful planning of information exchange and necessary technical tasks. Proactive planning, testing, and troubleshooting prior to engaging in technical activities reduce risk of issues occurring during the process. Myers and Stauffer uses technology to provide secure, encrypted transfer of data and employs strict password and permissions to protect database information.
 - Upon receipt of data from any health plan or client, we perform initial frequency and data validation measures to produce a historical record of the data received. Upon loading the data into our secure SQL databases, we validate the initial measures to ensure data was properly and completely transferred. Our SQL databases are backed up on a daily basis, along with other servers. In the event of a disaster that impacts any of our offices, we have the ability to quickly and efficiently retrieve the unaltered versions of the health plan data.
 - Myers and Stauffer also limits user access and ability to alter data through Active Directory. When a user logs into his/her computer terminal, Active Directory authenticates the user and limits permissions to view and alter data within our databases. This prevents the improper alteration or destruction of data.



- **Access.** Through our credentialing solution and user and group policies, we are able to limit access to our network and assign unique user names and complex passwords to authorized individuals. Users are forced to reset their passwords according to an established schedule, which prevents dormant user accounts from having indefinite access to our network. In addition, each computer terminal has an automatic logout function which locks the terminal after a limited period of inactivity. This prevents an individual who is not assigned to the terminal from using his/her data access privileges. From a remote access perspective, we utilize a state-of-the-art firewall to prevent unauthorized access to our servers and monitor and remediate any potential issues.
- **Unauthorized Access.** Myers and Stauffer regularly deals with the transmission of ePHI over electronic communications networks. Our procedures for the transmission of these types of data include the establishment of SFTP sites and protocols to maximize secure transfer of sensitive data. If ePHI needs to be sent via email, we use an encrypted email solution to transmit the data files. The technical solutions that we employ offer maximum encryption protection and centralized management, the combination of which helps us to ensure that data is fully protected and stays safe at all times.
- **Data Modification.** Myers and Stauffer assigns user permissions to access and alter data. These permissions are assigned on a granular level, limiting user access per dataset, depending on their involvement on specific projects. Therefore, we are able to monitor when a user accesses data and whether they have altered data records. These lists of user permissions are updated no less often than annually, which ensures that access rights are kept current and limited to essential personnel only. We further maintain backups of our servers to enable quick restoration of original data sets if necessary.
- **System Access.** We anticipate that most of the work requested in this eRFP can be performed with the data files received from the PBA. Direct system access to the PBA's client portal may enhance certain audit functions as we would be able to validate information provided in the claims files with the information located in the client portal. The information that could be accessed through the portal would include records of actual claims transactions on the claim level; however, if the necessary information is provided in the data files received from the PBA, we would be able to perform the services requested in this eRFP without direct access to the PBA's client portal.
- **Data Separation.** Our standard procedures are to separate data for different clients such that records are not intermingled with data from other clients. Data from different clients are stored in different databases or tables within our SQL server. Access permissions are assigned to each table using Active Directory users and groups. We operate under a policy where only necessary personnel have access to sensitive data and only authorize staff working on specific project to access the data for that project. Therefore, we agree to continue this procedure of partitioning the State Health Plan data from our other client's data and restrict access to the data to those personnel assigned to this project.

15. Bookmark Title: MSQ15 - Project Management
Bookmark Title for Supporting Material:
- MSQ15.1 - Project Schedule/Project Work Plan (Sample)
 - MSQ15.2 - WBS tasks and Project Outputs (Sample)
 - MSQ15.3 - Implementation Plan (Sample)
 - MSQ15.4 - Quality Management Plan (Sample)
 - MSQ15.5 - Requirements Management Plan (Sample)



- MSQ15.6 - Change Management Plan (Sample)
- MSQ15.7 - Risk Management Plan (Sample)
- MSQ15.8 - Communications Management Plan (Sample)
- MSQ15.9 - Integration Plan (Sample)
- MSQ15.10 - Operations & Maintenance Plan (Sample)
- MSQ15.11 - Training Plan (Sample)
- MSQ15.12 - Cost Management Plan (Sample)
- MSQ15.13 - Stakeholder Management Plan (Sample)

Narrative description is limited to five (5) Pages, not including the required supporting material.

Provide a description of the project management approach, including, but not limited to, the methodology and implementation of the system to be used for monitoring and control of scope, schedule, and cost. Additionally, describe any previous experience managing similar projects using the Project Management Lifecycle (PMLC) and Project Management Book of Knowledge (PMBOK) throughout the life of the contract.

Refer to Attachment C - Common Scope Requirements and Security Standards, Section 2 Project Organization and Management.

In the Supporting Material, include a draft or sample project management plan representative of this project. In your narrative response, explicitly identify any differences between the State's project management approach from your proposed approach, including all responsibilities.

Supplier Response

MSQ15 – Project Management

The Myers and Stauffer Team understands that the driver to good project management is a robust, but realistic, plan which clearly identifies activities and milestones and includes accountability for both the project manager and the entire team. We utilize features of the Project Management Body of Knowledge (PMBOK) to customize our approach and meet the specific needs of our clients.

Paramount to effective project management is an agreed-upon Project Plan to guide the execution and control of the implementation, as well as monitoring of all aspects of the SOW post go-live. Our approach provides a solid foundation for customizing and tailoring the schedule to optimally chart the needed tasks for the State.

Once the Project Plan is finalized, it will be used as the mechanism to report project status for tasks, deliverables, and milestones. In addition to the project schedule, the detailed project plan outlines a structure for handling changes, communication methods, risk and issue monitoring and mitigation, and stakeholder engagement activities, as well as a baseline for the project including scope and schedule. Our project management approach includes, but is not limited to, tracking project status and deliverables; engaging stakeholders at key points of the project; consulting and advising on best practices during project development and design; and providing operational support once projects have been implemented.

The detailed project schedule will be finalized using Microsoft Project. The schedule utilizes a work breakdown structure (WBS) which keeps subtasks uniquely identified within hierarchical task structures. Tasks, deliverables, and milestones are identified and their dependencies are created based on requirements. Additionally, assigned resources are identified at the task level. Each task or subtask line contains at a minimum the following elements: line number, WBS number, task



description, duration (in working days), start/end date, and assigned resource. The project plan is a living document and will be updated throughout the life cycle of the project as events change and priorities are shifted. Myers and Stauffer's approach to creating and updating the project plan takes into account several characteristics, as detailed below.

Project Plan Characteristics	
Leveraging Existing Tools	The project begins by leveraging Myers and Stauffer's experience and assets to quickly stand up project management processes.
Clear Communication Channels	Quickly establish a stakeholder map and related communication process that facilitates rapid and timely information sharing, collaboration, escalation, and efficient decision making, founded on the overarching principle of "no surprises."
Transparency	Provide the State with a clear and timely picture of how the project is progressing, who is responsible for each activity, who to contact to resolve questions and issues, what decisions have been made, and risk mitigation strategies.
Joint Management	Establish and promote a strong working relationship between the State and Myers and Stauffer teams, which is especially important given the involvement of multiple agencies and outside stakeholders.
Measuring Progress	Most activities do not get done, or done properly, unless they are measured and monitored. Our methodology establishes meaningful metrics based on past experience and tailored for this project. We report progress and issues through dashboards and weekly status meetings, coupled with a well-defined escalation process for critical issues and dependencies.
Standard Methods	Create predictability and then reliability. We use demonstrated project management methods and tools that support consistent, effective planning and control for the project through all phases.

We will also leverage a number of proven project management techniques from PMBOK to support the Project Plan. Our team, led by a Project Manager, will work with the State to tailor these the following Project Plan components and tools to best fit the needs of the project:

MSQ15.1 – Project Work Plan

We will develop a Project Work Plan documenting all project activities necessary to achieving project goals, as well as each activity's corresponding level of effort and cost estimates, schedule and resulting duration, and resource requirements. The plan will be used as the basis to monitor the progress and control the project, and will include all project management activities related to risk and quality management, as well as deliverables acceptance.

Initiation					Develop Solution					Cut Over					Maintenance				
Phase 1 Initiation					Phase 2 Develop					Phase 3 Cut Over					Phase 4 Maintenance				
Activities	List of activities				List of activities				List of activities				List of activities						
	Introductions / Kickoff Meeting				Submit Process and Procedures for Audit and Lock-In				Ingest Claims Into Database				Continue Services						
	Identify Stakeholders				Submit Audit and Lock-In Letters				Identify Claims for Audit and Members for Lock-In				Continuous Product Enhancement						
	Requirements Analysis				Receive Test Claims Extract for Ingestion				Concurrent Review Upon First Claims Extract				Implement State Directed Changes						
	Project Management Plan and Implementation Schedule Submitted				Client Approval				Lock-In Plan Maintenance Monthly				Run Out- Audit 6 months Prior to Contract End; Lock-In 1 month						
									Desk and Field Audits Quarterly				Monthly, Quarterly, and Annual Reporting						
												Transition Report to Incoming Vendor							
Phase 1 Obtain Project Plan Approval					Phase 2 Obtain Approach Plan Approval					Phase 3 Initiate Approved Development Plan					Phase 4 Ongoing Maintenance				
Outcomes	Approval of Project Management Plan and Implementation Schedule				Approval of Process and Procedures for Audit and Lock-In				Claims successfully ingested into database				Ongoing product enhancement						
					Approval of Audit and Lock-In Letters				Claims identified for audit and members for lock-in				Review impact of directed changes and suggest updates						
					Claims successfully received				Concurrent Review and Lock-In Program Initiated				Reports routinely delivered as expected						
					QA on Claims and Mapping Successful				Desk and Field Audits Initiated				Successful transition						

MSQ15.2 – Work Breakdown Structure (WBS) and Project Outputs

The above project schedule will utilize a WBS that keeps subtasks uniquely identified within hierarchical task structures. Tasks, deliverables, and milestones are identified and their dependencies are created based on requirements. Additionally, assigned resources are identified at the task level. Each task or subtask line contains at a minimum the following elements: line number, WBS number, task description, duration (in working days), start/end date, and assigned resource.

1. PFWA Services

1.1. Initiation

- 1.1.1. Project Kick-off Meeting
- 1.1.2. Requirements Analysis
- 1.1.3. Develop Project Plan
- 1.1.4. Submit Project Plan
- 1.1.5. *Milestone: Project Plan Approval*

1.2. Planning

- 1.2.1. Create Approach Plan
 - 1.2.1.1. Policy and Procedures
 - 1.2.1.1.1. Concurrent Review
 - 1.2.1.1.2. Desk and Field Audits
 - 1.2.1.1.3. PLI Program
 - 1.2.1.1.4. Grievance Committee



- 1.2.1.1.5. Batch Files
- 1.2.1.1.6. Reporting
- 1.2.1.2. Communications
 - 1.2.1.2.1. Develop Provider Notification Letters
 - 1.2.1.2.2. Develop Member Notification Letters
 - 1.2.1.2.3. Banner Messages
 - 1.2.1.2.4. External Stakeholder Introductions
- 1.2.2. Submit Approach Document
- 1.2.3. *Milestone: Approach Plan Approval*
- 1.3. Execution
 - 1.3.1. Receive Test Claim File
 - 1.3.1.1. Scrub Data
 - 1.3.1.2. Data Mapping and Ingestion
 - 1.3.2. Testing Phase
 - 1.3.2.1. Analytics
 - 1.3.2.2. Letter Generation
 - 1.3.2.3. Batch File Creation
 - 1.3.3. Install Live System
 - 1.3.4. User Training
 - 1.3.5. Go-Live
- 1.4. Control
 - 1.4.1. Project Management
 - 1.4.2. Project Status Meetings
 - 1.4.3. Risk Management
 - 1.4.4. Update Project Management Plan
- 1.5. Closeout
 - 1.5.1. Audit Procurement
 - 1.5.2. Document Lessons Learned
 - 1.5.3. Update Files/Records
 - 1.5.4. Gain Formal Acceptance
 - 1.5.5. Transfer Archive Files/Documents

MSQ15.3 – Implementation Plan

We will create a discrete, streamlined plan to support the implementation efforts of key team members participating in the project execution phase. We will work with the State to determine its preferred implementation plan components; however, we anticipate including project goals and objectives, success criteria, deliverables, scope, resources, risk analysis, implementation timeline and milestones, roles and responsibilities, and implementation plan metrics.

Task	Assigned To	Start	End
Gather Requirements			
Identify Key Stakeholders	Fraud, Waste, and Abuse Team	7/1/24	7/1/24
Kick-off Meeting with Stakeholders	Fraud, Waste, and Abuse Team	7/2/24	7/2/24
Requirements Analysis	Fraud, Waste, and Abuse Team	7/3/24	7/18/24
Develop the Schedule			



List Tasks	Fraud, Waste, and Abuse Team	7/18/24	7/18/24
Set Task Priorities	Fraud, Waste, and Abuse Team	7/19/24	7/19/24
Determine Timeline	Fraud, Waste, and Abuse Team	7/19/24	7/19/24
Assign Resources	Fraud, Waste, and Abuse Team	7/22/24	7/22/24
Plan for Communication (DCH, PBA)	Fraud, Waste, and Abuse Team	7/23/24	7/23/24
Identify Customer Security Requirements	Fraud, Waste, and Abuse Team	7/24/24	7/25/24
Implement Identified Security Measures	Fraud, Waste, and Abuse Team	7/26/24	8/9/24
Design the Solution			
Develop Approach Document	Fraud, Waste, and Abuse Team	8/9/24	8/12/24
Create Solution Design Document	Fraud, Waste, and Abuse Team	8/13/24	8/26/24
Define Product Specifications	Fraud, Waste, and Abuse Team	8/27/24	9/5/24
Update the Schedule	Fraud, Waste, and Abuse Team	9/6/24	9/6/24
Build the Solution			
Configure Features	Fraud, Waste, and Abuse Team	9/6/24	9/13/24
Customize Audit Management System	Fraud, Waste, and Abuse Team	9/16/24	9/20/24
Perform System Testing	Fraud, Waste, and Abuse Team	9/23/24	9/24/24
Document Issues Found	Fraud, Waste, and Abuse Team	9/25/24	9/25/24
Correct Issues Found	Fraud, Waste, and Abuse Team	9/26/24	10/14/24
Test Corrections	Fraud, Waste, and Abuse Team	10/15/24	10/15/24
Integrate the Solution			
Receive Claim File	Fraud, Waste, and Abuse Team	10/15/24	10/15/24
Set up the Customer Database	Fraud, Waste, and Abuse Team	10/16/24	10/17/24
Migrate Data	Fraud, Waste, and Abuse Team	10/18/24	10/21/24
Integrate the Desktop (Internal)	Fraud, Waste, and Abuse Team	10/22/24	10/25/24
Monitor the Solution			
Define Success Metrics	Fraud, Waste, and Abuse Team	10/28/24	10/28/24
Review Business Performance	Fraud, Waste, and Abuse Team	10/29/24	10/31/24
Provide Training			
Schedule Training	Fraud, Waste, and Abuse Team	10/28/24	10/28/24
Train End Users	Fraud, Waste, and Abuse Team	10/29/24	10/31/24
Create User Documentation	Fraud, Waste, and Abuse Team	11/1/24	11/4/24

MSQ15.4 – Quality Management Plan

Our firm's rigorous quality assurance protocol addresses every function we perform, every process we utilize, and every deliverable we provide. We will work with the State to develop a Quality Management Plan that describes the policies, procedures, and guidelines that will be implemented to achieve high quality project outcomes. The plan will include, at a minimum, project and deliverable quality metrics, how quality metrics will be met, and all associated QA and quality control activities.

Quality Standards

The FWA program offered by Myers and Stauffer and NHC focuses on meeting numerous service-related quality standards. Regarding auditing, we will concentrate on initiating desk and field audits



and conducting concurrent reviews at frequencies determined and agreed upon by the State. Similarly, we will commit to performing the required tasks of the PLI program in alignment with intervals and timelines agreed upon by the State. Audit letters will be preapproved by the State. Audits will be based on assessing and monitoring compliance with up-to-date federal and state pharmacy laws, rules, regulations, and the State's policy. Our Team will review only those claims with a final status of "paid." In reviewing claims for audit inclusion, we will design claim selection algorithms that are relevant to the State being guided by their policies and regulations. Reviewing claims that are unlikely to change and using claim selection algorithms tailored to the needs of the State ensures that the State can maintain a reasonable expectation of positive impact to their program from audits. An educational approach to auditing will be employed where appropriate, not only to invest in compliance of future claims but to foster good will between the State and pharmacy providers. Reports will be provided at intervals determined by the State.

Quality Assurance and Control

Various measures will be taken to ensure that the Myers and Stauffer Team continuously meets the quality standards listed above.

Timeliness and Frequencies. For objectives related to timelines and frequencies, we will:

- Collaborate with the State to determine intervals and frequencies at which audits and concurrent reviews will be initiated as well as the timeline requirements associated with PLI.
- Employ internal controls to achieve the determined frequencies by communicating with each auditor, integrating the requirements into our *CompassRx* Audit Management System, and conducting regular internal meetings to assess adherence to timelines by leveraging reports generated by *CompassRx*.
- Meet with the State at regular intervals to discuss changes to frequency(s) if needed.
- Monitor internally generated reports to assess compliance with the agreed-upon frequencies.
- Conduct regular internal meetings to assess adherence to timelines, leveraging reports generated by our *CompassRx* Audit Management System.

HIPAA Compliance. To ensure compliance with HIPAA requirements, we will:

- Systematically enforce the industry-standard encryption of all sensitive data, in-transit and at rest.
- Employ administrative, physical, and technical security controls.
- Conduct annual risk assessments to identify opportunities for enhancement of security protocols.
- Implement identified enhancements.
- Require every employee complete HIPAA training at onboarding and annually thereafter.

MSQ15.5 – Requirements Management Plan

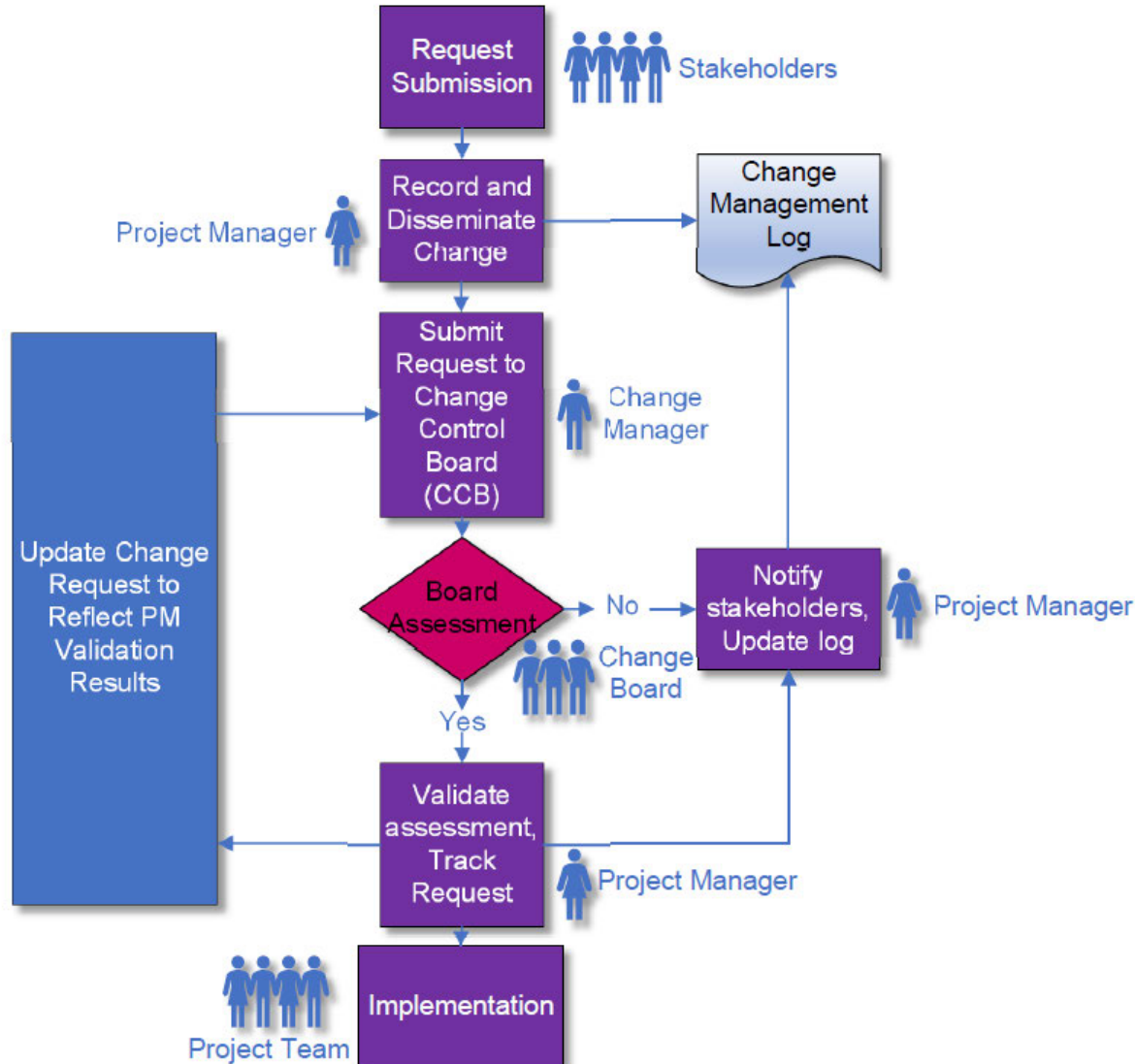
Ineffective requirements in management processes are one of the most common causes of project failure. As such, we will develop a Requirements Management Plan describing all tasks or conditions (i.e., functional and non-functional) that must be completed to ensure a successful project. Specifically, the plan will document how stakeholder needs are identified, categorized, prioritized, and tracked throughout the project life cycle; the process by which requirements will change as stakeholder needs change; and how our project team will verify that all requirements have been met.



Requirement	Stakeholders	Priority-based on Resource Intensity	Responsible Party(s)	Traceability	Changes		
					Reason for Changes	Who Authorizes Changes	How to Make Changes
Desk and Field Audits	the State, Myers and Stauffer	1	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	the State and Myers and Stauffer	System enhancements and process updates
Concurrent Review	the State, Myers and Stauffer	3	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	the State and Myers and Stauffer	System enhancements and process updates
Pharmacy Lock-In Program (PLI)	the State, Myers and Stauffer	2	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	the State and Myers and Stauffer	System enhancements and process updates
Reporting and Data-Related Requirements	the State, Myers and Stauffer	5	Operations Manager	Reports	The need to remain current with industry standards; State-requested changes	the State and Myers and Stauffer	Update report contents and/or generation schedule in our <i>CompassRxSM</i> Audit Management System
Common Requirements	the State, Myers and Stauffer	4	Operations Manager	Assessments	The need to remain current with industry standards; State-requested changes	the State and Myers and Stauffer	Conduct annual risk assessments to identify opportunities for enhancement of security protocols and implement identified enhancements; Implement letter changes by obtaining approval of updated draft letters and replacing outgoing template in our central repository with updated and approved letters

MSQ15.6 – Change Management Plan

To support change management processes associated with the project, we will develop a Change Management Plan specifying how project changes should be requested; the process and criteria for evaluating such requests; the process and mechanism for recording change request outcomes; and the process for incorporating an approved change into the delivery of the project. All approved changes will be documented in the Project Plan to accommodate any impacts to resources, budget, and deliverables. The graphic below includes key concepts that will be incorporated into the Change Management Plan.



MSQ15.7 – Risk Management Plan

Risk management is an ongoing process that begins with identifying project risks; determining the probability and impact of each risk; and working with our clients to develop avoidance and mitigation strategies. We will document all risks and their anticipated impact; related/required decision(s) and associated decision-maker(s); internal related discussion; final decisions; and status throughout the engagement.

As NHC is the current PFWA vendor, our Team will assist the State in identifying and responding to FWA within its system committed by both members and providers. The Team understands that risks are inherent in a project of this nature, both positive and negative. Project risks, defined as any uncertainty that may occur and have an impact on project objectives, must be addressed. Teaming with NHC, as the incumbent vendor, these uncertainties will be minimized because of the extensive experience servicing the contract. However; we understand the importance of guarding against

risks, especially when onboarding new clients. As such, the following Risk Management Plan entails how we will identify, assess, and respond to risks throughout the life of the project.

Define Risks. To ensure risk management remains relevant, we will conduct internal weekly status meetings to identify new risks and changes to existing risks. During these meetings, we will work to define identified risks through illustrating their impact on the cost, time, quality, and scope of the project. This includes reviewing constraints, assumptions, critical success factors, and SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis.

Identify Risks

- Highlight and document all predictable risks to project objectives.
 - Cause.
 - Risk.
 - Impact.
 - Cost.
 - Time.
 - Quality.
 - Scope.
- Maintain a Risk Register.

Assess Risks

- Qualitative.
 - Risk Occurrence Probability.
 - Impact.
 - Cost.
 - Time.
 - Quality.
 - Scope.
- Quantitative.
 - Statistical analysis used to identify impact.
 - Probability-Impact Matrix.
 - SWOT analysis.

Risk Response Identification

- Completed during internal weekly status meetings.
- Address Risks.
 - Avoid/Exploit.
 - Eliminate risk cause via process change.
 - Exploit risk by eliminating barriers and facilitating the opportunity.
 - Mitigate/Enhance.
 - Preventative measures to minimize probability.
 - Refine processes to optimize outcomes.
 - Acceptance.
 - Passive.
 - Account for impact in projected outcomes.
 - Active.
 - Create contingency plans for projected outcomes.



Monitor and Review Risks

- Determine changes to project risks if any.
- Analyze impact of risk response measures.
- Communicate outcomes of risk management process to stakeholders.

MSQ15.8 – Communications Plan

A major component of project management is proactively managing the project to ensure deliverables are of a high quality and completed on time. Communication with the State, its stakeholders, and the project team is essential to ensure this outcome. Key activities involve managing communications to satisfy the needs of the State and resolve any issues that arise. The ultimate goal is to achieve efficient and effective collaboration between all key stakeholders of the project.

A project team directory will be developed to provide contact information for all team members directly involved in these tasks. This document will require updates or changes which will be made as the project progresses or changes are approved. Changes or updates may be required as the project matures due to changes in project resources and/or if additional requirements are needed. Once a change is approved, the Communications Management Plan will be updated and will be distributed to the State, its stakeholders, and the project team.

Communications Management Approach. Communications happen at every level of the project, and the Project Director, as well as key personnel, will take a proactive approach to communication. Even though the Project Director is responsible for the overall effectiveness and efficiency of communications during the project, each of the team members will provide communications for their respective tasks and activities. Either the Project Director or other key staff will serve as the primary point of contact for engagement level communications. They will be available by telephone and/or email during regular business hours and, when necessary, a temporary back-up point of contact will be designated in advance. Either the Project Director, or an appropriate designee will provide regular updates during project status meetings and/or at a frequency requested by the State, and will include other applicable State contracted vendors. During these updates/meetings, they will review and provide updates on each major task, function, or activity in the project plan. Key events or outcomes will also be reviewed to inform the State of progress on relevant deliverables. They will also alert the State to any project risks and proposed mitigation strategies, and will continually update the State on the impact of these strategies to deliverables and associated timelines. Upon request, our project team will also be available for recurring and/or ad-hoc meetings with the State and/or other contracted vendors.

Escalation Path. During the life of a project, there are times when escalation of an issue is necessary. Escalation procedures should be enacted when any issue is not being addressed by the primary contact. By invoking escalation procedures, the individual wants to use additional influence from project leadership to resolve a situation. The project leadership to contact for escalating an issue includes the Project Director and State designated leadership. If a project team member has an issue or concern that is not being addressed, a written communication, usually by email, should be made to the Project Director. This communication should include the parties involved, the issue or concern, the response from the primary contact, and recommended paths to ensure compliance. It is recommended that the project team member try to resolve the issue or concern through open discussions with the primary contact. If all avenues of negotiation for resolution to the issue or concern has been exhausted, it is then appropriate to begin the escalation of the matter.

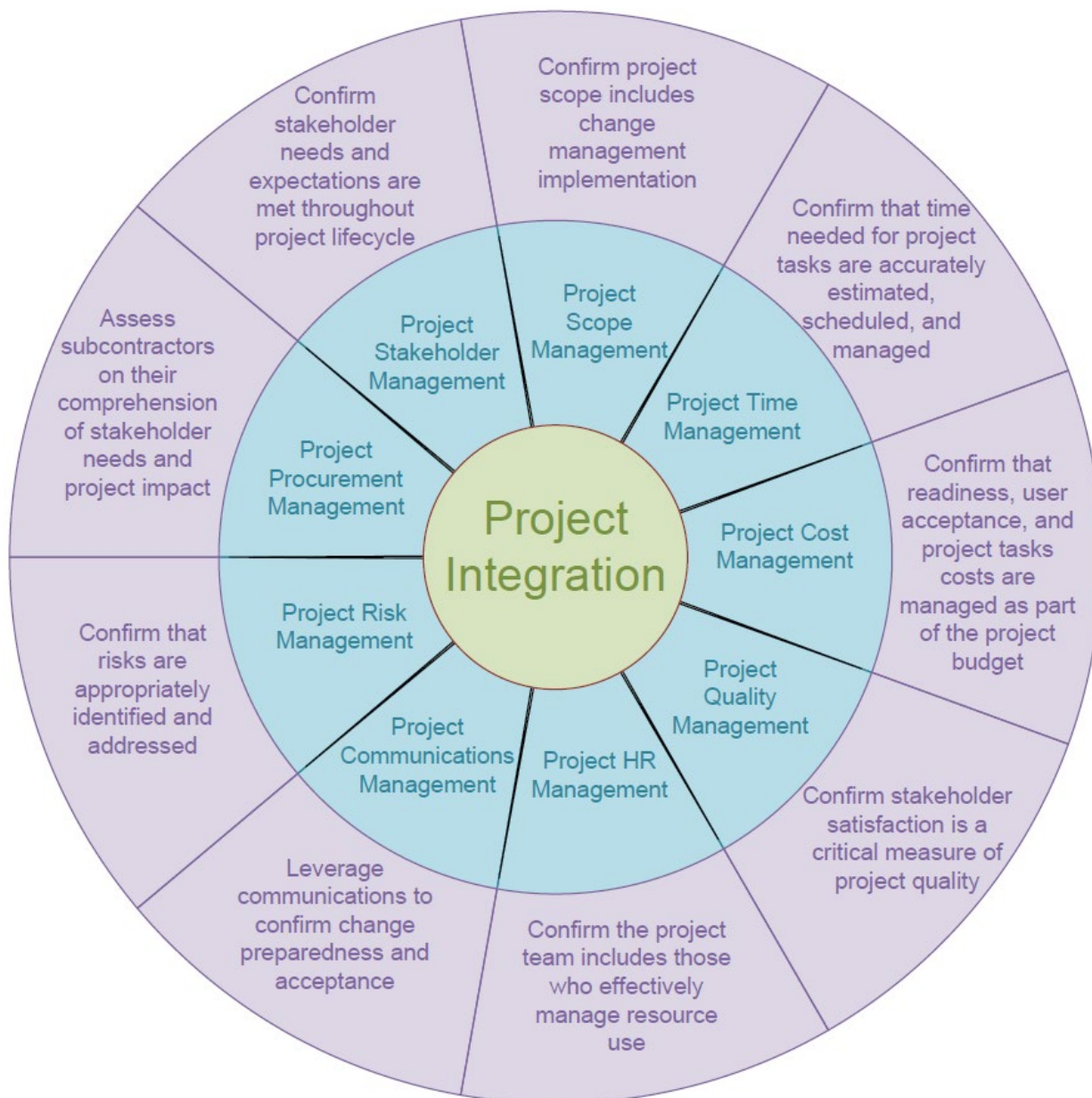


Project Management Reporting. Communications and reporting are two of the top responsibilities of project management. It is important that information is shared timely from the project team so the information is available for project status updates with the State.

Routine Status Meetings. We encourage regularly scheduled weekly or bi-weekly status meetings with the State through teleconference to discuss progress and any identified issues or risks that need to be solved together. These meetings will also be used to discuss upcoming deliverables and any other topics identified by either the project team or the State. The project team will send the State an agenda for the meeting in advance, and a summary of the meeting will be sent within five business days following the meeting date. During the meeting, any changes to the project and/or the Project Work Plan will be drafted as an official change request and will go through the regular procedures to implement a change. If the Project Director and the State both agree to the change during the status meeting, the approval will be noted and included in the final notes.

MSQ15.9 – Integration Plan

Aligning work across cross-functional teams, managing schedules, and tracking resources is critical to achieving common project goals. To ensure that all project activities are synchronized and executed efficiently, we will develop an Integration Plan that outlines how various project components will be brought together, inclusive of strategies, timelines, resource allocation, communication plans, and other necessary steps. Integration Plan activities will be monitored and controlled through regular progress assessments and comparisons with planned objectives, and any deviations will be addressed.



MSQ15.10 – Operation and Maintenance Plan

As necessary, we will develop an OM Plan describing any IT-related systems components, and outlining the operation, inspection, and maintenance activities necessary to ensure dependability of the system. The plan will address normal operating conditions and recommended actions for emergency conditions. Copies of operations log sheets and maintenance checklists will also be included.

MSQ15.11 – Training Plan

To the extent that project team members and/or key stakeholders do not have the required competencies to support the project, we will develop a project Training Plan. At a minimum, the plan will describe how we will train individuals during implementation of the project management

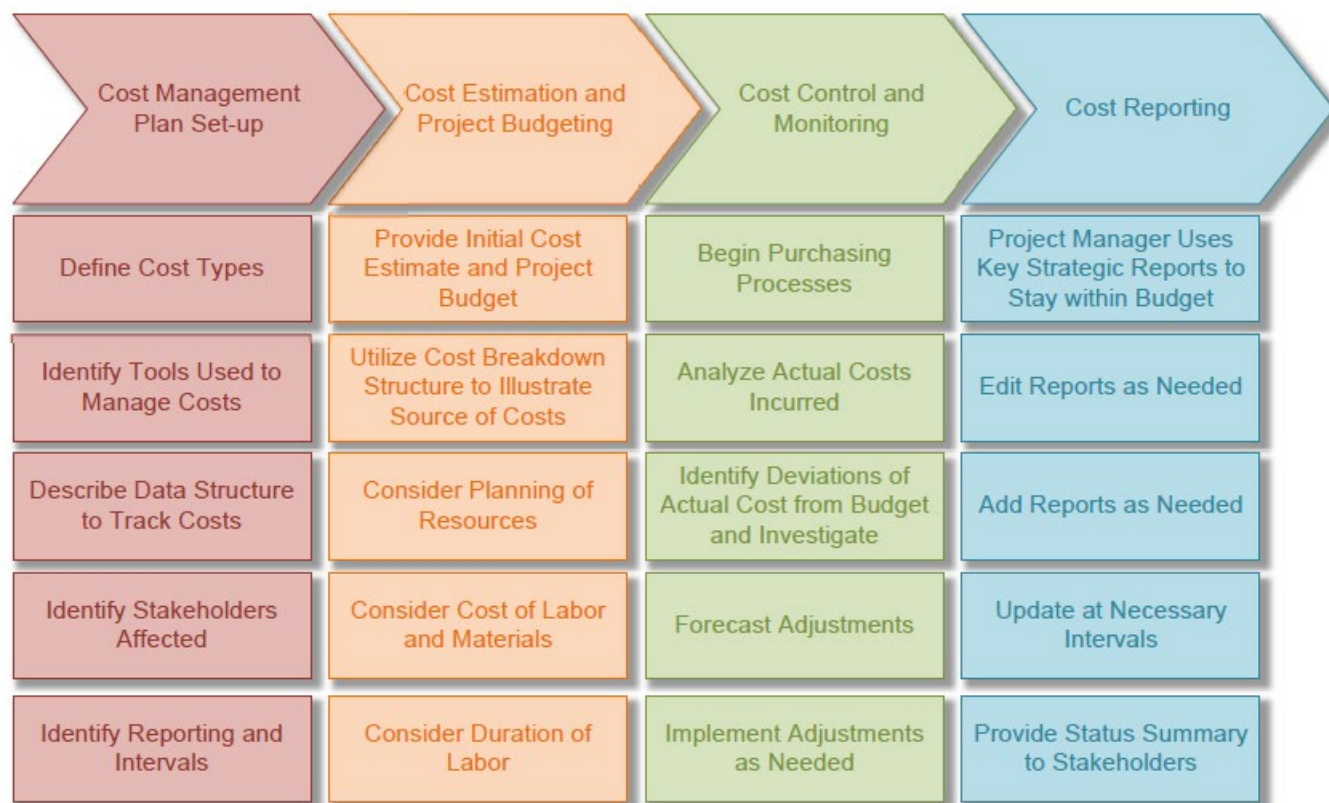
process, including identification of existing and needed resources, individuals to be trained, and training requirements.

At the State's request, our Team will provide PFWA training to State staff either virtually or in-person on a schedule agreed-upon by the State. Training material may include but not be limited to:

- PFWA State and National Trends.
- Claims Analysis Processes.
- Audit and Desk Review Processes.
- Audit and Desk Review Document Management.
- Concurrent Review Methodology and Findings.
- PLI Program Management.

MSQ15.12 – Cost Management Plan

Effective cost management requires adherence to established processes for estimating, budgeting, and controlling costs. We will work with the State to develop a Cost Management Plan that includes clearly articulates how project costs will be planned, structured, and controlled. The plan will establish, at a minimum, units of measurement, level of precision, level of accuracy, control accounts and thresholds, rules for performance measurement, reporting formats, and corresponding organizational processes and procedures.



MSQ15.13 – Stakeholder Management Plan

Stakeholder engagement is critical to solicit buy-in, identify concerns and/or competing objectives, and ensure transparency and equity throughout the project life cycle. In collaboration with the State, we will develop a Stakeholder Management Plan that identifies relevant internal and external stakeholders impacted by or having influence on the project direction and success; identifies and

documents strategies that will be used to solicit stakeholder participation (e.g., focus groups, interviews, etc.); and describes methods that will be used to communicate with stakeholders and escalate findings to the State as appropriate.



- 16.** Bookmark Title: MSQ16 – Role Understanding
Narrative description is limited to five (5) pages.
- Describe your understanding of your role and responsibilities in the project, your relationship to the other resources and stakeholders involved, including the State's Project Management Office (PMO), or equivalent unit, Pharmacy Benefit Administrator (PBA) vendor, and Pharmacy Drug Rebate vendor. Describe how you will collaborate and provide leadership among the various resources and stakeholders and provide examples of past successes in a similar environment.
- Refer to Attachment C - Common Scope Requirements and Security Standards.

**Supplier Response****MSQ16 – Role Understanding**

Our team member, NHC, has successfully provided PCMS and PFWA to the state of Georgia for 18 years. Since our team member is the incumbent for these services and are intimately familiar with the roles and responsibilities associated with this SOW, we understand the intended SOW for the lead State more than other competitors. Over the course of providing these services, NHC has collaborated with both internal and external stakeholders, providing support and robust solutions leveraging a broad range of experience. Our Team recognizes that successful programs require ongoing collaboration among interested parties while also recognizing that ultimately, we are here to serve the State's interests.

While working together toward the realization of the State's goals, both Myers and Stauffer and NHC have developed substantive relationships with DCH. These working relationships have led to services that are tailored specifically to meet the needs of the State and its Medicaid population.

The Myers and Stauffer Team avoids any conflicts of interest and circumstances that could create any real or perceived conflict of interest. We have limited our practice exclusively to partnering opportunities with local, state, and federal government agencies. To the best of our knowledge, we have no real or perceived conflicts of interest. We have never experienced any unmitigated real or perceived conflict of interest in providing services, and we are exceptionally sensitive to public scrutiny, performance expectations, and the high levels of accountability and integrity that are expected of government agencies and policy makers.

Knowledge of the Requested Services

Myers and Stauffer understands that we will evaluate the integrity of pharmacy claims billed by providers and paid by the State. The objectives of the review will include verification that paid services were actually rendered, that there is sufficient documentation to support services billed, and that payment was made only for covered services provided in accordance with state policies and procedures. We will identify any outliers that may indicate potential FWA and refer such cases expeditiously to the OIG for further action.

Myers and Stauffer brings substantial auditing and program integrity expertise to this engagement. As such, we have a thorough understanding of the importance of evaluating compliance with plan policies and procedures, evaluating compliance with Medicaid guidelines, and ensuring compliance with federal and state laws and regulations applicable to the services or items billed. Our audit and review services will focus on the identification of improper payments (i.e., overpayments) made on behalf of the Medicaid program. Furthermore, we acknowledge the importance of communication to ensure the Program Integrity unit's auditing efforts are comprehensive, coordinated, and do not overlap.

Our extensive experience makes us uniquely positioned to fulfill the responsibilities outlined in the FWA SOW of this eRFP. Our role in identifying and addressing FWA is an integral part of the fiscal prudence critical to any government-funded program. Additionally, as the FWA vendor, the Team utilizes a customizable and comprehensive audit program to minimize the diversion of funds, thereby maximizing the State's ability to appropriately direct funds needed for patient care. The granularity of customization available in our *CompassRx* Audit Management Program provides significant added value as it facilitates the flexibility required to accommodate the inherent differences across State Medicaid programs. The Team's multi-faceted approach to identifying and



addressing FWA incorporates data mining, concurrent claims review, desk audits, field audits, and our PLI program.

Collaboration with Stakeholders

The Myers and Stauffer Team has extensive experience with stakeholder engagement and education. We know that a key piece to successful projects is getting stakeholder participation and we pride ourselves on our ability to integrate our team and develop a strategic partnership with our state Medicaid clients.

Successful implementation of changes based on actionable recommendations must occur in order to improve program performance. A key component to successful implementation is collaboration and understanding amongst all stakeholders. Myers and Stauffer has an extensive history of creating educational materials, conducting presentations, and facilitating training/education sessions for both internal and external stakeholders to implement necessary changes. Based on our experience collaborating with various stakeholders groups such as pharmacy and medical providers, claims processors, fiscal agents, data teams, and program integrity units, we understand the critical need to communicate using a wide range of techniques at various levels of technical and clinical detail.

Past Successes

Our team member, NHC, has served as the FWA vendor for DCH since 2006. Over that period, they have been successful in meeting contract requirements and exceeding performance expectations and service level guarantees, outpacing contract minimums year after year. We have also implemented successful FWA programs serving Medicaid agencies in many other states. In addition to successes in servicing contracts, our Team has also fostered positive professional relationships with network providers through an educational approach to auditing to much success. Such accomplishments result in improved program compliance and a positive provider perception of the Medicaid program. Recent feedback related to two audits conducted on behalf of the lead state are below, as evidence of our collaborative nature and leadership with the provider community.

"I wanted to take a moment and share an interaction with you from today. I was blessed to sit down and converse with Russell Carlson, Commissioner of the Georgia Department of Community Health. I told the Commissioner I appreciate you and NHC's fairness in dealing with us. I expressed that you treat us professionally and courteously while maintaining the objectivity necessary for your mission. It was an honor for me to speak with him, and I wanted him to know that this firm has treated us better than any other auditing organization we have interacted with. Thank you for all that you do!" – Georgia Pharmacy Provider feedback from a recent desk audit.

"I really appreciate how professional you were and how easy you were to work around our short staff and unpreparedness." – Georgia Pharmacy provider feedback from a recent field audit.