



Proposal to the:
State of Vermont
Agency of Human Services
Office of Vermont Health Access

In Response to:
Request for Proposals for
Medicaid Technical Assistance

Narrative Proposal

Submitted By:
The Pacific Health Policy Group

January 3, 2008

Section 1 – Transmittal Letter (RFP Section 4.8.2)

THE PACIFIC HEALTH POLICY GROUP

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Lake Forest, IL 60045

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January 2, 2008

Deborah Stempel

Contract Administrator

Office of Vermont Health Access

312 Hurricane Lane, Suite 201

Williston, Vermont 05495

Dear Ms. Stempel,

The Pacific Health Policy Group (PHPG) is pleased to submit our proposal to the Office of Vermont Health Access in response to Request for Proposals (RFP) for “*Medicaid Technical Assistance.*”

As specified in the RFP, PHPG’s transmittal letter contains the following statements:

- 1) PHPG does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), gender, marital status, sexual orientation, political affiliation, national origin, or disability.
- 2) PHPG has not included any cost information in this letter or any other part of the Narrative Proposal.

- 3) PHPG certifies the Cost Proposal was arrived at without any conflict of interest, and that it will be firm and binding for 180 business days from the proposal due date.
- 4) PHPG has received and reviewed the addendum that was issued by the Office of Vermont Health Access on December 4, 2007, as well as the Revised Procurement Schedule and the Responses to Questions that were issued on December 14, 2007.
- 5) PHPG agrees to adhere to all requirements set forth in the RFP without reservations.
- 6) PHPG has read, understands and unconditionally accepts all requirements, responsibilities, and terms and conditions in the RFP.
- 7) PHPG agrees that any lost or reduced Federal Financial Participation (FFP), resulting from bidder deviation from specifications and requirements, shall be accompanied by equivalent reductions in State payments to the contractor.
- 8) PHPG accepts the provisions of Contract Attachments C, E, and F (Appendix 1 of the RFP).

PHPG's financial statements are included as Appendix 3 and are marked "Proprietary" in accordance with 1 VSA, Chapter 5, Section 317, subparagraph 9 which exempts public disclosure of information considered "trade secrets, including, but not limited to, any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern, and which gives its user or owner an opportunity to obtain business advantage over competitors who do not know it or use it."

I, Scott Wittman, as Director of The Pacific Health Policy Group, will be the firm's primary point of contact for clarification of bid information and I am the bidder's authorized agent with the authority to legally bind The Pacific Health Policy Group to the provisions of the contract. Please contact me regarding all matters related to this solicitation. My contact information follows:

Scott Wittman

The Pacific Health Policy Group

500 N Western Avenue – Suite 214

Lake Forest, Illinois 60045

T: (847) 615-3412

F: (847) 615-1061

Email: swittman@phpg.com

We have many years of experience collaborating with the State of Vermont on a wide variety of projects. We hope to have the opportunity to continue assisting the State with these very important projects.

Sincerely,

THE PACIFIC HEALTH POLICY GROUP

Scott Wittman, Director

Section 2 – Table of Contents (RFP Section 4.8.3)

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Section 3 – Bidder Information Sheet (RFP Section 4.8.4)

Exhibit 3.1 below provides PHPG’s bidder information, as required by the RFP.

Exhibit 3.1: Bidder Information Sheet

Bidder Information	
1. Full name and mailing address of the bidder and, if applicable, the branch office or other subordinate entity that will perform, or assist in performing, the work described in the proposal	The Pacific Health Policy Group 500 N Western Avenue – Suite 214 Lake Forest, IL 60045 <i>Additional offices:</i> <ul style="list-style-type: none"> ▪ 100 South Main Street – Suite 3 Waterbury, VT 05676 ▪ 1550 South Coast Highway – Suite 204 Laguna Beach, CA 92651
2. Street address (for FedEx and other mail service)	The Pacific Health Policy Group 500 N Western Avenue – Suite 214 Lake Forest, IL60045
3. Type of organization	Privately-held Corporation – Incorporated in the State of Missouri
4. Federal ID Number	43-1642106
5. Name, Title & Contact Information of Individual Authorized to Sign the Contract	Scott Wittman, Director The Pacific Health Policy Group 500 N Western Avenue – Suite 214 Lake Forest, IL 60045 Telephone: (847) 615-3412 Fax: (847) 615-1061 Email Address: swittman@phpg.com
6. Name, Title & Contact Information of Company Contact Person	Same as above (Item 5).
7. Key personnel, relevancy to proposal & contact information	Scott Wittman, Director <i>Relevancy to Proposal:</i> Scott Wittman will serve as PHPG’s primary point-of-contact for all matters related to execution of this contract. He will have primary responsibility for completion of all tasks pursuant to a contract, and will serve as PHPG’s primary as-needed on-site consultant. The Pacific Health Policy Group 500 N Western Avenue – Suite 214 Lake Forest, IL 60045 Telephone: (847) 615-3412 Fax: (847) 615-1061 Email Address: swittman@phpg.com

Exhibit 3.1: Bidder Information Sheet [continued]

Bidder Information		
7.	Key personnel, relevancy to proposal & contact information <i>[continued]</i>	<p>Andrew Cohen, Director <i>Relevancy to Proposal:</i> Andrew Cohen will serve as team leader for particular projects during the course of the engagement (e.g. long-term care). He also will serve as a secondary contact.</p> <p>The Pacific Health Policy Group 1550 South Coast Highway – Suite 204 Laguna Beach, CA 92651 Telephone: (949) 494-5420 Fax: (949) 494-4337 Email Address: acohen@phpg.com</p>
8.	Owners and subsidiaries that own more than five (5) percent of the bidder	<p>Scott Wittman, Director Andrew Cohen, Director</p>
9.	Location from which RFP requirements will be performed	<p>500 N Western Avenue – Suite 214 Lake Forest, IL 60045</p> <p>100 South Main Street – Suite 3 Waterbury, VT 05676</p> <p>1550 South Coast Highway – Suite 204 Laguna Beach, CA 92651</p> <p>On-site work will be provided at State offices and provider sites.</p>
10.	Subcontractor	<p>Johnna M. Cunningham 807 South Rome Avenue Tampa, FL 33606 (813) 254-2177 SSN# 572-79-0441</p> <p>Ms. Cunningham is an independent contractor. Ms. Cunningham will provide services related to health care reform and will perform assignments under this contract from Tampa, FL and Waterbury, VT.</p>

Section 4 – Executive Summary (RFP Section 4.8.5)

The Pacific Health Policy Group (PHPG) has worked with the State of Vermont for over thirteen years and welcomes the opportunity to continue to serve the State. This proposal will demonstrate that PHPG has the requisite experience, resources and approach to continue providing high-quality, professional services on behalf of Vermont’s health care programs.

PHPG specializes in the research, evaluation and reform of state Medicaid programs.

PHPG has assisted its clients in all of the following areas:

- Development, implementation, and ongoing support for Section 1115 waiver programs
- Development, implementation and ongoing support for managed care programs
- Development of health care financing strategies and reimbursement systems
- Evaluation of Medicaid programs and development of recommendations for program reform
- Evaluation and development of programs for specialized health services, including behavioral health, school-based health services, and long-term care
- Medicaid audit activities
- Technical research and compilation of various project initiatives

While having worked extensively in Vermont, PHPG consultants also have assisted numerous other state and county governments, the Federal government and private corporations to implement fiscally sound initiatives that improve the quality of healthcare for clients across the country.

PHPG has worked on behalf of the following states and counties: Alaska, Arizona, California (Los Angeles, Orange, San Diego and San Francisco Counties), Connecticut, Georgia, Illinois, Indiana, Mississippi, New York, Oklahoma, Rhode Island, Tennessee, and West Virginia. The wide range of demographics represented by our various clients is a testament to PHPG's ability to develop programs and initiatives that are tailored to the individual needs of each of our clients – there is no “one size fits all” approach.

The Pacific Health Policy Group has provided consulting services to the State of Vermont and other state and county governmental agencies in all of the areas addressed in the Request for Proposal's Scope of Work.

PHPG recognizes that timely and effective performance of all requested tasks will require dedication of the appropriate staff resources. The firm is committed to ensuring the availability of qualified staff throughout the engagement to support the State with ongoing operational/compliance issues and new initiatives.

We believe that most of Vermont's current need for consulting assistance is best met by senior, experienced staff. PHPG understands that state staffing resources are limited and frequently are challenged to balance the demands of ongoing operations with the evaluation and development of new initiatives.

PHPG also understands that Vermont is a health care reform leader; Vermont currently operates several unique programs (within a complex framework of federal statutory and waiver authorities) and continues to push forward to improve the Vermont health care delivery system. PHPG's two Directors, Andrew Cohen and Scott Wittman, have significant experience with Vermont's reform efforts as well as Medicaid reform initiatives throughout the country. Mr.

Cohen and Mr. Wittman will be available to assist the State throughout the contract term. As appropriate, other project staff will be used to complete assignments efficiently.

As Project Manager, Scott Wittman will be responsible for working with both OVHA and Agency of Human Services to ensure that appropriate resources are assigned and that projects are performed timely and effectively.

The State will reach a number of significant milestones during the course of the two-year consulting contract.

The Vermont Legislature has established a goal for 96 percent of Vermonters to have health insurance by 2010. While numerous initiatives are under-way to achieve this objective, new coverage strategies that involve public funding are likely to be considered. The change in administration at the federal level also may change the landscape in which Vermont seeks to achieve its health reform objectives.

Also, the initial terms for both the Global Commitment to Health and Choices for Care Demonstrations will end on September 30, 2010. Extension of the two Demonstrations will create the opportunity to propose modifications to the programs' design. PHPG will assist the State with the identification and assessment of program options to be considered for incorporation into the extension requests.

PHPG has developed a work plan that is sensitive to the needs of a State that stands out in its approach to providing quality healthcare services to its residents, while necessarily being respectful of the limited public resources available to sustain these programs. Our work plan describes the services we propose to provide on behalf of the State, as well as identification of specific issues that may arise over the two-year contract period.

Throughout previous engagements in the State, PHPG has developed many positive working relationships with individuals in various positions of government. These relationships, at their foundation, are built on open communication – by clearly understanding the needs of our clients, we can provide the desired results in the most efficient and productive way possible. Our dedicated team of consultants looks forward to continue venturing forward and working to improve the delivery of healthcare services to residents of Vermont.

Section 5 – Capability & Relevant Experience (RFP Section 4.8.6)

BACKGROUND OF THE BIDDER

The Pacific Health Policy Group (PHPG) is a national consulting firm with offices in Waterbury, Vermont, Lake Forest, Illinois and Laguna Beach, California. PHPG was established on April 1, 1994 by a group of health care professionals who previously worked together in the National Health Care Practice at KPMG Peat Marwick. The firm is led by Andrew Cohen and Scott Wittman, both of whom are corporate directors. PHPG is organized as an S Corporation and is a division of Westport Healthcare Management, Inc, a Missouri-domiciled, for-profit corporation.

PHPG specializes in the research, evaluation and reform of state Medicaid programs. In this capacity, we have assisted in the design and implementation of Section 1115 waivers, reform of behavioral health and long-term care programs, development of health care financing strategies and reimbursement systems, cost modeling, and ongoing program analysis and development. Our work has included analyzing historical eligibility, utilization and expenditure data, developing caseload/cost projections, development of cost-benefit analysis, development of program policies, assistance with procurement processes, Medicaid ratesetting, drafting of State Plan Amendments and program reviews and audits. In some cases we also have developed eligibility criteria for covered populations, including waiver expansion groups, long term care recipients and participants in specialized behavioral health programs.

Once programs are in place, we often continue to assist in their ongoing operations. This includes periodically evaluating the performance of the programs against their original objectives and recommending refinements.

Our engagements require a thorough understanding of federal Medicaid (and often Medicare) rules and regulations, as well as up-to-date knowledge of initiatives in other Medicaid programs. Since much of our work involves developing strategies to meet program objectives within Medicaid Title XIX requirements, we devote a significant amount of time to researching developments at the federal and state level and talking to our counterparts in government.

Although we are a small firm, we are in our second decade of operations and have a proven track record of performance. Our success is reflected in the number of state and county agencies that have selected and retained us as consultants over the years.

PHPG is submitting this proposal in conjunction with a subcontractor – Johnna M. Cunningham. PHPG will serve as the lead agency for the engagement.

DETAILS OF RELEVANT EXPERIENCE

The Pacific Health Policy Group has provided consulting services to the State of Vermont and other state and county governmental agencies in all of the areas addressed in the RFP scope of work. We have assisted with the development and implementation of Section 1115 Demonstrations on behalf of Alabama, Illinois, New York, Oklahoma, Rhode Island and Vermont. A selection of our recent, relevant work experience is included below.

Alaska - We were retained by the Alaska State Legislature in 2006 to conduct a comprehensive study of the cost and quality of the Alaska Medicaid program. Our work was a follow-up to a study commissioned by Alaska Medicaid in 2005 that contained high level findings on program expenditure growth suggesting the state could confront a fiscal crisis in the next decade due to changing demographics.

PHPG moved beyond the findings of this earlier study to analyze Alaska expenditure and utilization trends by category of service and beneficiary type (TANF, ABD, long-term care, etc). We compared Alaska's utilization and expenditure to that of the other 50 states and identified areas in which Alaska is an outlier. We also examined innovative programs and best practices in other states for consideration by Alaska.

Our final report presented a series of initiatives for reforming Alaska's program and slowing the rate of growth in expenditures, while improving access to services – particularly for the Medicaid program's large Native beneficiary population – and increasing federal financial participation. (Our full report is available through the Alaska Department of Health and Social Services (DHHS) http://www.hss.state.ak.us/hspc/files/PHPG_report.pdf.)

Arizona –The Arizona Department of Health Services (ADHS) is responsible for the delivery of all substance abuse and mental health services to the state's Medicaid and indigent populations. ADHS contracts on a capitated basis with a single entity in each county Regional Behavioral Health Authority (RBHA) to furnish behavioral health services for the Medicaid population. PHPG consultants participated in the establishment of the RBHA system in the early 1990s and oversaw separate procurements for Maricopa County (Phoenix) and the remaining counties in the state.

PHPG also serves on an ongoing basis as a consultant to the Arizona Health Care Cost Containment System (AHCCCS), the state's Medicaid agency. Our work for AHCCCS has included development of clinical assessment instruments for persons with developmental disabilities, as well as the elderly and physically disabled. We also have provided assistance in selecting managed care contractors for both acute and long-term care populations. (Arizona's entire Medicaid program operates under a managed care model.)

Mississippi – As a subcontractor, PHPG assisted the State of Mississippi in the evaluation and re-design of its long term care program, including the development of a comprehensive clinical screening instrument and identification of new long-term care service options for individuals with serious mental illnesses and persons with developmental disabilities. PHPG also assisted in development of a Money Follows the Person federal grant proposal. Mississippi is now contracting directly with PHPG to serve as its lead long-term care consultant.

Oklahoma – PHPG was originally retained by the Oklahoma Legislature in 1994 to develop strategies for restructuring Oklahoma’s nearly insolvent Medicaid program and to advise on options for enhancing the program’s cost-effectiveness. Based on our recommendations, the legislature directed the establishment of a new Single State Agency – the Oklahoma Health Care Authority (OHCA) – and directed the agency to undertake a series of reforms, including development of rural and urban managed care systems and targeting program fraud and abuse, particularly within the behavioral health sector.

In the early years of the program, we assisted Oklahoma to obtain a Section 1115 Research and Demonstration waiver (“SoonerCare”) and to implement a traditional HMO-based managed care program in the state’s three urban areas (Oklahoma City, Tulsa and Lawton.) We also helped to design and implement a special “partial capitation” model in rural Oklahoma, where HMO penetration is very slight. In that portion of the state, primary care physicians were capitated and the state contracted on a capitated basis for other selected services, such as non-emergency transportation. The remaining services operate under a managed fee-for-service model, with state case managers serving as care coordinators for beneficiaries with complex medical needs. (In 2003, the entire state was converted to the partial capitation model.)

During the past six years, we have worked on a variety of projects for the legislature and Medicaid. In 2001-2002, we conducted an independent evaluation of Medicaid for the Joint Legislative Oversight Committee, examining the program's cost effectiveness and its success in meeting access and quality of care objectives outlined in the original waiver. Our findings and recommendations were used to inform both the budgeting process and waiver renewal activities over the following two years. We recently completed an updated evaluation of the program's quality and cost effectiveness for submission to CMS.

In 2004-2005, we were retained to assist in the enactment of the "O-EPIC" program, an employer-sponsored insurance initiative, under which Oklahoma is using a portion of its waiver program savings to provide subsidies to low income workers in small firms. Our work included drafting the waiver proposal, preparing five year budget projections, briefing legislators and negotiating with the Centers for Medicare and Medicaid Services (CMS) on waiver terms and conditions. We also helped to draft agency rules and state plan amendments associated with the waiver's implementation. We currently are assisting the state in obtaining approval from CMS to expand Oklahoma's employer-sponsored insurance initiative to mid-size employers and college students.

Orange County, California (CalOPTIMA) – The CalOPTIMA program in Orange County is one of a handful of County Organized Health Systems operating in California. We assisted the county in 1994 to implement the program, which includes a unique community provider delivery system. PHPG assisted the county to determine, from the provider's perspective, the sustainability of this health service delivery model to meet future demand in a fiscally responsible manner. We also worked with the county to evaluate alternative service delivery models, including an analysis of the fiscal impact of each model. PHPG provides

ongoing evaluation and development assistance to this public-sponsored managed care organization.

San Diego County, California – PHPG assisted San Diego County in evaluating alternative service delivery models and conducted a financial feasibility study of the options selected for further analysis. PHPG assisted in building a decision making consensus among members of the County’s Project Management Committee, comprised of government officials, providers and consumer advocates. PHPG performed a similar engagement on behalf of San Francisco County, California.

Vermont - The State of Vermont is recognized as a leader for innovative health care policy. Over the last thirteen years, PHPG has assisted the State with a broad array of policy analysis, program development, and implementation activities. PHPG has assisted the state with major program reforms, including development and implementation of three Demonstration waivers, as follows:

- ✓ Vermont Health Access Plan (VHAP) – Vermont’s first Demonstration program included the transition from fee-for-service to managed care and a significant expansion of eligibility.

PHPG provided the following assistance to the state:

- Development of program design and drafting of the Waiver application
- Negotiation of the Demonstration’s Special Terms and Conditions with the Centers for Medicare and Medicaid Services (CMS)
- Coordination of programs across government agencies
- Development of cost and enrollment projections
- Assistance with managed care implementation, including drafting of the health plan and enrollment broker Request for Proposals, management of the proposal evaluation

- process, development of the contracts, development of rate setting databases, assistance with rate negotiations, and contractor oversight
- ✓ Global Commitment to Health – PHPG assisted the state with all facets of program development, including waiver drafting, public outreach, inter-departmental coordination, and negotiations with CMS. Implementation assistance included drafting of inter-governmental agreements, assistance with the procurement process for retaining an independent actuary, development of datasets for use by actuaries, facilitation and coordination of rate setting process, development of the Demonstration evaluation plan, and coordination of financial transactions and reporting across departments. Since the Demonstration’s approval in 2005, PHPG assisted the State in securing a waiver amendment to implement Catamount Health and an employer-sponsored insurance (ESI) initiative for VHAP eligibles.
 - ✓ Choices for Care – Like the two Demonstrations cited above (VHAP and Global Commitment to Health), PHPG’s assistance included all facets of program design, development and implementation.

Development and implementation of the three Demonstration programs evidences our experience with program transition and new initiatives, including inter-departmental collaboration, policy development, financial modeling and processes to secure waiver approval.

Additional projects in which PHPG has assisted or is currently assisting the State of Vermont include:

Payment Error Rate Measurement (PERM)

PHPG is currently Vermont’s contractor dedicated to auditing and reporting eligibility findings for both Vermont’s Medicaid and Children’s Health Insurance programs as they relate

to the federal Payment Error Rate Measurement Program. CMS was mandated by the Improper Payments Information Act (Public Law 107-300) to report to Congress on error rates and under- or over-payment in the Medicaid and SCHIP programs. In turn, CMS is requiring all 50 states to conduct eligibility audits every three years and report back state-level error rates.

To complete these audits, PHPG has assembled a highly qualified team of subcontractors to review approximately 1,200 cases, which includes verification of information that goes beyond that required in Vermont's State Plan. PHPG expects to complete the eligibility reviews within the next sixty days and is on track for timely completion of the project.

Sustainability of Designated Agencies

The Vermont Agency of Human Services has contracted with PHPG on two separate occasions to provide financial modeling and consultative services related to the sustainability of the Vermont Designated Agency system. In 2004, our analysis prompted the State to commit to defined funding levels over the course of three years. At the conclusion of the funding commitment, AHS retained PHPG to provide a follow-up study to assess the impact of the commitment as well as evaluate funding needs for the Designated Agencies into the future. As part of this study PHPG modeled the potential impact of various funding levels on consumers' access to services, as well as provided strategic consultation to aid the Designated Agencies increasing operational efficiencies. PHPG is engaged currently to document and help streamline Designated Agency reporting requirements.

PHPG has provided broad consulting support for the State of Vermont. Specific examples of the breadth of our experience include the following:

- ✓ Development of annual and long-term financial budgets and enrollment projections

- ✓ Development of managed care capitation rates and facilitation of actuarial rate certifications
- ✓ Development and implementation of contract monitoring functions
- ✓ Development of performance-based contract provisions
- ✓ Development of innovative programs for behavioral health services (e.g., Community Rehabilitation and Treatment [CRT] case rate system)
- ✓ Assistance with procurements for correctional health services
- ✓ Development of a level of care reimbursement system for school-based health services
- ✓ Evaluation and development of provider tax strategies
- ✓ Development of inter-governmental agreements and memoranda of understanding
- ✓ Development of innovative reimbursement strategies to contain program costs and enhance federal revenues
- ✓ Evaluation and modeling of strategies to cost-effectively reduce the number of uninsured Vermonters (e.g., employer sponsored insurance, Medical Savings Accounts, program buy-in options)
- ✓ Development of a primary care case management (PCCM) model (*PCPlus*)
- ✓ Assistance with evaluation of legislative initiatives
- ✓ Development of position papers on behalf of the Governor's office
- ✓ Development of presentations for public hearings and legislative hearings
- ✓ Preparation of responses to Office of Inspector General (OIG) and Government Accountability Office (GAO) findings
- ✓ Research and compilation of various initiatives to improve the oral health care delivery system in Vermont

- ✓ Evaluation of Upper Payment Limit (UPL) for Veteran’s Hospital
- ✓ Development of alternative funding strategies for Vermont State Hospital
- ✓ Development of annual estimates of operating expenses and revenue sources for various delivery sites that may serve as alternatives to the Vermont State Hospital

State of West Virginia – PHPG served as a consultant to the three public healthcare purchasers in West Virginia – the Department of Health and Human Resources (responsible for Medicaid), the Public Employees’ Insurance Agency (responsible for the provision of health benefits to state, county, and education employees, retirees and dependents), and Workers’ Compensation. We assisted these three agencies in developing a coordinated strategy for purchasing health care services, to maximize the state’s purchasing power and leverage with providers, improve access, encourage a more integrated health care delivery system, and manage costs overall.

PHPG also assisted the West Virginia Medicaid agency with development and implementation of its school-based health services program. PHPG assisted with development of reimbursement rates, documentation requirements and training materials. PHPG also assisted the state with securing CMS approval to operate the school-based health services program.

Exhibit 5.1 identifies major task areas delineated in the RFP and the representative state and county clients for whom PHPG has provided similar services.

A listing of all Medicaid/Medicaid-related, Health/Health-related, Insurance/Insurance-related projects from January 2004 through the present is provided in Exhibit 5.2.

Appendix 6 provides a complete list of PHPG’s clients and Appendix 7 contains a matrix with descriptions of PHPG’s relevant projects.

Exhibit 5.1: Summary of Relevant Experience by Client

Vermont Request for Proposals Task Area	Alaska	Arizona	CalOptima	Mississippi	Oklahoma	San Diego County, CA	Vermont	W Virginia
1 Provide technical assistance to the State to meet Waiver requirements and in the implementation of the Global Commitment to Health 1115 Waiver		✓			✓	✓	✓	
2 Provide assistance in policy and program development of initiatives for dually eligible persons including the PACE demonstration program, and Choices for Care Waiver	✓	✓	✓	✓	✓	✓	✓	
3 Provide implementation assistance with the State’s Special Education Initiative		✓			✓		✓	✓
4 Provide assistance to the Department of Mental Health in the development of behavioral health programs and services	✓	✓			✓		✓	
5 Provide consultation and implementation assistance to the Vermont Department of Corrections (DOC) for inmate health services		✓					✓	
6 Provide assistance to the State on an as needed and requested basis on systems enhancements, and data reporting and collection activities derived from the Medicaid Management Information System (MMIS) claims system		✓		✓	✓		✓	✓
7 Department of Disabilities, Aging and Independent Living (DAIL) Choice for Care 1115 Waiver	✓	✓	✓		✓		✓	
8 Conduct research and recommend revisions regarding areas of health care concern conveyed through Agency of Human services or legislative initiatives	✓	✓	✓		✓	✓	✓	
9 Department of Disabilities, Aging and Independent Living – Real Choices Grant Support				✓	✓		✓	

Exhibit 5.2: Project Listing from January 2004 to Present

Client	Project (s)	Description
Alaska Legislative Affairs Agency	<ul style="list-style-type: none"> Medicaid Program Review and Consultation 	<ul style="list-style-type: none"> Conducted a comprehensive review of the Medicaid program, including physical health, behavioral health, long-term care and developmental services
Arizona Department of Health Services (ADHS)	<ul style="list-style-type: none"> Managed Behavioral Health Procurement 	<ul style="list-style-type: none"> Assisted with managed behavioral health procurement
Arizona Health Care Cost Containment System (AHCCCS)	<ul style="list-style-type: none"> Acute and Long-Term Care Consulting Assistance 	<ul style="list-style-type: none"> Provide ongoing program development and operational assistance
California Association of Health Plans (CAHPs)	<ul style="list-style-type: none"> SCHIP Economic Impact Analysis 	<ul style="list-style-type: none"> Developed econometric model to assess impact of proposed SCHIP program modifications on health care delivery system
CalOPTIMA County of Orange State of California	<ul style="list-style-type: none"> Ongoing Consulting Assistance 	<ul style="list-style-type: none"> Provide ongoing program development and operational assistance to this county organized health system (publically-sponsored managed care organization (MCO))
State of Connecticut Multi-Departmental Initiatives	<ul style="list-style-type: none"> Technical Assistance and Consulting Services to the Connecticut Recovery Purchasing Project 	<ul style="list-style-type: none"> Assisted consortia of state departments in developing a performance-based contracting and monitoring strategy for behavioral health services (both mental health and substance abuse treatment services)
Hawaii – Aloha Care	<ul style="list-style-type: none"> Program Assessment and Consulting Assistance 	<ul style="list-style-type: none"> Assisted with development of Medicare Special Needs Plan and assessment of operational reforms to serve dually-eligible individuals for this community health center-owned plan
Maryland Health Association	<ul style="list-style-type: none"> Consulting Assistance 	<ul style="list-style-type: none"> Developed options for enrollment of dually-eligible (Medicare/Medicaid) beneficiaries into managed care

Exhibit 5.2: Project Listing from January 2004 to Present [continued]

Client	Project (s)	Description
Mississippi Division of Medicaid	<ul style="list-style-type: none"> ▪ Pre-admission Screening Consultation ▪ Money Follows the Person 	<ul style="list-style-type: none"> ▪ Oversaw development of a comprehensive long-term care pre-admission screening instrument ▪ Assisted with drafting of Money Follows the Person grant application to explore options for community-based and consumer-directed care
Oklahoma Health Care Authority	<ul style="list-style-type: none"> ▪ Medicaid Managed Care Program Development and Implementation ▪ State Planning Grant 	<ul style="list-style-type: none"> ▪ Provide ongoing program development and operational assistance to the SoonerCare Section 1115 Demonstration program. Includes financial modeling in support of the waiver program and assistance with development of employer-sponsored insurance initiative. ▪ Provided services in connection with State Planning Grant to evaluate options for reducing the number of uninsured Oklahomans
Schaller Anderson	<ul style="list-style-type: none"> ▪ Kentucky Medical Association Alliance Proposal Development 	<ul style="list-style-type: none"> ▪ Assisted in the development of a proposal to provide medical management services to the Kentucky Medicaid agency
Sierra Health Services (Health Plan of Nevada)	<ul style="list-style-type: none"> ▪ Aged, Blind and Disabled (ABD) Enrollment 	<ul style="list-style-type: none"> ▪ Provided consulting assistance to evaluate options for enrolling individuals who are eligible as Aged, Blind and Disabled into managed care
Sierra Military Health Services	<ul style="list-style-type: none"> ▪ Medicare Special Needs Plan Development 	<ul style="list-style-type: none"> ▪ Participated in the development and implementation of TRICARE Senior Prime, a pilot project to enroll Medicare-eligible military retirees and dependents into a public-sponsored managed care organization
TennCare	<ul style="list-style-type: none"> ▪ Re-procure BHO Contracts 	<ul style="list-style-type: none"> ▪ Developed Behavioral Health Organization (BHO) Requests for Proposals and oversaw proposal evaluation and contract award process
Tennessee Long-Term Care Division	<ul style="list-style-type: none"> ▪ Long-Term Care Pre-Admission Screening Consultation 	<ul style="list-style-type: none"> ▪ Oversaw development of a comprehensive pre-admission screening instrument

Exhibit 5.2: Project Listing from January 2004 to Present [continued]

Client	Project (s)	Description
State of Vermont	<ul style="list-style-type: none"> <li data-bbox="558 277 919 383">▪ Department of Corrections – Health Services Procurement <li data-bbox="558 461 919 818">▪ Agency of Human Services – Study of The Financial Sustainability of the Designated Agency Provider System for Mental Health, Substance Abuse and Developmental Services <li data-bbox="558 862 919 1219">▪ Follow-Up Study on the Financial Sustainability of the Designated Agency Provider System for Mental Health, Developmental Disability and Substance Abuse Services. 	<ul style="list-style-type: none"> <li data-bbox="940 277 1902 415">▪ Developed RFPs, proposal evaluation guides and managed care contracts for correctional health care vendors to serve all Vermont prison inmates. Conducted readiness reviews and system-wide operational audits. <li data-bbox="940 461 1902 599">▪ Conducted a study of the financial sustainability of the Designated Agency provider system for mental health, substance abuse and developmental services. Issued a report with recommendations for strengthening the system and enhancing its financial sustainability. <li data-bbox="940 862 1902 1179">▪ Conducted a follow-up study on the financial sustainability of the Designated Agency provider system for mental health, developmental disability and substance abuse services. Developed a final recommendations report identifying workable strategies for sustaining the DA/SSA system over the next decade and beyond. Currently tasked with the evaluation and development of recommendations for reforming DA, state and federal reporting requirements including compliance with federal reporting requirements under Global Commitment to Health.

Exhibit 5.2: Project Listing from January 2004 to Present [continued]

Client	Project (s)	Description
State of Vermont <i>[continued]</i>	<ul style="list-style-type: none"> <li data-bbox="558 277 919 342">▪ Office of Vermont Health Access <li data-bbox="558 570 919 781">▪ Department of Aging and Independent Living- Nursing home Medicaid Reimbursement Methodology Project <li data-bbox="558 829 919 1146">▪ Department of Economic Services - Vermont Eligibility Reviews for Payment Error Rate Measurement in the Medicaid Program and State Children’s Health Insurance Program 	<ul style="list-style-type: none"> <li data-bbox="940 277 1919 529">▪ Served as OVHA’s primary consultant since 1994. Assisted the State with a broad array of policy analysis, program development, and implementation activities. In the last three years, PHPG has assisted the state with two broad health reform initiatives, the Global Commitment to Health and Choices for Care. This included all facets of program development, including waiver drafting, public outreach, inter-departmental coordination, and negotiations with CMS. <li data-bbox="940 570 1919 748">▪ Performed a study of Vermont’s Medicaid reimbursement methodology for nursing facilities. Prepared summary assessment of current system, developed reform recommendations, modeled alternative rate methodologies and prepared fiscal impact assessment of each option. <li data-bbox="940 829 1919 927">▪ Currently conducting eligibility reviews for payment error rate measurement (PERM) in the Medicaid Program and State Children’s Health Insurance Program.
WellCare Health Plans, Inc.	<ul style="list-style-type: none"> <li data-bbox="558 1167 919 1232">▪ Procurement and Operational Assistance 	<ul style="list-style-type: none"> <li data-bbox="940 1167 1919 1268">▪ Currently assisting with development of a proposal to serve as a managed care organization in the State of Hawaii’s QExA program for Aged, Blind and Disabled beneficiaries (both acute and long-term care)
WellPoint Health Networks	<ul style="list-style-type: none"> <li data-bbox="558 1276 919 1341">▪ Procurement Assistance 	<ul style="list-style-type: none"> <li data-bbox="940 1276 1919 1341">▪ Assisted in the development of proposals to serve as a managed care organization in the states of California, Georgia and Texas

SIZE AND RESOURCES

The Pacific Health Policy Group has been in operation for nearly fourteen years and currently has ten staff working in three offices. PHPG recognizes that timely and effective performance of all requested tasks will require dedication of the appropriate staff resources. The firm is committed to ensuring the availability of qualified staff throughout the engagement to support the State with ongoing operational/compliance issues and new initiatives.

PHPG has performed projects on behalf of the State of Vermont and other clients that required significant dedication of resources and short turn-around times. PHPG takes pride in its ability to meet the urgent needs of its clients, whether the due date is the next week or the next day.

Should the need arise for specialized, cost-effective assistance, PHPG will secure additional resources, subject to the State's approval. PHPG has used this approach effectively in the past; as an example, PHPG assembled a team of special education teachers to review documentation of school-based health services.

PHPG does not maintain any long-term liabilities and has not encountered any difficulties in meeting its contractual responsibilities or financial obligations.

The firm maintains and will make available necessary office and computer support to complete all phases of this engagement. In addition to personal computers, the firm uses a Hewlett Packard 3000 mini-computer, which has the capacity to store and compile large data sets. This computer currently stores Vermont Medicaid claims back to 1995.

Scott Wittman will serve as the Project Manager for the entire term of the project and will oversee completion of all tasks, review all deliverables, and assure that PHPG's performance

meets or exceeds the state's expectations. Mr. Wittman will divide his time between our Waterbury, Vermont and Lake Forest, Illinois offices.

PHPG has assembled a group of well qualified professionals to perform all services required to implement the State of Vermont's needs, as defined in the Request for Proposals. A brief description of each staff member's experience is provided below. Complete resumes for all project staff are provided in Appendix 5.

Principals

- *Scott Wittman, Corporate Director* – Mr. Wittman has seventeen years of experience in health care policy evaluation, program development, and financial analysis. He has served as PHPG's project manager in Vermont since 1995. In that capacity, he has participated in the design, implementation and operation of Vermont's Medicaid waiver programs, including the *Global Commitment to Health* and *Choices for Care*. He also has provided general health policy consulting to support Vermont's health care programs, ranging from compliance assessments to development of innovative delivery models and financing strategies. Mr. Wittman also oversaw the Vermont Designated Agency studies conducted in 2004 and 2007.

Mr. Wittman has particular expertise in the areas of health care program design, fiscal modeling, development of historical expenditure and utilization databases, program monitoring, data reporting, evaluation of state and federal regulations, and contracting. Mr. Wittman will serve as Project Manager and will assist the state with coordination and completion of all tasks and initiatives. Mr. Wittman will perform services on-site an average of two days per week throughout the duration of the contract.

- *Andrew Cohen, Corporate Director* – Mr. Cohen has over twenty years experience in health care policy evaluation, program development and financial analysis and is based in our

Laguna Beach, California office. He has worked on numerous projects in Vermont dating back to 1994, including development and implementation assistance for the State's Demonstration waivers. Mr. Cohen assisted DAIL and the Vermont Health Care Association to evaluate the State's methodology for establishing nursing home payment rates. He recently assisted in the development of a comprehensive options analysis for the *MyCare Vermont* and preparation of a draft contract for the MyCare managed long-term care program.

Mr. Cohen has served as the project manager for PHPG in Oklahoma since 1994. He also has managed strategic planning and program reform engagements in the states of Alaska, Arizona, Mississippi, New York and Rhode Island, as well as Orange, San Diego and San Francisco Counties. Mr. Cohen also assisted in the 2004 and 2007 Designated Agency studies for the Vermont Agency of Human Services. Mr. Cohen will assist with Tasks 1, 2, 4, 7, 8 and 9.

Project Staff (in addition to the Principals)

- *Jason Milstein, Associate*– Mr. Milstein is an Associate at the Pacific Health Policy Group. Since joining the firm in 2006, Mr. Milstein has assisted the Office of Vermont Health Access to identify initiatives to improve the oral health care delivery. He also assisted the Vermont Department of Corrections to select a vendor to provide managed physical health care services to inmates of the correctional system. Mr. Milstein collaborated with the Department of Mental Health in the cost-modeling and analysis of various inpatient alternatives to the Vermont State Hospital and participated in the 2007 Designated Agency study for the Vermont Agency of Human Services. He currently is serving as Team Leader

on the Vermont eligibility reviews for Payment Error Rate Measurement in the Medicaid program and the State Children's Health Insurance Program.

Mr. Milstein also participated in the evaluation of the Alaska Medicaid program conducted in 2006 and the development of the Oklahoma O-EPIC (employer-sponsored insurance initiative) expansion in 2007. Mr. Milstein will assist on Tasks 1, 2, 3, 4, 5, 7, 8 and 9.

- *Paul Wittman, Senior Associate* - Mr. Wittman has worked as a data consultant for PHPG for over 14 years and has thirty-five years of experience in all aspects of information technology. Mr. Wittman has extensive technical expertise in the design, implementation and ongoing operations of information technology systems as well as management and budgeting responsibilities. He has worked on numerous projects that included electronic manipulation of Vermont's eligibility and claims files. Mr. Wittman has developed reporting modules for large databases on behalf of several state and county agencies, including Tennessee, Illinois and Westchester County, New York. Mr. Wittman will be responsible for data analysis necessary to support all facets of this engagement including Tasks 1, 2, 4, and 7.
- *Theresa Shultz, Associate* – Ms. Shultz is an Associate at the Pacific Health Policy Group. Over the past 12 years Ms. Shultz has worked on numerous projects for the State of Vermont and is currently a member of the project team for the State of Vermont's Payment Error Rate Measurement (PERM) audit process. Ms. Shultz has assisted in health plan procurements and readiness reviews in five states. Ms. Shultz assisted in the project to design and implement the level of care payment system for school-based care services for the State of Vermont and participated in a similar project on behalf of the State of West Virginia. Ms. Shultz will assist with Tasks 1, 2, 4, 7, and 9.

Subcontractor

- *Johnna M. Cunningham* – Ms. Cunningham has 12 years of experience in clinically-related programs. From 2000 to 2002, Ms. Cunningham worked as a State Sponsored Programs Pharmacist for WellPoint Health Plans, Inc. and worked directly with state departments of health to ensure appropriate management of government programs. Most recently she has worked as a regionally based clinician responsible for providing medical information and education to providers in the states of Alabama and Florida. Ms. Cunningham previously has worked with PHPG, providing technical assistance with regard to health reform initiatives. Ms. Cunningham will assist on Tasks 1 and 8.

OVERALL APPROACH

PHPG is committed to assigning the appropriate staff with the relevant expertise for any project resulting from this Proposal. As Project Manager, Scott Wittman will be responsible for working with both OVHA and Agency of Human Services to ensure that appropriate resources are assigned and that projects are performed timely and effectively.

We rely on an overall approach to providing professional services that enables us to meet the State's needs efficiently, effectively and in a timely manner. Our approach includes the following key principles:

- Provide professional services that meet and exceed expectations
- Provide services efficiently through significant involvement of senior, experience staff
- Recognize Vermont's goals and objectives when conducting programmatic evaluations
- Recognize Vermont's unique culture when developing program options
- Create positive working relationships and work collaboratively with all stakeholders

- Conduct programmatic analyses with minimal disruption to ongoing operations
- Fulfill ad hoc requests (e.g., issue papers, presentations, data analyses, draft letters) in accordance with the State's timelines
- Retain open lines of communication during the course of projects

We believe that most of Vermont's current need for consulting assistance is best met by senior, experienced staff. PHPG understands that state staffing resources are limited and frequently are challenged to balance the demands of ongoing operations with the evaluation and development of new initiatives. PHPG also understands that Vermont is a health care reform leader; Vermont currently operates several unique programs (within a complex framework of federal statutory and waiver authorities) and continues to push forward to improve the Vermont health care delivery system. PHPG's two Directors, Andrew Cohen and Scott Wittman, have significant experience with Vermont's reform efforts as well as Medicaid reform initiatives throughout the country. Mr. Cohen and Mr. Wittman will be available to assist the State throughout the contract term. As appropriate, other project staff will be used to complete assignments efficiently.

Section 6 – Workplan with Staff Assignments and Schedule (RFP Section 4.8.7)

The Pacific Health Policy Group is well-qualified to provide the requested services and welcomes the opportunity to continue working with the State. Through our commitment to quality performance, staff development and staying abreast of the latest state and federal policy initiatives, PHPG can successfully deliver services to help the State manage and develop its health care programs over the next two years.

PHPG has a thorough understanding of Vermont’s programs, resources and culture that enables us to provide assistance without the typical learning curve. And while our experience in working with other public agencies and private sector healthcare firms enables us to introduce new ideas and concepts to Vermont, we recognize that health care program development does not adhere to a “one size fits all” approach.

PHPG also has well-established processes to support our work. As an example, PHPG has a long-standing practice of accepting and analyzing claims data extracts on “as is” basis, having worked with raw claims extracts for numerous Medicaid programs. This approach frees up resources at the State/Fiscal Agent level and minimizes the need for us to make additional, or follow-up, data requests. A predictable data request schedule (bi-annually) will allow for adequate preparation on the State’s part without unduly burdening state resources. Once constructed, PHPG has the data it needs to perform many particular projects, without having to submit requests for reports or data.

The following section describes PHPG’s approach for completing each of the tasks and identifies key milestones and deliverables where appropriate. PHPG is prepared to provide all of the services defined in the RFP’s Scope of Services and recognizes many of the specific project

assignments will arise during the course of the two-year contract term. PHPG will collaborate with the appropriate State staff to define project expectations, establish time lines and identify key milestones and deliverables.

Task 1: Provide technical assistance to the State to meet Waiver requirements and in the implementation of the Global Commitment to Health 1115 Waiver

The Pacific Health Policy Group is prepared to assist the State with monitoring and complying with the program requirements of its 1115 Waiver. We propose to provide on-going technical support in evaluating program modifications, responding to legislative inquiries and changes, projecting caseload and expenditures, monitoring budget neutrality, and complying with federal reporting.

As needed, we will prepare supporting documentation and meet with CMS regarding proposed waiver modifications and programmatic changes. We will provide support and assistance in developing data and reports as required by CMS, and on an ad hoc basis as requested by the State.

Task 1a: Consultation and assistance to meet Waiver requirements and in the implementation of the Global Commitment to Health Program

PHPG will assist the State in complying with all program requirements as contained in its 1115 Waiver Terms and Conditions. Specifically, we will provide support in the following areas: evaluation and analysis of program modifications; preparation and negotiation of any modifications/amendments to the existing waiver; assistance with preparation of the extension application for submission to CMS; preparation of reports necessary to demonstrate compliance

with waiver requirements; modeling the fiscal impact of program changes on the State's Medicaid budget and budget neutrality projections (including provider rate increases and enrollee cost sharing requirements); evaluation and modeling of proposed legislative changes; and modeling and negotiation of terms to ensure the financial sustainability of the program through the next renewal period.

PHPG maintains databases, developed from historical claims and eligibility extracts provided by the State (via EDS), which enable us to quickly and efficiently model expenditure trends and the impact of various program modifications. We will continue to maintain and enhance these models and databases to provide on-going technical assistance to support program operations and monitoring. Routine data reports generated by the State, including enrollment reports, and quarterly reports to CMS, will be used to update the models on a regular basis. Any program modifications or legislative changes that affect the financial performance of the program will be incorporated into the models as appropriate.

Task 1b: Assist with data and report preparation

PHPG will work collaboratively with EDS, OVHA's Fiscal Agent, and the State's contracted, independent actuary to identify the required data for report preparation and production. In the past, we assisted Vermont in preparing a data book and developed data sets necessary to prepare capitation rates. We will provide our assistance, as requested, to support MCO capitation rate development for the upcoming contract years.

We anticipate that the State may request data analyses and reports to: support new initiatives, such as Catamount Health; model eligibility, benefit and reimbursement changes; prepare the Demonstration's evaluation report; and support the waiver extension request. As part

of this overall task, we will prepare data requests (if needed), perform data analysis and validity checks, and produce the analysis results and/or data sets, as appropriate.

Task 1c: Provide post-implementation assistance and assist in monitoring program progress

PHPG will work with the State to identify and address program issues throughout the twenty-four month contract period. PHPG will provide technical assistance as necessary to incorporate and implement legislative changes that impact program design and budget neutrality limits. We will assist in defining and undertaking implementation activities in all affected program areas, including member enrollment, data exchange and reporting, fiscal performance, inter-departmental collaboration, provider network monitoring, provider reimbursement and budget neutrality projections.

The Global Commitment to Health model provides the opportunity for the State to use excess MCO revenues to support health care programs and infrastructure. Pursuant to the Demonstration's Special Terms and Conditions, excess revenues may be used for specific, health-related purposes. The "MCO Investments" are an important component of the Demonstration and essential to the sustainability of the Vermont Medicaid program. PHPG assisted the Agency with development of a comprehensive listing of the MCO Investments for CMS review. While CMS has not indicated that any of the investments are not permissible, other parties, including auditors and the Government Accountability Office (GAO), have expressed concern regarding the applicability of certain MCO Investments.

PHPG proposes to collaborate with the State to generate an annual report on the MCO Investments to serve as a single source of information. The report will provide a general framework as well as detailed information regarding each of the Investments. The general

framework will serve to inform the reader with regard to: the Demonstration design (including the flexibility granted under the Demonstration and the financial risk assumed by the State and the MCO); Vermont's health reform goals and objectives; and OVHA's role in systemic health reform, as the largest health care payor in the State. PHPG proposes to build on the existing, detailed MCO Investment listing by developing supporting data and analyses to demonstrate the impact of MCO Investments on Demonstration enrollees' ability to access health care services and improve overall health. PHPG proposes to prepare the report within sixty days of Legislative appropriations.

The Centers for Medicare and Medicaid Services (CMS) is in the process of revising rules in several areas of great importance to state Medicaid programs and human services departments. These actions include proposed and interim rules for coverage and reimbursement of rehabilitative services, coverage and reimbursement of case management services and revised reimbursement for public healthcare providers. Absent Congressional action, CMS policies will have a significant impact on Vermont's current programs.

PHPG will provide policy and analytical support to evaluate the potential impact of these and other CMS actions, develop strategies and supporting documentation to support Vermont's unique position under the terms of the Global Commitment Demonstration, and assist the state with implementation of programmatic changes, as needed.

Task 1d: Provide assistance in responding to new waiver or program options and CMS directives

Several new Waiver initiatives and program options recently have been implemented or currently are under consideration at both the State and Federal levels. We propose to offer the following assistance, as requested, to support these initiatives:

- *Catamount Health* – provide technical assistance to ensure compliance under the Demonstration; continue to evaluate options for inclusion of additional Catamount eligibles under the Demonstration; evaluate inclusion of the state-only Catamount program (for individuals with incomes above 200 percent of the Federal Poverty Level) as an MCO Investment.
- *Enhanced use of SCHIP funds* - model proposed options to develop an employer-sponsored insurance option under SCHIP; assist in obtaining federal authority; develop necessary tracking and reporting mechanisms.

Vermont recently sought and obtained authority to cover individuals enrolled in Catamount Health under the Global Commitment Demonstration. However, CMS limited its approval to individuals with incomes up to 200 percent of the Federal Poverty Level (FPL). PHPG will assist Vermont with its continued effort to expand expenditure authority under the Demonstration to individuals with incomes up to 300 percent of the FPL. The impending change in administrations at the federal level may create the opportunity to renew Vermont's effort to extend coverage under the Demonstration. PHPG will assist Vermont with preparation of the amendment request (including fiscal impact statements), participation in discussions with CMS, and development of responses to any CMS requests.

Absent CMS authority to include Catamount enrollees with incomes between 200 and 300 percent of the FPL, Vermont may elect to pursue other mechanisms to extend coverage under the Demonstration as part of its objective to effectively achieve universal coverage. PHPG will assist the state with identification and evaluation of options, which may include modification of current eligibility criteria (e.g., waiting periods, income disregards) or consideration of the OVHA's authority to use excess revenues (MCO Investments) to "reduce the rate of uninsured and/or underinsured in Vermont." [*Global Commitment Special Terms and Conditions, #57, Page36*]

The initial term for the Global Commitment Demonstration ends on September 30, 2010, approximately seven months following the conclusion of the consulting contract. Vermont must submit a request to CMS for extension the Demonstration no later than September 30, 2009. The request must include an interim evaluation report. PHPG will assist the state in achieving this milestone including: evaluation and development of any proposed modifications to the program design; ensuring appropriate public input; preparation of the extension request and interim evaluation report; and development of expenditure data and forecasts.

Task 2: Provide assistance in policy and program development of initiatives for dually eligible persons including the PACE demonstration program, and Choices for Care Waiver

PHPG will offer its resources in any manner the State deems appropriate to further develop and implement initiatives for dually eligible persons. As a part of this task, PHPG will evaluate and assess the impact the State's Choice's for Care 1115 Waiver amendment (Task 7),

MyCare Vermont (Task 9), and other long-term care initiatives will have on its dually eligible program.

PHPG previously assisted the State with “matching” Medicare and Medicaid eligibility files and the preparation of a unified Medicare/Medicaid claims database. PHPG is prepared to perform this function if the State opts to undertake this task with current data.

PHPG also assisted the State with development of the current PACE capitation rates. PHPG proposes to assist the State with the annual updating of PACE rates to reflect current utilization and expenditure trends. Now that one of the PACE sites is operational, financial performance data from the PACE provider may be incorporated in the rate setting process. PHPG will assist the State with review of PACE providers’ financial statements, preparation of requests for additional financial information, and modeling the impact of draft rates on providers’ operations.

Task 3: Provide implementation assistance with the State’s Special Education Initiative

PHPG has worked closely with Vermont to design and obtain federal approval for a revised reimbursement system that substantially increased federal financial participation for school-based health services. We will continue to assist the State in this initiative, as well as in performing additional data analyses as necessary to support the program.

The Vermont Level of Care reimbursement system for school-based health services program has met its objectives of minimizing the administrative burden on school staff while providing sufficient documentation to support claiming for a broad array of medically appropriate services. However, programs for Medicaid reimbursement of school-based health

services continue to face federal scrutiny and CMS has released proposed rules that significantly impact the program as it is currently structured.

It may become necessary to modify or re-design portions of the Vermont system in order to comply with federal directives. Current documentation requirements should be adequate to support transition from the current, Level of Care system to a (service-specific) fee-for-service system. PHPG proposes to offer both policy and data support to develop and implement any necessary changes and to develop strategies that mitigate the financial and operational impact of re-structuring.

PHPG will assist the State with development of the cost database necessary to establish service-specific rates. This task will require analysis of salary and administrative cost data available through the Vermont Department of Education and development of a school salary survey. Arguably, the Global Commitment's Special Terms and Conditions exempt the State from the need to amend the Medicaid State Plan in order to implement the revised reimbursement system. However, in the event that CMS approval is determined necessary, PHPG will assist the State through development of documentation to support the revised structure and revision of the State Plan, as needed.

Task 4: Provide assistance to the Department of Mental Health in the development of behavioral health programs and services

Vermont's public mental health system is a national leader in the provision of quality, accessible behavioral health services. However, legislators, policymakers and providers now are struggling with the sustainability of the Designated Agency (DA) system. Simply put, state resources are not available to sustain program growth.

The State is undertaking a collaborative effort with the provider system to identify options that enable providers to operate more efficiently and effectively. These options include reforming current documentation and reporting requirements, revising reimbursement methodologies and exploring options to transform the system from a set of programs (children's, adult outpatient, Community Rehabilitation and Treatment (CRT), emergency services, and substance abuse treatment) to a person-centered, need-based model.

PHPG is prepared to assist the Department of Mental Health with implementation of these options, including data analysis; rate development activities; provider education; and assistance with securing federal approval (as needed).

Vermont is continually identified as a leader in the delivery of publically-funded services to individuals with mental health treatment needs. Vermont is analyzing various methods to reduce or potentially eliminate the use of a State-operated long-term residential psychiatric facility. In its place, the State is pursuing a model of community-based cased treatment with a reliance on acute care facilities to provide services for individuals needing acute mental health care. PHPG is prepared to continue offering its assistance to the Vermont State Hospital Futures Team as it finalizes its recommendation.

PHPG is also prepared to provide more detailed financial modeling that eliminates uncertainties contained in the preliminary cost assumptions. This would include working with the partner facilities and the State to determine appropriate staffing and salary assumptions, and overhead costs, so that various unit-size configuration comparisons can be made across partner facilities. In addition, the independent legislative consultants expressed concern regarding assumptions related to Medicaid-matching dollars that were included in the revenue projections.

PHPG is prepared discuss options and assumptions with key stakeholders and evaluate the availability of Federal Medicaid matching dollars under each of the alternative models.

PHPG recognizes that cost modeling of various configurations is inherently complex, but must be communicated to legislators and stakeholders in an understandable and concise format. PHPG will assist the Department with preparation of summary presentations and will be available to participate in hearings with legislative bodies and meetings with stakeholder groups, as requested by the State.

Once the State is prepared to move forward with a plan, PHPG is prepared to aid the Department in completing its Certificate of Need application prior to April 12, 2009 due date.

Task 4a: Provide assistance to DMH and DOE to improve effectiveness of the Success

Beyond Six Program

PHPG will work collaboratively with DMH and DOE to implement the recommendations of the recent Success Beyond Six summer study. Analysis and development of reform options need to consider the important role that the Success Beyond Six program serves as a revenue source for Designated Agencies. Implementation of the summer study's recommendations may require a collaborative process that includes State staff (DOE, DMH, DCF, OVHA), Designated Agency representatives and Supervisory Union representatives.

PHPG also will aid in the analysis of various alternative reimbursement structures with the goal of improving service delivery through increased flexibility. By moving away from a fee-for-service model, clinicians can tailor programs to the individual's need and implement "best practices" regardless of current reimbursement status.

PHPG will provide policy development and implementation assistance to carry out the study's recommendations. Key tasks could include: development of multi-faceted fiscal impact assessments (i.e., impact on schools, DAs and DMH); identification of performance monitoring measures; development of service documentation and reporting requirements; development of program review/audit criteria; and development of reimbursement rates.

PHPG will provide assistance in developing strategies to support the system in terms of its ability to manage growth. PHPG looks forward to reviewing the report that the committee issues, and then working with key stakeholders to begin a process for implementation of the recommendations.

Task 5: Provide consultation and implementation assistance to the Vermont Department of Corrections (DOC) for inmate health services

The Pacific Health Policy Group has worked with the Vermont Department of Corrections since 1999. We initially assisted in the selection an administrative services vendor for the physical health component of the prison health system and with the restructuring of its substance abuse and behavioral health services programs. More recently PHPG aided the DOC in reviewing proposals and developing a contract after the State's existing physical health services vendor prematurely terminated the contract. We look forward to providing continued technical assistance and support to the Department as it takes steps to further enhance inmate health services.

PHPG will provide on-going assistance to the State's prison health benefits program including: identifying additional opportunities for federal funds; assisting with contract monitoring and compliance; providing analysis of financial and utilization reports; providing

analytic support for DOC's Quality Assurance initiative; and assisting in the development and evaluation of program policies and procedures.

Task 6: Provide assistance to the State on an as needed and requested basis on systems enhancements, and data reporting and collection activities derived from the Medicaid Management Information System (MMIS) claims system

PHPG understands that OVHA is currently in the process of evaluating options and conducting self-assessments to determine the best course of action for the future of its IT infrastructure, which includes both the ACCESS eligibility system as well as the MMIS system. PHPG is prepared to assist OVHA as it undertakes the Modernization of Vermont's (Medicaid) Enterprise (MOVE) Project by providing technical support to ensure that any proposed system meets CMS regulatory requirements (e.g., Global Commitment/Choices for Care reporting requirements) as well as responds to the State's technical and operational needs under the two Demonstration projects.

PHPG also is prepared to assist with development of Requests for Proposals, evaluation of proposals, and contract implementation, on an as requested basis.

Task 7: Department of Disabilities, Aging and Independent Living (DAIL) Choices for Care 1115 Waiver

PHPG's project team for Task 7 consists of professionals with substantial experience in the area of long-term care policy. Andrew Cohen played leading roles in the development and implementation of both the Vermont and Arizona long term care 1115 Waivers, the only two in

the nation with statewide scope. Scott Wittman assisted the State with development of the Choices for Care Demonstration.

PHPG will provide technical assistance in developing the Choices for Care extension request, a key project milestone. Our assistance will include the following, as requested by the State: program development and consensus-building activities; database development and financial modeling; drafting of waiver proposal and supporting cost/caseload estimates; negotiation of program design issues, waiver Terms and Conditions, and budget neutrality parameters with CMS.

We will assist the State in evaluating program alternatives and options for managing long-term care funding resources. We will evaluate replacing the current cost containment strategies with options such as individual case rates or regional aggregate budgets. Alternatives may enable flexibility in funding other programmatic options such as paying primary care physicians a fixed monthly case management fee if they agree to coordinate care, paying eligible family members for providing care, and residential alternatives (assisted living and residential care homes).

Task 8: Conduct research and recommend revisions regarding areas of health care concern conveyed through Agency of Human services or legislative initiatives

PHPG is aware of the ever-changing health care environment in Vermont and the numerous reform proposals under consideration each year. PHPG has performed fiscal, enrollment and regulatory analyses of various proposals within Vermont and will continue to offer this type of support.

PHPG understands that these analyses frequently must be completed on a very short schedule. The Vermont claims and eligibility databases maintained by PHPG frequently prove to be a valuable resource to model program changes.

Per the RFP's Scope of Work, we will provide additional on-site support to the State during the legislative session in order to effectively and efficiently respond to proposed legislative initiatives.

Task 9: Department of Disabilities, Aging and Independent Living – Real Choices Grant Support

The State of Vermont, Agency of Human Services was awarded a grant from the U.S. Department of Health and Human Services to reform the State's long-term support systems. Under the *Real Choices Grant*, the State of Vermont plans to redesign to integrate the financing and delivery of acute care and long-term services for older individuals and individuals with physical disabilities.

PHPG will assist the State with the comprehensive systems reform effort by providing technical assistance and data analysis in support of the grant. The current *MyCare Vermont* design anticipates a transition to a fully-integrated model by contracting with entities to provide Medicaid services on a risk basis. Contracting entities would be considered Prepaid Inpatient Health Plans (PIHPs) under federal regulations. As PIHPs, the entities must comply with all federal Medicaid managed care laws and regulations. PHPG will provide technical assistance to both the State and prospective contractors with regard to the identification and interpretation of federal requirements.

Also, federal law specifies that capitation rates paid to PIHPs must be certified by an independent actuary. PHPG has collaborated with independent actuaries to prepare the necessary data sets and rate methodologies for actuarial review and certification. PHPG will provide this type of assistance if requested by the State.

PHPG also will assist the State by monitoring federal policies related to Special Needs Plans and other potential delivery models that integrate Medicare and Medicaid funding.

PHPG has reviewed milestone schedule included in the RFP Amendment and understands the importance of staying on-task due to the expiration of the grant. PHPG is prepared to meet all key dates defined by this schedule.

4.8.7.4 Use of Subcontractors

Throughout our 14 years of operation, the consultants at PHPG have developed a strong network of professionals with specialized expertise germane to the types of projects requested. As the State identified a majority of the work to be on an “as-needed” basis, PHPG has not included a lengthy roster of subcontractors in our proposal. However, should PHPG determine that one or more of our subcontractors would provide valuable expertise on a particular assignment, we will not hesitate to include them on our team, subject to the state’s approval.

4.8.7.6 Assumptions or constraints in developing and completing the Work Plan with Staff Assignments and Schedules

PHPG relied on its experience in the State to identify likely areas of work that would continue forward into a new contract. However, we are committed to working with the State to ensure that any and all projects requested or desired are completed in a timely manner.

4.8.7.7 Discussion of how the Work Plan and Staff Assignments and Schedule provides for handling of potential and actual problems

By providing the State with a single point-of-contact (Scott Wittman), PHPG can ensure that any problem that arises will be given full and timely attention. As a Director at PHPG, Mr. Wittman has the authority to reassign staff members as needed should unexpected work arise.

Through our years of experience, PHPG has found that by establishing good working relationships with its clients, as well as providing for clear avenues of communication, most problems can be avoided or addressed rapidly before they develop into more serious issues.

4.8.7.10 Technology

PHPG does not anticipate relying on the State for technical support based on the work plan above and our understanding of the scope of work. PHPG’s use of technology and protection of confidential data is provided in the next section, “4.8.8 Technology Requirements.”

Staff Assignments, by Task Area

Exhibit 6.1 below provides PHPG’s proposed allocation of staff resources, by task.

Exhibit 6.1 Staff Assignments, by Task Area

Staff	Task									Total Hours
	1	2	3	4	5	6	7	8	9	
Scott Wittman	1,200	480	65	520	40	40	200	60	220	2,825
Andrew Cohen	250	160		400			400	35	100	1,345
Johnna Cunningham	60							10		70
Paul Wittman	160	80		60			80			380
Jason Milstein	320	40	10	180	40		80	20	40	730
Theresa Shultz	60	40		40			40		40	220
Total Hours	2,050	800	75	1,200	80	40	800	125	400	5,570

Section 7 – Technology Requirements (RFP Section 4.8.8)

PHPG consultants are equipped with personal computers with up-to-date software applications. For more complex tasks, PHPG maintains a Hewlett-Packard 3000 computer which has the capacity to store and compile large data sets (e.g., multiple years of raw claim files.)

PHPG has the technical capabilities to work in multiple file formats, including, but not limited to:

- Microsoft Word (.doc)
- Microsoft Excel (.xls)
- Microsoft Access (.mdb)
- Microsoft PowerPoint (.ppt)
- Microsoft Visio Drawing (.vsd)
- Adobe Portable Document Format (.pdf)
- Compressed formats (.zip)

We believe that these commonly-used formats will be suitable for a vast majority, if not all, of the work that is performed by PHPG. However, PHPG is prepared to work collaboratively with the State to ensure that all files and documents can be transferred to the State in any format requested or desired should the aforementioned formats not be suitable for any particular project or task.

PHPG consultants have also been issued external hard drives and are instructed to back up their computer hard-disks, at a minimum, weekly. Consultants keep their computers password-protected and employ Norton AntiVirus to protect against viruses and other malware.

To complete the tasks described in the RFP, PHPG plans to request Medicaid claims data from ESD on, at least, an annual basis. PHPG would request that the data be transferred via password-protected CD-ROM with the password transmitted separately from the data. PHPG is committed to complying with HIPAA requirements for all privileged health information and to ensure the confidentiality of all work performed for the State of Vermont.

As noted above, PHPG employs the most up-to-date versions of anti-virus software. The program is automatically scheduled to update its virus definition list on a daily basis, and perform weekly full-system virus scans. PHPG consultants also take care to only open email attachments from known (and trusted) sources to further minimize the risk of virus infestation. To protect against system security holes, PHPG consultants have set all of their computers to automatically update both Windows OS and Office to ensure that the most up-to-date security patches are installed.

PHPG maintains active high-speed internet connections at all of its office locations. Based on the tasks described in this RFP, PHPG does not foresee the need for additional technical support from the State. However, should a project arise under this contract that PHPG cannot complete without supplemental access to State resources, PHPG will work collaboratively with the State of Vermont's Information Technology associates to ensure that any request is minimally disruptive to the department and State.

Appendix 1: Organization Chart (RFP Section 4.8.9)

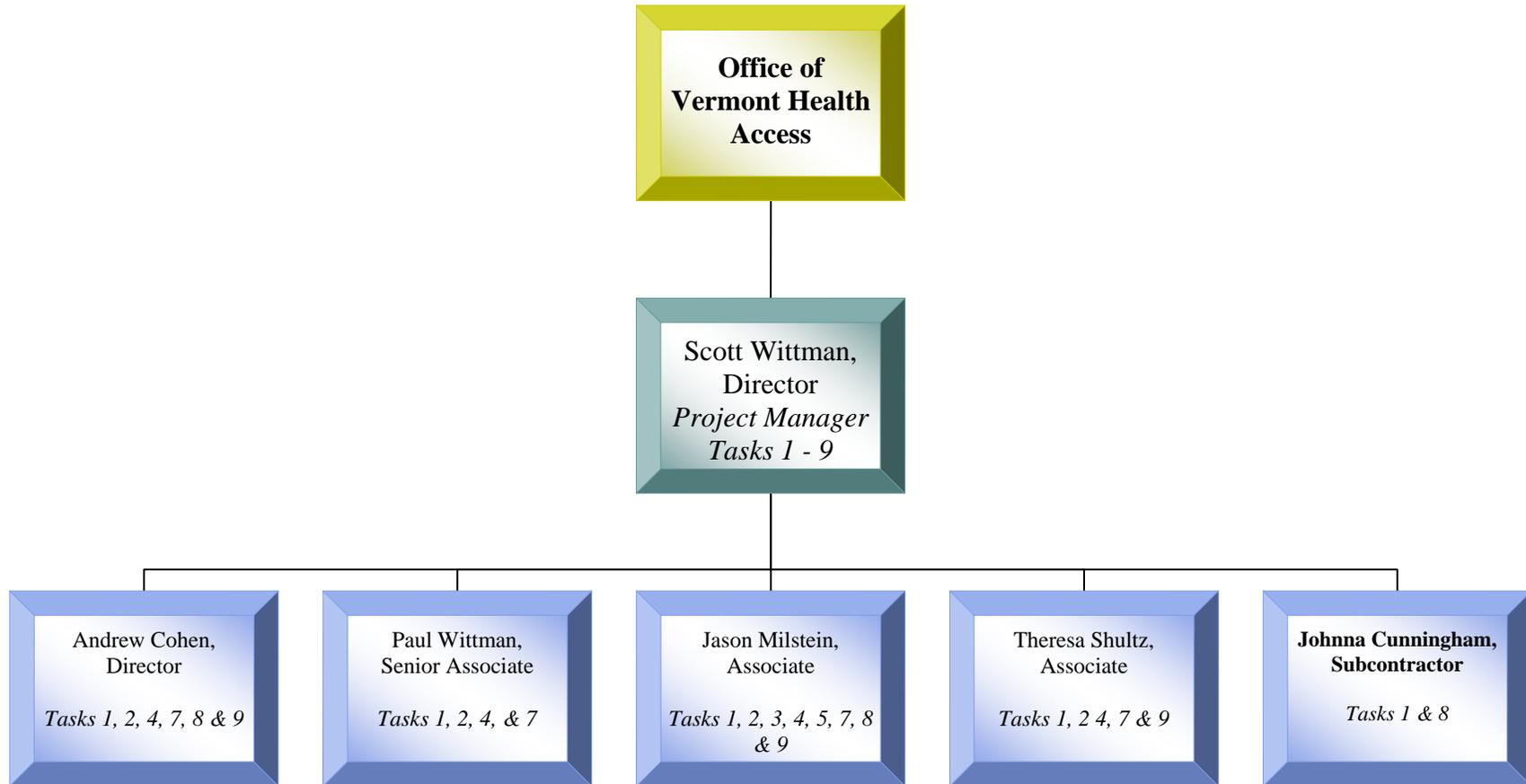
Based on our understanding of the work, as described in the Scope of Work, and through our experience as the State’s Medicaid Technical Assistance contractor, PHPG does not anticipate requiring additional staff members, beyond what has already been identified in the organization chart. As noted in our scope of work, however, should a particular project require specialized expertise, PHPG will rely on a network of healthcare professionals with whom we have established relationships to assist in delivering superior results to the State.

PHPG also understands the State’s desire to maintain consistency throughout the duration of the project – one way to accomplish this is to ensure that there is not a rapid cycling of consultants. A majority of the proposed project team has been working together at PHPG since its inception in 1994. PHPG has identified the following areas as “targets,” that, when met, improve the overall morale of employees, which contributes to a consistent workforce:

- Staff Recruitment – PHPG relies on a wide-range of tools to ensure that during its hiring process, the best candidates are targeted;
- Orientation and Training – PHPG understands that this type of work requires specialized knowledge and provides comprehensive orientation and training to ensure that new consultants are able to meet the needs of clients;
- Staffing levels and work hours- PHPG is committed to ensuring that its staff members have an appropriate work-life balance. PHPG maintains appropriate staffing to ensure that its project commitments can be met while continuing to respect its staffs’ work-life balance;
- Professional development and advancement – PHPG continually assesses the skills of our employees to ensure that they are progressing on-track, and that projects are appropriately challenging to advance their skills;
- Supervision training and practices – PHPG allows its Associates to work independently, but then have their work reviewed by a more senior staff member. This allows the associate to develop new skills while also learning through the feedback of the more senior staff;
- Team approaches- PHPG realizes that different individuals possess different skills. Through teamwork, PHPG can deliver to its clients a project team that collectively possesses the skills necessary to delivery all work requirements on time and on target;
- Staff recognition and support – PHPG acknowledges the improvements and work of each of its consultants in a manner appropriate to the individual. This type of positive reinforcement contributes to an improved working environment that is conducive to long-term employer-employee relations.

Through the approaches mentioned above, PHPG ensures good working relationships with its employees. PHPG expects that any staff turnover would be kept to a minimum and that any turnover that may occur does not impede our ability to meet and exceed the State’s expectations. The organization chart (Exhibit A1.1) on the next page identifies the project manager and staff members.

Exhibit A1.1: PHPG Organization Chart



Appendix 2: References (RFP Section 4.8.10)

References (RFP Section 4.8.10)

References are provided below (Exhibit A2.1) for three clients for whom we have provided services relevant to the scope of work in this RFP within the past five years. All of these references can vouch for our consistent record of completing projects on time and within budget.

Exhibit A2.2 provides a listing of PHPG’s contracts with the State of Vermont since January, 2004.

Exhibit A2.1: PHPG References

Client Reference	Relevant Work
<p>Suzanne Santarcangelo Acting Director of Planning & Operations State of Vermont Agency of Human Services 103 South Main Street Waterbury, VT 05671 (802) 241-3155 suzanne.santarcangelo@ahs.state.vt.us <i>Contract Term: January 2007 -Ongoing</i></p> <p>Joshua Slens, Director Office of Vermont Health Access Agency of Human Services 312 Hurricane Lane, Suite 201 Williston, VT 05495 (802) 879-5952 Joshua.slens@ahs.state.vt.us <i>Contract Term: June 2002 – Ongoing</i></p>	<p>The Pacific Health Policy Group has assisted the state of Vermont since 1994 to design, implement and evaluate a series of initiatives that have helped to make the state a national leader in the area of health care reform. In the last two years, PHPG has participated in the launching of the <i>Global Commitment to Health</i> and <i>Choices for Care</i> waiver programs, completion of a study of the Designated Agency provider system (for which a follow-up study is continuing) and evaluation of the state’s rate setting methodology for nursing facilities.</p>

Exhibit A2.1: PHPG References [continued]

Client Reference	Relevant Work
<p>Rebecca Pasternik-Ikard Director, SoonerCare Program Operations and Benefits Oklahoma Health Care Authority 4545 North Lincoln Boulevard Suite 124 Oklahoma City, OK 73105 (405) 522-7300 Becky.pasternik-ikard@okhca.org <i>Contract Term: 1994 - Ongoing</i></p>	<p>PHPG serves as an on-going consultant to Oklahoma in the development and operation of its 1115 waiver program, known as SoonerCare. In that capacity, we have performed numerous assessments of the program’s quality and cost effectiveness, often working with raw claims and eligibility data.</p>
<p>Ginger Blaisdell Alaska Legislative Affairs Agency State Capitol – Room #111 Juneau, Alaska 99801 907/465-5038 Ginger_blaisdell@legis.state.ak.us <i>Contract Term: May 2006 – June 2007</i></p>	<p>PHPG was retained by the Alaska Legislature in 2006 to perform a comprehensive assessment of the state Medicaid program and the Single State Agency, the Department of Health and Social Services. Our assessment, which included a review of eligibility policies and procedures and the state’s readiness for its first PERM audit, resulted in the issuance of report to the Legislature with findings and recommendations.</p>

Exhibit A2.2: State of Vermont Contracts (RFP Section 4.8.10.1)

Customer Name	Contact	Description of Work Performed	Contract Term	Proposed Cost/Actual Cost	Expired Contract/Reason for Termination
Office of Vermont Health Access	Joshua Slen, Director T: (802) 879-5952 E-mail: joshua.slen@ahs.state.vt.us	Design, implementation and operation assistance of Vermont's Medicaid waiver programs, including the <i>Global Commitment to Health and Choices for Care</i> . Technical assistance with long-term care initiatives, special education, behavioral health programs, inmate health services, MMIS evaluation mechanisms, and DAIL 1115 waiver.	June 12, 2002 – February, 14, 2008	Proposed Cost: \$2,671,491 Actual Cost: Contract is ongoing	N/A - Contract is ongoing
Division of Operations and Planning	Suzanne Santarcangelo, Ph.D, Acting Director of Planning and Operations T: (802) 241-3155 E-mail: suzanne.santarcangelo@ahs.state.vt.us	Follow-up Study on the Financial Sustainability of the Vermont Designated Agency Provider System for mental health, developmental disability and substance abuse services.	January 15, 2007- March 30, 2008	Proposed Cost: \$188,000 Actual Cost: Contract is ongoing	N/A – Contract is ongoing

Exhibit A2.2: State of Vermont Contracts (RFP Section 4.8.10.1) [continued]

Customer Name	Contact	Description of Work Performed	Contract Term	Proposed Cost/Actual Cost	Expired Contract/Reason for Termination
Economic Services Division, Department for Children and Families	Jackie Levine, Economic Benefits Director T: (802) 241-2992 E-mail: jackie.levine@ahs.state.vt.us	Perform Vermont eligibility reviews for Payment Error Rate Measurement in the Medicaid Program and State Children's Health Insurance Program.	April 16, 2007 – August 31, 2008	Proposed Cost: \$746,540 Actual Cost: Contract is ongoing	N/A – Contract is ongoing
Agency of Human Services	Susan Besio, Director, Health Care Reform Implementation Agency of Administration T: (802) 828-3322 E-mail: susan.besio@state.vt.us	Study on the Financial Sustainability of the Vermont Designated Agency Provider System for mental health, developmental disability and substances abuse services.	July 27, 2004 – December 31, 2004	Proposed Cost: \$174,340 Actual Cost: \$174,332	N/A – Contract Completed
Department of Disabilities, Aging, and Independent Living	Joan Senecal, Commissioner T: (802) 241-2401 E-mail: joan.senecal@ahs.state.vt.us	Study and development of recommendations regarding Vermont's nursing facility reimbursement methodology.	September 8, 2006 – January 31, 2007	Proposed Cost: \$50,000 Actual Cost: \$50,000	N/A – Contract Completed

Appendix 5: Resumes

THE PACIFIC HEALTH POLICY GROUP

SCOTT WITTMAN, JD ***DIRECTOR***

Mr. Wittman is a Director of the Pacific Health Policy Group. He has seventeen years of experience in health care policy evaluation, program development, and financial analysis. He has served as PHPG's project manager in Vermont since 1995. In that capacity, he has participated in the design, implementation and operation of Vermont's Medicaid waiver programs, including the *Global Commitment to Health* and *Choices for Care*. He also oversaw the Vermont Designated Agency sustainability studies and participated in development of the *MyCare Vermont* program.

Mr. Wittman has particular expertise in the areas of health care program design, fiscal modeling, development of historical expenditure and utilization databases, program monitoring, data reporting, evaluation of state and federal regulations, and contracting.

His work in this area has included:

- Development and implementation of MCO operational, clinical, and financial reporting systems to provide state regulators with necessary information to track program performance
- Development of Section 1115 and 1915(b) waiver proposals and amendment requests
- Evaluation and development of health coverage initiatives, including public-private partnerships, medical savings accounts, and public program expansions.
- Evaluation and development of long-term care initiatives
- Analysis of federal, state and local legislation, regulations, and policies as they pertain to proposed program models
- Development of Medicaid managed care strategies for health maintenance and provider-sponsored organizations
- Development of financial models testing the impact of various programmatic, eligibility, and benefit changes
- Design, development and implementation of specialized payment systems for school-based health care services
- Development and implementation of operational, clinical, and financial reporting systems
- Development of contractual performance standards
- Analysis of pharmacy data and development of models to estimate the impact of programmatic changes
- Assistance with development of the *MyCare Vermont* program

Appendix 5: Resumes

SCOTT WITTMAN

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- Drafting of RFPs and conducting procurements for enrollment counseling services in the states of Vermont and New York
- Drafting RFP and conducting procurement for Ombudsman services in the State of Vermont
- Development of Requests for Proposals and evaluation criteria for selection of managed care health plans and other health care organizations for various state organizations
- Development of Medicaid reimbursement methodologies and rates for numerous provider types, including hospitals, physicians, nursing facilities and home health agencies
- Analysis of historical Medicaid expenditure and utilization data, as well as MCO encounter data for purposes of developing detailed financial projections and to support rate-setting activities
- Development and implementation of program monitoring tools, including audit guides and performance evaluation guides

Background

Prior to joining the Pacific Health Policy Group in 1994, Mr. Wittman served as a Manager in KPMG Peat Marwick's Government Services Practice, where his duties included evaluation, development and implementation of health care programs for public sector clients. Prior to joining KPMG, Mr. Wittman worked for the American Hospital Association as a policy analyst.

Educational & Academic Qualifications

Mr. Wittman graduated from the Loyola University of Chicago School of Law and is a member of the Illinois Bar. He received his Bachelor of Arts degree in Political Science and Economics at Knox College.

Appendix 5: Resumes

THE PACIFIC HEALTH POLICY GROUP

ANDREW COHEN ***DIRECTOR***

Andrew Cohen is a Director of the Pacific Health Policy Group and has over 20 years of experience in health care management and consulting. His areas of expertise include the evaluation and reform of long term care systems for the developmentally and physically disabled. He also has managed strategic planning and program reform engagements in the states of Arizona, Mississippi, New York, Oklahoma and Rhode Island, as well as Orange, San Diego and San Francisco Counties.

His work in this area has included:

- Design and implementation of health care delivery system models for specialty programs, including systems serving persons with developmental disabilities and serious mental illness.
- Directing and conducting analysis of historical utilization and cost information for recipients in fee-for-service Medicaid programs for purposes of designing alternative financing methodologies and assisting in rate-setting
- Drafting of Section 1115 and 1915(b) waiver proposals and participation in negotiations with CMS and other oversight entities regarding operational and financial terms and conditions
- Evaluation of state administrative structures and recommendations for improvements
- Development of clinical assessment process and tools for use in determining Medicaid eligibility and level of care within the developmentally disabled and elderly/physically disabled long term care populations
- Developing case mix adjusted fee-for-service payment rates for nursing facilities and ICFs/MR and fee-for-service payment rates for home- and community-based services
- Evaluation and development of strategic plans for private health maintenance organizations interested in serving publicly-financed populations (Medicaid and Medicare)

Background

Mr. Cohen came to the Pacific Health Policy Group from KPMG Peat Marwick, where he served as a Manager in the firm's National Health Policy Group. Prior to becoming a management consultant, Mr. Cohen was a senior analyst with the Southern California region of Kaiser Permanente, the nation's largest HMO. Before Kaiser, Mr. Cohen worked in the strategic planning section of the Scott & White Clinic, a 350-physician multi-specialty group practice based in Austin, Texas.

Appendix 5: Resumes

ANDREW COHEN

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Educational & Academic Qualifications

Mr. Cohen received his Master of Business Administration degree from the J L Kellogg Graduate School of Management at Northwestern University, and his Bachelor of Arts degree from Occidental College.

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THE PACIFIC HEALTH POLICY GROUP

PAUL WITTMAN ***PROGRAMMER/SENIOR ASSOCIATE***

Paul Wittman is currently a Senior Associate with The Pacific Health Policy Group. Mr. Wittman has over 35 years of experience in all aspects of information technology, including 27 years of senior management with Hewlett Packard, most recently in the Health Care Information Systems program. Mr. Wittman has extensive technical expertise in the design, implementation and ongoing operations of information technology systems, as well as management and budgeting responsibilities. At Hewlett Packard and as a consultant, Mr. Wittman's work in this area included:

- Compiled and analyzed Medicaid claims and eligibility data for the State of Vermont for State Fiscal Years 1995, 1996 and 1997. Performed reconciliation of revised data set to data set produced by EDS (the State's Fiscal Agent for the Medicaid program) in previous year. Developed data base for capitation ratesetting and program development.
- Developed demographic and utilization reports for Medicaid eligibles with aid categories of Aged, Blind or Disabled. Reports included analysis of utilization and expenditure trends by region, age, gender and disability.
- Developed claims database to analyze utilization and expenditures for individuals with serious and persistent mental health needs for the County of Westchester. Developed methodology to group services by clinical diagnosis.
- Prepared databases and analyzed historical costs and utilization of school-based health services for the State of Vermont. Performed statistical analyses to validate accuracy of the data sets.
- Analyzed claims and eligibility data to support the development of the Child Health Insurance Plan (CHIP) for the State of Georgia.
- Managed all aspects of information technology for Hewlett Packard's Midwest region, with over 2,300 customers. This included telecommunications, office automation and data processing.
- Developed Credit, Journal and Accounts payable systems for use throughout Hewlett Packard. The Credit system is used to track over \$20 billion in sales for the company.
- Served as the Information Technologies consultant to Atlanta Computer Center (\$96 million information technologies budget).

Appendix 5: Resumes

PAUL WITTMAN

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Educational & Academic Qualifications

Mr. Wittman received his Master of Business Administration from Loyola University in Chicago. He received his Master of Science in Electrical Engineering from Northwestern University in Evanston, Illinois, where he also graduated with highest distinction with a Bachelor of Science in Electrical Engineering.

Computer Resources

Mr. Wittman owns and maintains a Hewlett-Packard 3000 computer, which has the capacity to store and compile large sets (e.g., multiple years of raw claims files).

Appendix 5: Resumes

THE PACIFIC HEALTH POLICY GROUP

JASON MILSTEIN

ASSOCIATE

Mr. Milstein is an Associate at the Pacific Health Policy Group. He joined the firm in September, 2006 after graduating from college in May, 2006. His educational emphasis included the American Judicial System with regards to both Constitutional and Criminal Law, and the organization and function of the United States democratic process for both Federal and State Government. He has assisted the firm in projects relating to Medicaid programs for various State Governments.

State of Alaska

- *Medicaid Reform* – His work focused on reviewing current research and providing recommendations for improvements in improving supply of physicians for the State, as well as different LTC initiatives. He also researched and wrote chapters for the final report with regards to tribal health as well as the administration of Alaska’s Medicaid program. Additional responsibilities included research regarding disease management, health savings accounts, employer-sponsored insurance, telehealth, and the Payment Error Rate Measurement analysis.

State of Mississippi

- *Electronic Form Development* – Mr. Milstein created an electronic equivalent in Microsoft Access of a paper form being used by case workers conducting interviews to ascertain eligibility in various waiver programs.

State of Oklahoma

- *Medicaid Claims Data Analysis* – For this project, work included the analysis of claims and eligibility data in the state of Oklahoma for the purpose of calculating average per member per month costs among Medicaid beneficiaries falling into specific disease groups and demographic categories. Microsoft Access was used extensively for this project.

State of Vermont

- *Dental Health Initiative* – Collaboration with the Office of Vermont Health Access in developing 12 initiatives to improve the oral care delivery system for both Medicaid-eligible and Medicaid-ineligible Vermonters.
- *Long Term Care Facilities* – He researched various different aspects of Federal Law with regards to different requirements for Managed Care Organizations providing Long Term Care benefits.
- *Nursing Facility Reimbursement Methodology*- Assisted Mr. Wittman in developing different models for alternative Medicaid reimbursement methodologies for nursing facilities.

Appendix 5: Resumes

JASON MILSTEIN

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- *Department of Corrections - Health Services Vendor Selection*- Mr. Milstein worked with the Department of Corrections in reviewing technical and price proposals for a bid regarding the selection of a health services vendor for their entire correctional facility system.
- *Department of Mental Health – Analysis of Options for the Future of the Vermont State Hospital* – Mr. Milstein worked with a team to explore alternative operating models for the Vermont State Hospital. This work included developing staffing assumptions for different sized units and configurations for four potential service providers, as well as the operating expenses related to each of the various unit configurations. Mr. Milstein also worked on developing long-term expense and revenue projections.
- *Designated Agency Financial Sustainability Study* - Mr. Milstein worked with both Mr. Cohen and Mr. Wittman in assessing the operations of Vermont’s Designated Agencies (Community Mental Health Centers) in terms of analyzing service provision and need within each service area. The team prepared short-term expense projections for the Designated Agency system and also developed recommendations for reform to aid the Agencies in operating more efficiently while continuing to provide quality services to clients.
- *Payment Error Rate Measurement (PERM)* – Mr. Milstein is working as one of the team leaders to help the State of Vermont meet the requirements of the Federally-mandated Payment Error Rate Measurement program. Mr. Milstein is coordinating the activities related to preparing case files for review and reporting, requesting verification from Medicaid and SCHIP recipients, as well as reporting monthly findings to CMS.

Background

Prior to college graduation, Mr. Milstein worked as a Health Unit Coordinator for a community-hospital in Madison, WI. He served as a volunteer Emergency Medical Technician for Maple Bluff, Blooming Grove, and Burke EMS. Mr. Milstein is also a graduate of the National Outdoor Leadership School.

Educational Requirements

Mr. Milstein received his Bachelor of Arts in Political Science from the University of Wisconsin-Madison.

Appendix 5: Resumes

THE PACIFIC HEALTH POLICY GROUP

THERESA SHULTZ *ASSOCIATE*

Ms. Shultz is an Associate with The Pacific Health Policy Group and has over 12 years of experience in managed care health care policy research and data analysis. Ms. Shultz has also participated in the development/implementation of several Medicaid managed care programs. Her relevant work in managed care includes:

- Participation in the project team for the State of Vermont’s Payment Error Rate Measurement (PERM) audit process for the Department for Children and Families.
- Assisting the State of Vermont in its implementation of a Section 1115 waiver program, the Vermont Health Access Plan (VHAP). Assisting the evaluation team in review of health plan proposals during the procurement process by performing a network capacity analysis of each proposed health plan. Assisting in the preparation of a health plan operational review evaluation guide.
- Assisting the project team in development of a Request for Proposals for a health services contractor for the Department of Corrections for the State of Vermont. Participating in the drafting of Notice of Public Comment, drafting presentation materials for publicly held forums and drafting responses to public forum questions and comments.
- Participation in the project team for the State of Vermont in evaluation of its special education financing system. Conducting cost surveys, data collection, data analysis and evaluation of specific Individual Education Plan (IEP) services provided to children. Assisting in the implementation of a new reimbursement system for school-based services by training case managers.
- Participation in the project team that developed, for the State of New York, a Section 1115 waiver proposal to convert the nation’s largest Medicaid program to managed care. Participating in the drafting of the State’s health plan Request for Proposals and serving as staff to the State evaluation team during the procurement process of reviewing 50+ health plan proposals. Assisting in conducting an extensive analysis of network capacity for each proposed health plan for selecting plans to participate under the new program.
- Assisting Westchester County, New York in its implementation of a mandatory managed care program to enroll and serve AFDC and Home Relief (State/County-funded populations). Serving as staff to the State/County evaluation team reviewing health plan proposals, conducting an analysis of primary care capacity under the new program, and participating in on-site pre-operational “readiness reviews” of selected health plans.

Appendix 5: Resumes

THERESA SHULTZ

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- Assisting the State of Indiana in its implementation of a mandatory managed care program similar in scope and design to Westchester County's. Assisting in drafting the State's health plan Request for Proposals and serving as staff to the State evaluation team reviewing health plan proposals.
- Participating in the project team for the State of Tennessee in the analysis and processing of the medical and pharmacy claims from former TennCare enrollees under an Agreed Order issued by the US District Court.
- Serving as a member of the team in assisting the State of West Virginia in implementing a Medicaid program aimed at enabling school districts to claim and reinvest funds for children in special education. Her responsibilities on the team include data collection and analysis.

Background

Ms. Shultz came to The Pacific Health Policy Group from KPMG Peat Marwick where she served as a Staff Technician in the Government Services Practice.

Educational & Academic Qualifications

Ms. Shultz attended Northern Illinois University majoring in business communications.

Appendix 5: Resumes

THE PACIFIC HEALTH POLICY GROUP

JOHNNA M. CUNNINGHAM ***SUBCONTRACTOR***

Miss Cunningham is an independent consultant based in Tampa, Florida. In addition to the professional employment experiences listed below, Ms. Cunningham has worked with the Pacific Health Policy Group regarding managed care and ideas to improve the efficacy of Medicaid treatment models while reducing the overall costs for government payors. As Medicaid moves away from a fee-for-service model, Ms. Cunningham's expertise can be utilized to develop alternative reimbursement models for targeted populations.

PROFESSIONAL EXPERIENCE

2005 -
2007

GLAXOSMITHKLINE, Tampa, FL

SENIOR REGIONAL MEDICAL SCIENTIST – Acute Care

Regionally based clinician responsible for providing medical information and education to the Florida/Alabama region. Responsible for information sharing with acute care thought leaders within the region. Work with health systems on Pharmacy and Therapeutics product reviews. Currently: Team leader for acute care pipeline and health outcomes. Regularly provide literature search summaries to acute care team. Provide sales support through product information/disease state training, advisory boards and group presentations. Provide continuing education programs and other educational presentations as needed to healthcare professionals.

2003 -
2005

GLAXOSMITHKLINE, Oak Park, CA

REGIONAL MEDICAL SCIENTIST – Psychiatry

Regionally based clinician responsible for providing medical information and education to the Southern California psychiatric community. Responsible for developing psychiatry thought leaders in the Southern California region. Work with health systems on Pharmacy and Therapeutics product reviews

Appendix 5: Resumes

JOHNNA M. CUNNINGHAM

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- 2000 -
2002 BLUE CROSS OF CALIFORNIA (WELLPOINT HEALTH NETWORKS),
Camarillo, California
CLINICAL PHARMACY MANAGER
This position held two main functions: Overseeing all aspects of clinical pharmacy related programs and materials within the state sponsored programs business unit and participating as a member on the corporate clinical pharmacy team. For corporate clinical programs, I worked with a team of pharmacists to create clinical corporate programs and policies for medication use. As a member of the corporate P&T Committee, I regularly reviewed therapeutic categories and provided a thorough presentation and recommendations for formulary status.
- 1998 -
2003 ST. JOHN'S REGIONAL MEDICAL CENTER, Oxnard, California
STAFF PHARMACIST (Per Diem)
INTERN PHARMACIST
- 1999 – 00 LONG'S DRUG STORE, Santa Barbara, California
STAFF PHARMACIST
- 1997-98 SAVE MART FOODS, Stockton, California
INTERN PHARMACIST
- 1995-96 MIRAVANT MEDICAL, Santa Barbara, California
ASSISTANT SCIENTIST

PRESENTATIONS

- **Depression and Medical Illness:**
Presented to WellPoint Health Networks Behavioral Health (CME), 5/04
- **State Sponsored Programs Formulary Training:**
New Provider Seminars in the State of Virginia, 11/01
- **State Sponsored Programs Medicaid and FAMIS Pharmacy Benefit Design:**
Virginia Subcontractors Forum, 9/01
- **OTC Medication Use in the Blue Cross of California Medicaid Population:**
State Wide Medical Directors Meeting, 7/01
- **Pharmacy Benefit Q&A:**
Tulare County Provider Forum, 5/01

Appendix 5: Resumes

JOHNNA M. CUNNINGHAM

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EDUCATION

Doctor of Pharmacy, 1999

UNIVERSITY OF THE PACIFIC, Stockton, California

Bachelor of Science, Pharmacology, 1994

UNIVERSITY OF CALIFORNIA, SANTA BARBARA

Appendix 6 – PHPG Client Listing – Public-Sector

Current and former clients include the following:

States & Counties

- ✓ Alaska Legislative Affairs Agency
- ✓ Arizona Department of Health Services (ADHS)
- ✓ Arizona Health Care Cost Containment System (AHCCCS)
- ✓ Arizona Long-Term Care System (ALTCS)
- ✓ Connecticut Department of Mental Health and Addiction Services
- ✓ Connecticut Department of Corrections
- ✓ Connecticut Department of Children and Families
- ✓ Connecticut Court-Supported Services Division of the Judicial Branch
- ✓ Georgia Department of Medical Assistance
- ✓ Hennepin County, MN
- ✓ Illinois Department of Public Aid
- ✓ Maryland Department of Health and Medical Hygiene
- ✓ Mississippi Division of Medicaid
- ✓ New Jersey Department of Human Services
- ✓ New York City Human Resources Administration
- ✓ New York State Department of Health
- ✓ Oklahoma Health Care Authority
- ✓ Orange County, CA – CalOPTIMA Program
- ✓ Pima County, AZ – Department of Medical Assistance
- ✓ Rhode Island Department of Human Services
- ✓ San Diego County, CA – Health and Human Services Agency
- ✓ San Francisco County, CA – Department of Health
- ✓ Tennessee Bureau of TennCare
- ✓ Tennessee Department of Mental Health and Developmental Disabilities
- ✓ Utah Department of Health
- ✓ Vermont Agency of Human Services
- ✓ Vermont Department of Corrections
- ✓ Vermont Department for Children and Families
- ✓ Vermont Department of Disabilities, Aging, and Independent Living
- ✓ Vermont Division of Operations and Planning
- ✓ Vermont Office of Vermont Health Access
- ✓ Westchester County, NY – Department of Social Services
- ✓ West Virginia Department of Health and Human Resources
- ✓ West Virginia Public Employees Insurance Agency

Appendix 6 – PHPG Client Listing – Private-Sector

Private-Sector Foundations & Organizations

- ✓ AlohaCare – Honolulu, HI
- ✓ California Health Care Foundation – Oakland, CA
- ✓ Columbus Children’s Hospital – Columbus, OH
- ✓ Coordinated Care Services Inc – Rochester, NY
- ✓ First Correctional Medical – Tucson, AZ
- ✓ Kaiser Foundation Health Plan – Pasadena, CA
- ✓ Managed Care Innovations – New York City, NY
- ✓ Mercy Health Plans – St Louis, MO
- ✓ Presbyterian Salud Health Plan – Albuquerque, NM
- ✓ PrimeHealth – Mobile, AL
- ✓ Sierra Health Services – Las Vegas, NV
- ✓ Sierra Military Health Services – Baltimore, MD
- ✓ University of Southern California – Los Angeles, CA
- ✓ WellPoint Health Networks – Camarillo, CA
- ✓ WellCare Health Plans, Inc. – Tampa, FL

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Alaska Legislative Affairs Agency</p> <p>Project Summary Operational Review of the Medicaid Program</p>	<p>Recently provided a 50-state comparison of Medicaid services, an Alaska statute, regulation and State Plan review, and provided suggested program changes to improve health services to eligible clients. Additionally, conducted an operational review of the Medicaid program, including its eligibility policies and procedures, and evaluated the state's activities to prepare for initial PERM reviews in 2008.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Arizona Arizona Department of Health Services</p> <p>Project Summary Managed Behavioral Health Procurement</p>	<p>The Arizona Department of Health Services (ADHS) is responsible for the delivery of behavioral health services to the state’s Medicaid and indigent populations. The agency contracts with a private organization in each county to furnish behavioral health care under a capitated arrangement. Our group has assisted ADHS in conducting procurements over two contract cycles. Our specific activities included:</p> <ul style="list-style-type: none"> ▪ Reviewed draft Request for Proposals and assisted in its finalization ▪ Reviewed draft proposal evaluation instruments and assisted in their finalization ▪ Designed a site visit process to prospective contractors ▪ Assisted in all facets of the evaluation and selection of winning vendor ▪ Participated in public debriefing process with legislators, providers, advocates, and the press following vendor selection ▪ Currently assisting in the monitoring of implementation activities by the selected vendor

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Arizona Arizona Health Care Cost Containment System (AHCCCS)</p> <p>Project Summary Ongoing program operational assistance*</p>	<p>Professionals from our firm have served as consultants to Arizona’s AHCCCS program since 1990. Arizona was the last state in the nation to join Title XIX, and did so through the development of the first major Medicaid managed care program encompassing both acute and long-term care.</p> <p>In addition to involvement in the implementation of the AHCCCS program, we continue to provide assistance and advise in all aspects of program operations. We assisted the state in its activities related to contracting with managed care organizations to enroll and serve long-term care beneficiaries, including the developmentally disabled.</p> <p>Arizona is generally considered a “pioneer” in Medicaid managed care programs, as both the first state to implement a large-scale mandatory program, and as a model for the inclusion of long-term care and disabled populations frequently carved-out of managed care programs.</p> <p>Specific activities have included:</p> <ul style="list-style-type: none"> ▪ Assisted with the development of inpatient and outpatient hospital reimbursement system and payment rates ▪ Assisted with the development and rebasing of nursing facility rates ▪ Participated in the development of a preadmission screen for developmentally disabled applicants and elderly and physically disabled applicants ▪ Conducted operational and financial reviews of managed care plans ▪ Assisted in development of RFPs, evaluation criteria, and evaluation of proposals for acute and long-term care procurements

* subcontractors

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>CalOPTIMA County of Orange State of California</p> <p>Project Summary Assistance in development of county organized health system</p>	<p>CalOPTIMA is a county-based Health Insuring Organization in Orange County. PHPG has worked for CalOPTIMA since 1994 and our work in 1994 and 1995 included consulting on design components and participation requirements for the program’s unique “Physician-Hospital Consortia,” and assisting in initial contracting activities. Through CalOPTIMA, the county has enrolled 300,000 Medicaid recipients in managed care.</p> <p>Specific activities have included:</p> <ul style="list-style-type: none"> ▪ Assisting the County Oversight Board in a public process designed to build consensus for the program ▪ Assisted in the design of a managed care delivery system model, including design of financing models ▪ Participated in the development of the RFP for health plans and evaluation of proposals ▪ Conducted operational on-site reviews for contracted health plans in 1997 ▪ Conducted outreach to providers and managed care plans in 2001 and 2004, and incorporated findings into the managed care contract revision process ▪ In 2005, evaluated emergency room utilization trends before and after imposition of an ER case rate. ▪ In 2005-2006, conducted a program-wide evaluation of the existing managed care model and made recommendations for revising risk and contracting arrangements in order to close a projected \$60 million budget shortfall

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Connecticut Department of Mental Health & Addiction Services (DMHAS), Department of Corrections (DOC), the Department of Children & Families (DCF), and Connecticut Court-Supported Services Division of the Judicial Branch</p> <p>Project Summary Assistance in monitoring strategy for behavioral health services</p>	<p>The Pacific Health Policy Group (PHPG) assisted this consortia of state departments, including the DMHAS, in developing a joint purchasing, contracting, ratesetting and fiscal and performance data monitoring strategy and approach for certain alcohol and substance abuse treatment services for adults and for Multi-Systemic Therapy for children and adolescents. The work included the development of:</p> <ul style="list-style-type: none"> ▪ Uniform fiscal and performance standards ▪ Fiscal and performance monitoring strategies and tools ▪ Integrated contracts ▪ Credentialing guidelines ▪ Reimbursement methodologies

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Georgia Department of Medical Assistance</p> <p>Project Summary Re-structuring the Georgia Better Health Care Program</p> <p>Developing Georgia CHIP Program (“PeachCare for Kids”)</p>	<p>The Pacific Health Policy Group (PHPG) was retained to assist the Department of Medical Assistance in developing a partial capitation program for the state’s current primary care case management program known as Georgia Better Health Care (GBHC). Specific tasks related to this project included:</p> <ul style="list-style-type: none"> ▪ Development of program participation and operational standards ▪ Design of the capitated benefit package and a provider incentive program ▪ Development of the Fee-for-Service Equivalencies and Upper Payment Limits for the program ▪ Drafting the 1915(b) Waiver addendum to modify the existing program ▪ Providing technical assistance to the George State University’s Health Policy Center on the structure of an educational program for physicians on practice management in a capitated environment ▪ Working with the Medical College of Georgia to design a disease management program as a part of the GBHC initiative <p>The firm was retained under a separate engagement, to assist in the design and implementation of Georgia’s Child Health Insurance Program (CHIP), known as “PeachCare for Kids”. Specific tasks related to this project included:</p> <ul style="list-style-type: none"> ▪ Consulting on program design in areas such as benefits, enrollee share-of-cost, and delivery models ▪ Drafting a Request for Proposals to obtain a third party enrollment agent for the program & evaluating proposals and conducting a pre-operational site visit of the selected vendor <p>The firm was also retained, under a subcontract to William Mercer Inc., to conduct a comprehensive evaluation of Georgia’s nursing facility reimbursement system. Specific tasks related to this project included:</p> <ul style="list-style-type: none"> ▪ Examining Georgia’s case mix methodology and principles of reimbursement in other cost centers ▪ Issuing a report to the Georgia State Legislature with findings and recommendations for strengthening the nursing facility reimbursement system

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Illinois Department of Public Aid MediPlan Plus</p> <p>Project Summary Re-design of its Medicaid program to managed care</p>	<p>The Pacific Health Policy Group (PHPG) provided assistance to Illinois in the re-design of its Medicaid program to managed care, by developing caseload and cost estimates and participating in the negotiation of Section 1115 Waiver terms and conditions with Centers for Medicare and Medicaid Services (CMS). PHPG also assisted in the drafting of an RFP to procure the services of an organization to process referrals and claims related to behavioral health services provided outside the managed care benefit package.</p> <p>Specific activities included:</p> <ul style="list-style-type: none"> ▪ Developing caseload and cost estimates for the state's Section 1115 Demonstration Waiver program ▪ Conducting budget neutrality studies and analyses ▪ Negotiating program financing and operational terms and conditions with CMS on behalf of the state ▪ Drafting separate RFPs for referral (utilization management) and claims processing contractors to administer behavioral health services provided outside of the health plan benefit package ▪ Assisting in the design of an evaluation process for both procurements

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Mississippi Division of Medicaid</p> <p>Project Summary Pre-Admission Screening Consultation Services</p>	<p>The Pacific Health Policy Group was retained, as a subcontractor, to develop a single point of entry system and uniform pre-admission screening instrument for the state’s long-term care system. Our scope of work included:</p> <ul style="list-style-type: none"> ▪ Developing a draft pre-admission screening instrument for use with both institutionalized and non-institutionalized populations ▪ Developing a sampling methodology for selecting cases to be included in a pilot study ▪ Training assessors to collect data for the pilot study ▪ Constructing a database to hold completed pilot study assessments ▪ Conducting quality assurance reviews of submitted assessments ▪ Performing a multi-variate statistical analysis to create an eligibility algorithm to be applied to completed instruments <p>The State of Mississippi has recently contracted directly with The Pacific Health Policy Group to continue providing these services as the lead contractor.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of New York Departments of Health and Social Services</p> <p>Project Summary Re-design of the nation's largest Medicaid and indigent care program</p>	<p>In 1995, we were retained by New York to assist in formulating a statewide initiative to convert its Medicaid and "Home Relief" (state/county-funded) indigent care programs, covering over two million recipients, to managed care. The initiative included separate approaches for upstate rural counties and New York City, as well as the design of programs to address "special-needs" groups such as individuals with HIV/AIDs and the seriously mentally ill population. The firm was actively involved in all aspects of the program design and development, including presentation of program concepts at public meetings, reorganization of the state managed care administrative structures to consolidate most responsibilities and activities under one office, assessment of eligibility system design changes, design and implementation of expanded oversight and audit activities, management of the health plan procurement process, and negotiation with the federal government to expand Medicaid to include more than 300,000 Home Relief recipients. The state's 1115 waiver was approved in July, 1997. Implementation began in upstate counties in late 1997 and in 1998 in New York City. Specific activities and tasks included:</p> <ul style="list-style-type: none"> ▪ Overall project design ▪ Preparation of an 1115(a) Demonstration waiver proposal, including evaluation design ▪ Development of 1915(b) waiver proposals to allow mandatory enrollment in upstate counties prior to approval of the 1115 waiver ▪ Extensive analysis of projected mental health and substance abuse utilization, unit cost and PMPM expenditures for Medicaid beneficiaries ▪ Development of RFPs for health plans and an independent enrollment broker ▪ Development and implementation of methods for monitoring and evaluation of health plan performance ▪ Development of the Special Needs Plan Model for the Seriously Mentally Ill and persons with HIV/AIDS <p>Under a subcontract, we also assisted the state and city of New York to evaluate their respective long-term care programs, including pre-admission screening instruments used by each program and individual portals to care.</p>

Appendix 7: Qualifications Matrix

THE PACIFIC HEALTH POLICY GROUP Public-Sector Clients

Client Information	Project Description & Accomplishments
<p>State of Oklahoma Oklahoma Health Care Authority</p> <p>Project Summary Restructuring of publicly-financed health care programs</p>	<p>The Pacific Health Policy Group (PHPG) was retained in 1994 to develop short-term strategies for restructuring Oklahoma’s nearly insolvent Medicaid program, and to advise on options for enhancing the administration and cost-effectiveness of publicly financed health care programs (State employees and Medicaid). Based on our recommendations, the legislature established a new agency – the Oklahoma Health Care Authority (OHCA) with oversight responsibility for Medicaid and the state employees’ insurance agency.</p> <p>Since the creation of OHCA, we have assisted in the design and implementation of an 1115 waiver program, “SoonerCare”, under which the Medicaid program has been converted to a managed care model, using a special “capitated physician” program. Specific assistance provided includes:</p> <ul style="list-style-type: none"> ▪ Overall program design, including assistance with drafting and passage of supporting legislation ▪ Analysis of fee-for-service data for rate-setting purposes ▪ Assessment of eligibility system and identification of necessary changes ▪ Development of 1915(b) waiver (predecessor to 1115(a) waiver) ▪ Development of 1115(a) Demonstration Waiver ▪ Development of capitated physician participation standards and payment rates ▪ Design of managed care oversight process, including specifications for required data reporting and on-site evaluations <p>More recently, we collaborated with the state and nursing facility industry in a study that examined options for reforming the long-term care system within the broader waiver. We also conducted a study of the clinical assessment tools used to evaluate eligibility for the State’s various institutional and HCBS long-term care programs, to determine the feasibility of developing a single point of entry system based on a universal assessment tool. In the past year, we analyzed claims data and developed capitation rates for the nation’s first ever American Indian PACE program, located in the Cherokee nation in eastern Oklahoma.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public Sector-Clients**

Client Information	Project Description & Accomplishments
<p>State of Rhode Island Rlte Care</p> <p>Project Summary Re-structuring of the Medicaid program</p>	<p>The Pacific Health Policy Group (PHPG) assisted in the design and implementation of “Rlte Care,” a statewide initiative to convert the existing Medicaid program to a managed care program with expanded benefits, and to extend health coverage to 10,000 uninsured children and pregnant women.</p> <p>We were involved in all aspects of the program design and implementation, including drafting the original waiver proposal, negotiating with the federal government on its financial participation, development of participation standards for managed care plans, and advising on reorganization and privatization of certain state agency functions.</p> <p>Professionals on our staff also performed a comprehensive evaluation of Rhode Island’s nursing facility program, including the reimbursement system, licensing standards and Certificate of Need process. Our analysis of the reimbursement system included examining whether the existing facility-specific, percentile system should be replaced with an alternate methodology. Specific areas examined included: rebase frequency, case mix adjustment options, recognition of capital costs, occupancy adjustment and peer grouping options. We ultimately recommended a series of industry-supported reforms that updated the principles of reimbursement while retaining the system’s existing facility-specific, percentile structure.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>County of San Diego Health and Human Services Agency</p> <p>Project Summary Feasibility study of expanding health coverage to the uninsured</p>	<p>The Pacific Health Policy Group (PHPG) was retained to assist San Diego County in evaluating options for expanding health care access and coverage to the uninsured, through Medicaid waivers or other means. Specific tasks related to this project included:</p> <ul style="list-style-type: none"> ▪ Assisting in the development of guiding principles for use in evaluating options ▪ Identifying and evaluating alternative service delivery models, including a COHS, vouchers, and a pooled-purchasing initiative ▪ Conducting a financial feasibility study of the option(s) selected for further analysis ▪ Building a decision-making consensus among members of the County's Project Management Committee, comprised of government officials, providers, and consumer advocates

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>City & County of San Francisco Department of Public Health</p> <p>Project Summary Feasibility study of expanding health coverage through a Section 1115(a) Medicaid waiver</p>	<p>The Pacific Health Policy Group (PHPG) was retained to assist the San Francisco Department of Public Health in evaluating the feasibility of using a Section 1115(a) Medicaid waiver to expand coverage to uninsured working adults, as part of a broader health reform initiative. Specific tasks related to this project included:</p> <ul style="list-style-type: none"> ▪ Assisting in the development of guiding principles and objectives for any waiver program ▪ Identifying and evaluating alternative service delivery models, including a COHS ▪ Conducting a pro forma financial analysis to quantify the number of uninsured who potentially could be covered through a waiver ▪ Building a decision-making consensus among members of the County's Medicaid Waiver Planning Committee, comprised of government officials, providers, and consumer advocates

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Tennessee TennCare and Department of Mental Health & Developmental Disabilities</p> <p>Project Summary Technical assistance to managed care program</p>	<p>Although the Pacific Health Policy Group (PHPG) was not involved in the creation of TennCare, PHPG was retained from CY2000-2002 to provide technical assistance to the state's managed care program. In CY2000/2001, PHPG consultants assisted the state in revamping its grievance and appeals and eligibility determination processes and procedures in response to orders from the Federal District Court.</p> <p>In early 2002, in response to the financial instability of several managed care contractors, TennCare made the decision to convert its HMO contracts from full-risk to non-risk. TennCare essentially transformed the health plans into Administrative Service Organizations. Instead of receiving capitation payments, the plans would be paid a monthly per member administrative fee, in return for continuing to perform traditional HMO functions (i.e., performing medical management, operating a member service function etc). The plans would also continue to process medical claims, but would then be reimbursed by the state. PHPG performed two tasks for the state during this conversion:</p> <ol style="list-style-type: none"> 1) Assisted in drafting revised contracts that incorporated performance targets (e.g.: inpatient utilization rates) against which the plans would be measured; and 2) Conducted site visits to each of the plans to document their staffing and policies prior to the conversion in key areas such as payment methodologies, prior authorization and medical management in order to establish a baseline against which to measure ongoing plan activities. <p>In 2003, PHPG assisted the Department of Mental Health & Developmental Disabilities to re-procure its BHO contracts which remain full risk. Tasks included:</p> <ul style="list-style-type: none"> ▪ Reviewing and significantly reorganizing the draft RFP and the model contract ▪ Assisting in responding to vendor questions and assisting in the proposal evaluation process ▪ Facilitating collaboration between DMHDD and TennCare <p>In 2006, PHPG worked with the TennCare Long-Term Care Division, under the aegis of a Real Choices grant, to design, test and implement a comprehensive pre-admission screening tool to be used in determining clinical eligibility among long-term care applicants.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>Department of Defense Sierra Military Health Services, Inc TRICARE Senior Prime Demonstration Project</p> <p>Project Summary Development of a Medicare+Choice plan model</p>	<p>Sierra Military Health Services Inc was the DOD managed care support contractor for Region I (Northeast). The Dover Air Force Base, located in Region I, was selected as one of six sites nationally for a managed care demonstration project for military retirees who are also eligible for Medicare benefits. The demonstration project was jointly administered by the Department of Defense and the Health Care Financing Administration.</p> <p>We assisted the Walter Reed Army Medical Center, the Dover Air Force Base, and Sierra Military Health Services in the development of a Medicare+Choice plan. We assisted in all aspects of the plan development, including completion of an application, development of policies and procedures, and preparation for a successful CMS site visit. Our specific activities included:</p> <ul style="list-style-type: none"> ▪ Analysis of the Balanced Budget Act and the Medicare+Choice regulations ▪ Review of draft application materials and assistance in their revisions ▪ Development of policies and procedures for all aspects of the program’s operations ▪ Development of a Quality Assurance Program and Utilization Review Plan to comply with all Medicare+Choice requirements ▪ Design of an administrative structure that incorporated the three organizations (Dover Air Force Base, Walter Reed Army Medical Center, and Sierra Military Health Services) including committee structures and staffing models ▪ Training for Department of Defense personnel on managed care and Medicare+Choice regulations ▪ Preparation for a CMS site visit, including development of presentation materials, conduct of two “mock” visits, and extensive training for personnel involved in the site visits and program operations ▪ Development of training materials for customer service personnel ▪ Ongoing assistance with all aspects of program implementation

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Vermont Agency for Human Services</p> <p>Project Summary Restructuring of Medicaid-financed programs</p>	<p>Since 1994, The Pacific Health Policy Group has assisted the State of Vermont with a series of health reform initiatives. PHPG assisted the state with its development and implementation of its first eligibility expansion initiative in 1996. PHPG assisted with securing federal authority to operate the Vermont Health Access Plan (VHAP), an 1115 Demonstration that extended coverage to uninsured adults with incomes below 150 percent of the Federal Poverty Level (FPL).</p> <p>In the last two years, PHPG has assisted the state with two broad health reform initiatives, the <i>Global Commitment to Health</i> and <i>Choices for Care</i>. The Global Commitment to Health Demonstration is among the most sweeping health reform initiatives to-date. The Global Commitment Demonstration reforms the manner in which the state funds and provides services. The initiative affords the state broad flexibility to invest in health care strategies through public-private partnerships and develop strategies to improve access to health care services for uninsured and underinsured individuals. The Choices for Care Demonstration provides the state with federal authority to expand access to long-term care services for individuals who do not meet nursing facility eligibility standards but who are at-risk of institutional placement. The Demonstration also “levels the playing field” between facility-based and community-based care to enable participants to have a choice in the types and setting of care they receive.</p> <p>We have performed a substantial amount of financial modeling for the state, including development of program budgets, modeling the impact of various premium levels on participation rates, forecasting participation rates for employer-sponsored insurance initiatives, and projecting program costs under various coverage options. Specific activities and tasks have included:</p> <ul style="list-style-type: none"> ▪ Overall project design and development of three 1115(a) Demonstration Waivers ▪ Design of financial and enrollment models for producing forecasts for various health reform initiatives annual cost and utilization data books to be used in ratesetting activities ▪ Development of long-term budget forecasts ▪ Design and development of long-term care reform initiative ▪ Evaluation of public mental health system

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of Vermont (con't) Agency for Human Services</p> <p>Project Summary Restructuring of Medicaid-financed programs</p>	<p>The Vermont Agency of Human Services contracted with the Pacific Health Policy Group in 2004 to conduct a study of the financial sustainability of its Designated Agency provider system. Vermont's Designated Agencies are regional, non-profit entities responsible for the provision of behavioral health, substance abuse treatment and developmental services within defined catchment areas. The Pacific Health Policy Group conducted interviews and stakeholder forums throughout the state, including meetings with Designated Agency staff, advocacy groups, state staff, and consumers. The comprehensive assessment of the current system included: identification of gaps in the current delivery system, evaluation of Designated Agency costs, evaluation of contract and reporting requirements, comparison of Vermont system to public systems nationally in terms of cost and outcomes measures, identification of best clinical and business practices; and projections of service utilization and financial resources for a five-year period. PHPG is currently conducting a follow-up study.</p> <p>PHPG conducted an audit of school-based health services on behalf of the State of Vermont. The scope of this review included the collection and analysis of service documentation, claims data and eligibility data for more than 4,000 Medicaid enrollees. PHPG performed the following-activities to conduct its quality review of Medicaid claiming under the school-based health services program:</p> <ul style="list-style-type: none"> ▪ Coordination of all data collection activities, including the scheduling of appointments with more than 50 Supervisory Union offices ▪ Development of reviewer training materials, review protocols and development of review checklists ▪ Development and maintenance of a database that linked service data, Medicaid paid claims data and Medicaid eligibility data ▪ Development of automated reporting functions to facilitate error rate reports (by error type and provider), analysis of error trends, and determination of the fiscal impact of errors on program repayments ▪ Establishment of quality review procedures that dictated a secondary review of findings and data entry for 100 percent of cases ▪ Development of a final report of audit findings, including a set of recommendations for improving documentation guidelines and training materials.

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>County of Westchester State of New York</p> <p>Project Summary Conversion of Medicaid program to managed care</p>	<p>Since 1994, we have assisted this large urban county adjacent to New York City in the conversion of its Medicaid program to managed care. Our work has included initial design and development of the program, negotiating on the County's behalf with both the New York State and federal governments on such matters as program design and financial participation, and assisting with all aspects of program implementation. Most Assisted in the designing a special program for indigent adults with serious substance abuse problems.</p> <p>We also assisted the County in arranging for an independent evaluation, including identification of potential bidders, drafting of the RFP document, evaluation of proposals, and development of data and documentation to be used by the evaluator. According to the independent evaluation, the County's program has been successfully implemented, achieving significant cost savings while maintaining a high level of satisfaction among recipients, health plans, and providers. Specific activities have included:</p> <ul style="list-style-type: none"> ▪ Conducted a feasibility analysis on a variety of managed care program options ▪ Drafted a 1915(b) waiver to permit mandatory enrollment of the County's AFDC population into managed care and subsequent amendments and renewal applications ▪ Directed the County's 1995/96 and 1997/98 health plan procurements, including drafting of the RFP and design of evaluation criteria and scoring methodology and assisted with rate and contract negotiations ▪ Drafted the RFP and assisted in all aspects of an independent evaluation of the program ▪ Development of a 1915(b) Waiver program amendment to include the SSI population ▪ Developed a Coordinated Care Program for adult general assistance enrollees with chronic chemical dependency <p>We provided assistance to the County in developing enrollment projections for the state's expansion programs for uninsured adults (Family Health Plus). Using CPS data and trends from other state's programs we developed a model for predicting the level and pace of enrollment to be used in developing budget projections for the program. We also assisted the County Office of Managed Care in preparing for the enrollment of the SSI population into managed care and in developing a care management model for those with serious mental illness and chronic chemical dependency.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Public-Sector Clients**

Client Information	Project Description & Accomplishments
<p>State of West Virginia Public Employees Insurance Agency</p> <p>Project Summary Re-design of state health care purchasing strategies</p>	<p>The Pacific Health Policy Group (PHPG) served as consultants to the three public healthcare purchasers in West Virginia: 1) the Department of Health and Human Resources, responsible for Medicaid; 2) the Public Employees’ Insurance Agency (PEIA), responsible for furnishing health benefits to state, county, and education employees, retirees, and dependents; and 3) Workers’ Compensation. From 1996 to 2002, we assisted the three agencies in developing a coordinated strategy for purchasing health care services, to improve access, encourage a more integrated health care delivery system, and manage costs. Activities included:</p> <ul style="list-style-type: none"> ▪ Assisting in a joint procurement of managed care services by DHHR and PEIA ▪ Evaluating options for combined purchasing of pharmaceuticals across the three agencies ▪ Conducting cross-agency operational audits of existing managed care plans <p>We also assisted the Health Care Authority in drafting the 2000-2002 State Health Plan, and assisted DHHR and the Department of Education in re-designing the claiming process for special education services furnished to Medicaid-eligible students. Our reforms enabled West Virginia to increase its Medicaid claiming from \$2 million to over \$10 million per year.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Private-Sector Clients**

Client Information	Project Description & Accomplishments
<p>California HealthCare Foundation – San Francisco, CA</p>	<p>The California Health Care Foundation is a multi-billion dollar foundation created in 1997 as a result of the conversion of Blue Cross of California to for-profit status. We provided technical assistance to the Foundation in the development of a grant program to support innovative managed care and related transitional models for the disabled and children with special health care needs. In 1999, the Foundation retained us to conduct a study on the implementation of the data transmission and privacy provisions of the Health Insurance Portability and Accountability Act (HIPAA).</p>
<p>Capitol Community Health Plan – Washington, DC</p>	<p>The Capitol Community Health Plan is a provider-sponsored organization, led by the Children’s National Medical Center in Washington, D.C., and several other traditional institutional providers. We assisted the Plan in the development of a Medicaid Managed Care strategy and program, and provided liaison services on behalf of this entity to the DC Medicaid Agency.</p>
<p>Maryland General Healthcare System – Baltimore, MD</p>	<p>We assisted this hospital in the conduct of a feasibility study of options for participation in the state’s Section 1115(a) Medicaid managed care initiative. As a result, the hospital, together with several other hospitals around the state, developed a new provider-sponsored managed care organization that is now under contract with the State of Maryland. We assisted in all aspects of the development of the new managed care organization; development of pro forma financials and assessments of cash flow under a capitated payment arrangement with the state; participation in negotiations with potential partner organizations; development of the proposal to the state; development of policies and procedures; and preparation of the new organization for a joint state-federal review of its operations prior to the start of the program.</p>
<p>Managed Care Innovations, Inc – New York City, NY</p>	<p>We assisted this non-profit organization, formed by coalition of community mental health providers in New York City, in the development of a proposal to serve as a Special Needs Plan for seriously mentally ill adults. We assisted in all aspects of the design and development of the proposal, including: analysis of the program requirements and regulations; assessment of staffing models; development of policies and procedures; preparation of a Quality Assurance plan; and development of a comprehensive database for network information.</p>

Appendix 7: Qualifications Matrix

**THE PACIFIC HEALTH POLICY GROUP
Private-Sector Clients**

Client Information	Project Description & Accomplishments
WellCare Health Plans, Inc.	PHPG currently is assisting this private health care company, which serves more than 1 million Medicare and Medicaid participants, in the development of a proposal to serve as a managed care organization in the Hawaii Medicaid managed care program for beneficiaries eligible under the Aged, Blind and Disabled category.
WellPoint Health Networks, Inc	<p>PHPG assisted this private health care company, which has the largest Medicaid enrollment of any health plan in the country, in the development of its proposals to State Medicaid Agencies in California, Georgia and Texas. Consulting assistance has included the provision of assistance with the development of proposals for all areas of managed care operations including:</p> <ul style="list-style-type: none"> ▪ Administration and Management ▪ Provider Network ▪ Provider and Member Services ▪ Grievances and Appeals ▪ Utilization and Case Management ▪ Quality Management ▪ Information Systems ▪ Access and Availability of Services ▪ Financial Data and Reporting ▪ Claims Operations <p>We also assisted WellPoint in the development of its Special Needs Plan application for the Medicare Advantage program.</p>