

ORIGINAL

May 30, 2012

**EXPRESSION OF INTEREST: TO CONDUCT A THOROUGH REVIEW
OF THE STATE OF WEST VIRGINIA'S MEDICAID SYSTEM AND
RELATED SERVICES AND BENEFITS PROVIDED BY THE
DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**State of West Virginia
Department of Administration
Purchasing Division**

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WV PURCHASING
DIVISION

Prepared by:

CliftonLarsonAllen LLP

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May 30, 2012

Mr. Frank Whittaker
Department of Administration
Purchasing Division
Building 15
2019 Washington Street, East
Charleston, WV 25305

Dear Mr. Whittaker:

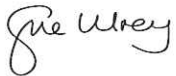
CliftonLarsonAllen LLP ("CliftonLarsonAllen" or "CLA") is pleased to submit this expression of interest in response to RFQ GOV12019 to perform a thorough review of the State of West Virginia's Medicaid system ("WVM") and related services and benefits provided by the Department of Health and Human Resources.

We are confident that our extensive experience serving state and local government entities bolstered by our proactive approach and wealth of resources, makes CliftonLarsonAllen an ideal candidate to fulfill the scope of your engagement. A sampling of qualities that sets us apart includes:

- **Commitment to Providing True Operational Improvement.** Our professionals understand the importance of effective and efficient internal controls and risk management programs within the government and not-for-profit industries. Our engagement team has a unique combination of risk management insight and industry understanding, allowing us to do more than simply document WVM's program, but to add real value through our experience and methodologies of assessing, evaluating, and improving processes and reporting.
- **Detailed Understanding of the Challenges Faced By WVM.** Our team has an unparalleled depth of experience serving similar organizations. In fact, we provide consulting, audit and tax services to over 1,600 not-for-profit and government entities nationwide. We understand the daily challenges you face, and will use this insight to more effectively recognize opportunities and leading practices.
- **Proactive Involvement of Senior Professionals.** The key members of your engagement team will be committed to staying abreast of key issues at WVM. Our extensive experience as advisors on governmental performance leading practices, combined with our commitment to personal attention, will ensure frequent, proactive communication throughout the engagement. Our engagement partners and managers will be directly involved in engagement activities, and all communications.
- **Commitment to the Industry.** In addition to having a strong portfolio of similar clients, we are actively engaged in the industry as a thought leader on many issues such as innovation and enterprise risk management. Our team is consistently in the community speaking and writing at major not-for-profit events locally and nationally, and supports the vision of strong internal control environments and governance within those organizations we reach.

Thank you for allowing CliftonLarsonAllen to submit this proposal to serve the State of West Virginia Department of Administration. Please contact us at 317-569-6110 or via email at Sue.Ulrey@cliftonlarsonallen.com with any questions or if you require additional information.

Sincerely,



Sue Ulrey, FCA, CPCU, CFE, CIA, CRISC, CRMA, MBA
Partner, Business Risk Services

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I. Vendor's Experience

Executive Summary

We understand that the State of West Virginia Department of Administration ("WV DoA") is seeking to engage a consulting firm to assess the Medicaid program and identify areas where it can operate more effectively and efficiently, identify weaknesses/gaps, and provide best practice recommendations.

WV DoA requires the service of a uniquely insightful and well-rounded team. One with:

- Substantial experience performing internal control and performance assessments, and generating value-added suggestions and best practices in implementing and enhancing the internal control environment for similarly sized and structured organizations.
- A track record of analyzing risk and designing controls using our proven Risk Assessment Model and Internal Control Framework.
- Depth of Medicaid agency and governmental industry experience, resources and insight.
- An approach that features proactive, ongoing communication throughout the engagement from senior team members.

Accessibility

WV DoA will be served by professionals with a unique depth of industry understanding and risk management insight. In fact, your engagement team will be led by the firm's National Business Risk Services and Government Consulting Leaders. Our team understands your challenges and our proactive approach to addressing them will be invaluable as you refine and improve your program.

Most of all, WV DoA requires a team with an appreciation for an understanding of your unique challenges and needs. We are that team.

Clifton Gunderson and LarsonAllen have merged to form CliftonLarsonAllen LLP, a top 10 professional accounting and business advisory firm in the United States. We have a staff of more than 3,600 professionals, operating in 25 states across the country.

CLA serves clients globally through worldwide networks of separate and independent professional accounting firms. As we have grown, our offices have become organized into industry teams, affording our clients specialized industry-specific expertise supplemented by valuable local service and insight. We are a leader in providing reviews of internal controls and other business risk services to both public and private sector entities in a variety of industries. Our business risk clients include various organizations with assets and operating budgets of over \$50 million – we are thoroughly capable of providing high-quality consulting services and technical expertise to WV DoA.

Furthermore, our proposed engagement team members have specific knowledge and experience with organizations like West Virginia Medicaid, and remain actively engaged in the government communities. Our team contains some of the region's leading experts in both business risk services and governmental consulting industry.

We also understand the unique planning, coordination, scheduling, personnel and reporting requirements of these engagements, and will work with WV DoA in coordinating the most efficient and effective way of completing the engagement. A key to this will be the frequent, proactive communication of our senior professionals. In addition to initially meeting with WV DoA's senior personnel and selected staff to gain an understanding of your organization, processes and controls, concerns about maintaining effective controls, and potential exposures, we will provide hands-on communication throughout the engagement.

We are confident that CliftonLarsonAllen will add value to your Medicaid program and assist you in reaching your long-term goals. Our specialized industry and service experience will provide WV DoA access to a unique blend of talent and expertise. We look forward to further discussing our qualifications with you.

I. A. Number of Efficiency and Productivity Reviews

WV DoA recognizes the need for strong internal controls and the identification and management of operating effectiveness and efficiencies, and you will benefit from CliftonLarsonAllen's business risk practice staffed with seasoned professionals. We have the experience and depth of knowledge to add value to the organization by assisting management and stakeholders in identifying strategic, financial and operational improvements. A sampling of not-for-profit and government clients to which we provide or have recently provided business risk services including internal controls and enterprise risk assessment and review, performance audit, and internal audit, includes the following:

- **Lower Colorado River Authority ("LCRA")** – We performed an Enterprise Risk Assessment over the complete operations of LCRA. We assessed the overall environment and identified key risks to be addressed immediately and those, which could be addressed over a set period of time. Our team held training with the Board of Directors to educate them on the ERM process and on the results of the LCRA assessment, specifically.
- **Archdiocese of Baltimore ("Archdiocese")** – We perform internal audit services related to the Archdiocese's Basilica of the Assumption restoration, which includes a significant number of change orders, and reviews of school construction and renovation projects.
- **St. Mary's Seminary and University ("St. Mary's")** – We conduct an internal controls review of St. Mary's. This includes wire transfer controls, student registration and billing, and IT infrastructure and firewall protection.
- **Republican National Committee ("RNC")** – We perform an internal review and IT related services for the RNC.

- **College of Southern Maryland ("CSM")** – We were recently engaged to perform an Enterprise Risk Assessment over the complete operations of CSM including all operating units and sources and uses of funding.
- **Commonwealth of Pennsylvania ("Commonwealth")** – We are in the process of performing facilitated enterprise risk assessments for individual entities within the Commonwealth and assistance in an overall risk assessment. In addition, we are training their internal audit staff to assist in those assessments going forward. We are also assisting them in the development and implementation of a formal ERM program.
- **Maryland-National Capital Park and Planning Commission ("Commission")** – We performed an extensive risk assessment for the Commission. This assessment included extensive review of various controls and processing flows, as well as an assessment of infrastructure security and privacy considerations. Through this assessment, several gaps were identified which were presented to the Executive Committee, along with suggested recommendations. These suggestions included cost and resource estimates for remediation and action plans. Lastly, the assessment included follow-up where we developed and drafted over 25 policy and procedure documents (or design drafts where applicable) related to various internal process and information management processes within the Commission.
- **Arizona State University ("ASU")** - We were recently engaged to perform an internal controls review of the functional and technical processes of all systems that are material to ASU's financial statements. This included a 360 degree review of access controls and associated compensating controls. Specifically, the areas under review included Student Processes, Human Resource Processes, Advantage Financial System Security – User Front End, Auxiliary Revenue Areas, Property Control / Accounting, Purchasing Card, and Credit Card Processing (PCI compliance).
- **Towson University ("TU")** - Members of your proposed team completed a review of the controls and procedures in the facilities management department of TU. The review included interviews to gain an understanding of the process, preparation of flowcharts, testing of processes, evaluation of internal controls and a comparison to best practices.
- **West Virginia University ("WVU")** - Our blend of experience also includes the completion of a construction contract review for WVU on behalf of WVU's Internal Audit Department.
- **University of Illinois System ("UIS")** - We recently conducted an entity-wide internal controls assessment and review, and other consulting related services for UIS.
- **Colorado Community College System ("CCCS")** - CliftonLarsonAllen has provided business risk services including performance and internal audits for CCCS in Denver, Colorado.

- **North Dakota Retirement & Investment Office ("RIO")** - CliftonLarsonAllen is currently engaged to conduct a performance audit relating to RIO due to the untimely departure of the Executive Director/Chief Investment Officer. The performance audit includes reviewing the RIO's investment policies, procedures and practices in place along with the portfolio make-up of the RIO.
- **Employees' Retirement System of Texas ("System")** – CliftonLarsonAllen was engaged to conduct a performance audit of the System's Investment Accounting Department, which reviewed the management of changes to operations, the reconciliation process, and selected SEC filings. This audit identified improvements that could be made to internal controls, the reconciliation process, and to policies and procedures.
- **Florida State Board of Administration ("SBA")** – CliftonLarsonAllen conducted a performance audit of SBA's investment funds. The primary focus of the performance audit related to investment compliance, an evaluation of the propriety of certain types of trades and the broker/dealers involved in those trades along with an overall review and analysis of the SBA's system of internal controls surrounding investments and investment compliance. Our engagement included assessment of the internal control procedures of the SBA and recommendations to improve operating controls and efficiency.

In addition to the aforementioned projects, we have a significant population of risk assessment, internal controls and other related internal audit services that we perform for commercial entities. Finally, CliftonLarsonAllen has been engaged in specific confidential risk assessment and risk management projects for not-for-profit entities that involve a full control assessment over various financial and operational areas. Specific details are not available at this time due to the confidentiality of the engagements; however, our team would be happy to share our scope and methodology on these projects with you as we are able.

We are confident that CliftonLarsonAllen can add value to your operations and assist you in reaching your goals. The firm's resources include a unique blend of talent and expertise with the government industry and business risk services experience. We have demonstrated that we will do whatever it takes to serve the needs of our entire Business Risk Services practice, and assure you that we will do the same for WV DoA.

Number of Years Providing Services

CLA has specialized in providing professional services to for over 50 years. We have extensive experience in providing services to Medicaid agency and other governmental clients. Our services include performance reviews, internal audits, enterprise risk management (ERMs), agreed-upon procedures, compliance audits, and financial statement audits.

Our Public Sector practice area serves more than 1,000 state health care agencies, state and local government, not-for-profits, higher education entities (public and private), and a variety of other publicly-funded organizations. We have teams of professionals with impeccable public sector credentials, backed by firmwide leaders assigned and dedicated solely to public sector compliance, financial and performance audits.

Relative to the challenges within your industry, CLA also understands that your ability to effectively navigate the ever-changing regulatory landscape is a critical component to ensuring the financial success of WV DoA. Nationally recognized as leaders in the area of public sector audit, compliance and consulting, we are very capable of providing performance reviews, internal audit services, risk assessments, regulatory compliance reviews and information technology audits specific to the governmental industry.

Geographic Locations

From an original Midwest base, CliftonLarsonAllen has expanded across the country and now has over 90 offices across the country. Additionally, through our Nexia affiliate network, our reach extends to just about every commercial major city around the globe.

The firm's locations include:

- **Arizona** – Mesa, Phoenix, Tucson
- **California** – Los Angeles
- **Colorado** – Broomfield, Colorado Springs, Greenwood Village
- **Florida** – Fort Myers, Lakeland, Naples, Orlando, Sebring, Tampa, Winter Haven
- **Illinois** – Belleville, Champaign, Danville, Deerfield, Dixon, Evanston, Glen Carbon, Joliet, Oak Brook, Peoria, Princeton, Rockford, Sterling
- **Indiana** – Indianapolis, Schererville, Terre Haute
- **Iowa** – Cedar Rapids, Des Moines
- **Kansas** – Lenexa
- **Maryland** – Baltimore, Washington, DC -Calverton
- **Massachusetts** – Boston, Edgartown, Fall River, New Bedford, Quincy
- **Michigan** – Lansing
- **Minnesota** – Albert Lea, Alexandria, Austin, Brainerd (Baxter), Buffalo, Jordan, Mankato, Medina, Minneapolis, New Ulm, Owatonna, St. Cloud, Waseca
- **Mississippi** – Jackson
- **Missouri** – St. Joseph, St. Louis
- **New Jersey** – Mt. Laurel
- **New Mexico** – Albuquerque
- **New York** – New York City
- **North Carolina** – Charlotte, Raleigh
- **Ohio** – Toledo
- **Pennsylvania** – Exton, Harrisburg, Lancaster, Philadelphia
- **Texas** – Austin, Dallas (Richardson)
- **Virginia** – Arlington, Richmond
- **Washington** – Grandview, Moses Lake, Omak, Othello, Quincy, Seattle (Bellevue), Spokane, Tri-Cities (Kennewick), Walla Walla, Wenatchee, Yakima
- **Wisconsin** – Eau Claire (Altoona), Hudson, Milwaukee, Madison (Middleton), Marshfield, Oshkosh, Racine, Rice Lake, Sheboygan, Sparta, Stevens Point, Tomah

I. B. References

With a dedicated not-for-profit and business risk services team, the members of your proposed engagement team have an unparalleled depth of experience serving entities similar to WV DoA. Our professionals have a unique understanding of the challenges, issues and opportunities you face, thereby reducing the burden on your staff and eliminating inefficient and ineffective procedures.

Quality of service will be a key factor as you prepare to select a CPA and consulting firm to serve WV DoA. We encourage you to contact the following clients to learn more about CliftonLarsonAllen's experience and commitment to quality client service.

Lower Colorado River Authority ("LCRA")	
Address	3700 Lake Austin Blvd. Austin, Texas 78703
Scope of Work	We performed an Enterprise Risk Assessment over the complete operations of LCRA. We assessed the overall environment and identified key risks to be addressed immediately and those, which could be addressed over a set period of time.
Length of Service	2011 - present
Client Contact	W. Charles Johnson, Jr., General Auditor 512-473-3200

Commonwealth of Pennsylvania	
Address	200 North Third Street, Suite 700 Harrisburg, Pennsylvania 17101
Scope of Work	We are in the process of performing facilitated enterprise risk assessments for individual entities within the Commonwealth and assistance in an overall risk assessment. Further, we are coordinating with the Commonwealth in the development and review of formal ERM program framework(s) and structure. In addition, we are training their internal audit staff to assist in those assessments going forward.
Length of Service	2010 - present
Client Contact	John Kaschak, Director, Bureau of Audits 717-265-7275

Employees' Retirement System of Texas	
Address	18th and Brazos Austin, TX 78711-3207
Scope of Work	Provided facilitation services for the agency's initial implementation of Enterprise Risk Management. This included providing introductory training on risk assessment and internal controls to executive management, conducting a series of surveys to lead agency management through the risk assessment process, and developing a comprehensive report of the process and results of the project.
Length of Service	2010
Client Contact	Ms. Marci Sundbeck (512) 867-7711

I. C. Experience In Providing Public Policy Research

In addition to our business risk experience, our professionals also have extensive experience providing accounting, auditing, tax and other services to similar public sector organizations throughout the nation.

Our public sector client base includes various entities – including a number of audit engagements for clients similar to WV DoA. Many of these entities are state government and Medicaid agencies.

In addition, our extensive governmental practice includes the audit of finance authorities and special purpose governmental entities that issue and manage development activity. These activities are often financed through revenue bonds, special assessments, and special districts.

Throughout the year, our Public Sector Services Team publishes resources and presents seminars to keep not-for-profit and governmental financial managers informed on industry trends and developments. Semi-annually, our team hosts conferences directed towards the finance and accounting departments of public sector organizations. These conferences address accounting and audit matters, including new audit standards and tax, investment and other issues affecting governmental entities.

We are committed to keeping organizations like WV DoA well informed of changes in the public sector business climate, rules, regulations and best practices.

We understand the public sector. We recognize the unique daily challenges, such as compliance, assurance, budget preparation and funding for expansion that organizations like WV DoA face.

II. Proposed Personnel and Experience

II. A. Experience – Government Program Review

When you hire a firm, you primarily hire the people. To properly plan, supervise and carry out the requested consulting services, we have matched expertise in the firm to the needs of WV DoA.

Our partners and managers provide oversight of staff and senior activities, review their work product, and manage the progression of the audits. The partners assigned to this engagement will assume the overall responsibility for client service. Our manager will report directly to the partners and will stay closely involved with you throughout the engagement. Your engagement will be handled with the highest degree of accuracy and professionalism.

Project specific resources will be called upon based on the scope and objectives of each project phase. In addition, we have a number of highly qualified consultants to supplement our staff when necessary.

Your core service team includes the following key members:

- Sue Ulrey
- Deb Freeland
- Allen Still

Full resumes for your proposed team can be found in [Appendix A: Professional Resumes](#).

Engagement Leadership Involvement, Control and Accountability

Partner involvement will be the key to understanding the issues and risks relevant to WV DoA management. The engagement partner, Sue Ulrey, will have full responsibility for the work performed, including overall project management, client relations and final work documentation files and report review. She will participate in all critical planning, execution and reporting phases of the engagement. Sue as well as the other senior level members, including Deb Freeland and Allen Still, of the engagement team will be available to WV DoA throughout the year to answer questions and assist as needed.

Additional Information

We are unique in our hands-on approach to serving clients, our quality and timely service, and responsiveness to your needs. A sampling of qualities that sets CliftonLarsonAllen apart includes:

- **Experience.** We have an unparalleled depth of experience serving similar entities with consulting services. Our knowledge of key technology issues affecting similar entities will result in more efficient procedures, *saving you time and money.*
- **Findings and Recommendations.** We will provide a findings and recommendations report. This report will include specific comments, observations, and recommendations related to control enhancements necessary to achieve control objectives. We will coordinate these recommendations with the management to

determine pragmatic and timely action plans to support control improvements to achieve the objectives outlined within the scope of the engagement.

- **Deliverables.** With CliftonLarsonAllen, you will receive a high level control environment assessment document; a description of controls documentation; document to map control activities to respective control objectives; document identifying relevant user control considerations; and findings and recommendations report.
- **Ability to Meet Deadlines.** We are well-balanced when it comes to workload issues, and have never had a problem meeting client deadlines. Our practice is well-rounded in terms of industries served and services provided, and therefore we do not experience the workload compression that other firms might experience during particular busy seasons. This means better client service and closer, personal attention for WV DoA.

II. B. Experience – Government Budget Analysis

CLA has assisted state and local governments, including state Medicaid agencies, evaluate their budgets from different views, including looking back at previous budgets and planning for the future. We know that each governmental entity has its own unique set of circumstances and we acknowledge that the budgeting process can be affected by those circumstances. CLA will use its past experience and knowledge of leading practices to assist WV DoA with budget analysis.

II. C. Experience – Implementation of Cost Saving Programs

CliftonLarsonAllen knows the importance of cost saving programs, especially in the public sector industry. Our experience in the implementation of cost savings programs have taught us that cost saving programs require a comprehensive assessment of direct and indirect impacts to minimize unintended consequences of good intentions.

II. D. Experience – Research and Development of Public Policy

With CliftonLarsonAllen, you will receive the benefit of subject matter experts when it comes to research and development of public policy. CLA partners have served as Governmental Accounting Standards Board members, on the Governmental Accounting Standards Advisory Council, and on the American Institute of Certified Public Accountant's State and Local Governmental Expert Panel. With these resources as part of our team, we are confident in our ability to assist WV DoA with the research and development of public policy.

II. E. Experience – Advising State-wide Elected Officials

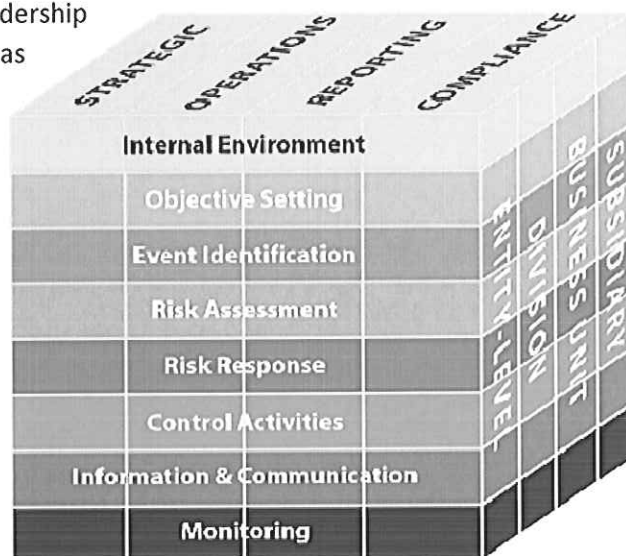
Our firm has significant experience providing advice to departments and agencies of several states. These services include interaction with Governors and other state-wide officials that are appointed or elected. We are currently working with the State Medicaid agencies in several states, and as part of some of those projects we directly advise elected officials on the current state of the Medicaid agency and improvement opportunities.

III. Project Plan

III. A. Project Plan

We will assist the organization in performing a review of the State of West Virginia Medicaid program including, documentation, structure, and process improvements. During the process we will work hand-in-hand with WV DoA management/process owners as applicable, to ensure an understanding of the strategy, objectives, and goals for the Medicaid program. This will drive the foundation and context for the evaluation and assessment of the Medicaid program and any effective change and thought leadership throughout WV DoA, while providing a tool to monitor progress as the organization moves forward.

We will also prepare a final management report after coordination with the WV DoA management/process owners to accompany the Medicaid program review which can be used by the organization in making decisions regarding improvement of the program, and understanding the factors driving the business processes at WV DoA. We will provide drafts of the assessment to WV DoA management/process owners, and solicit feedback in order to achieve the most robust and useful evaluation. Ultimately, we will meet with the overall WV DoA management/process owners to present and discuss our findings.



Work Plan

Our processes clearly differentiate CliftonLarsonAllen's approach from others. For example, our firm will utilize a wealth of balanced leading practice data to allow our service team to benchmark risks and compare programs/documentation at West Virginia Medicaid to other organizations. We will utilize several sources of knowledge and leading practices for this engagement. First, through leveraging the team members as the lead subject matter specialists for this review, they will provide recent experience and insight from previous governmental consulting engagements. Further, we will leverage leading practice documentation and standards from other clients; as well as organizations such as COSO (Committee of Sponsoring Organizations of the Treadway Commission) and the Institute of Management Accountants (IMA). In addition, we will communicate frequently, proactively and constructively with your management team as a facilitator of this process. Ongoing communication will ensure that our service team effectively adjusts to the priorities of your organization. A description of each phase is as follows:

Develop Project Plan (Pre-Work)

We fully appreciate the disruption that management faces with the arrival of an engagement team. Given that our team has both the technical background and practical business experience required to perform this engagement, we anticipate a smooth implementation. We will do our best to minimize disruption by:

- Doing our homework and finding out as much information about West Virginia Medicaid program as possible.
- Working closely with WV DoA's management/process owners and staff to gain candid and comprehensive data on West Virginia's Medicaid program.
- Developing an engagement plan that will focus on "the big picture" as opposed to "getting lost" in the details by working closely with management to determine what is deemed material to WV DoA and key leadership of the organization.
- Applying our knowledge of similar agencies, to focus on critical trends.

Phase I – Risk Assessment and Design Review

Program Assessment

The program inquiry and interview phase will lay the foundation for developing a detailed work plan. This process will be the key to a successful, cost-effective evaluation of the Medicaid program. We will conduct interviews with members of your key management and stakeholders involved with the Medicaid program. We will also review documentation of the current program, as well as other decentralized risk related processes and documentation at WV DoA. In addition, we will walk through the process to gain risk and program information from the process owners of WV Medicaid.

Your management team knows your organization, its operating environment and the business processes that drive it. We will leverage that knowledge by working with your management team to clarify their view of the current Medicaid program and what processes they utilize for risk management within their respective teams/areas. Following these interviews and walkthroughs, our team will compile and analyze the results. These results will be compared and contrasted with leading practice information from our prior team experience, from other clients, from COSO, and from the IMA.

Critical Medicaid processes will be evaluated based upon factors such as complexity, automation, multiple interfaces, and uncertainty. The specific tasks are as follows:

- Review initial documentation and process flowcharts for accuracy and completeness
- Conduct interviews of key stakeholder for each cycle
- Update documentation of the critical process, as deemed necessary
- Evaluate the level of process maturity through the IMA maturity model and assertions from management, compared with internal assessment results
- Review of the overall Medicaid program structure, ownership, and hierarchies.

Questions and leading practices regarding this component will be reviewed with WV DoA and Medicaid Management/process owners to ensure proper context and propriety of potential suggestions and considerations.

Phase II – Validation and Gap Analysis

Validation and Gap Analysis

The focus in this phase will be to validate the results of our initial review of Medicaid program processes and documentation at West Virginia Medicaid. Any gaps will be logged and updated for review of leading practices, while ensuring the appropriateness of any recommended next steps within the context of West Virginia Medicaid's specific control environment, business processes, etc. The specific tasks will include the following:

- Review program effectiveness and/or test selected key procedures throughout substantive testing of the activity.
- Validate observations through communication with management/process owners. Assess the context of existing processes, controls, etc. regarding noted observations.
- Prepare a summary of aggregate observations and suggestions for improvement.
 - **Benchmark.** We will benchmark the results against risks and best practices in use at similar organizations to West Virginia Medicaid. This will provide you with a comparison of your practices to similar organizations.
 - **Report Findings and Conclusions.** Based upon the results of our procedures, we will prepare a final report promptly after the completion of our testing to assist management/process owners in the determination of specific remediation plans and/or next steps.
 - **Advise.** We will be available for questions and to discuss our findings as required.

Flexibility in Changing Scope of Work to Address Management's Concerns

We will allow for flexibility should the need arise as we pride ourselves on developing and implementing an engagement approach and methodology that is flexible, risk sensitive and makes maximum use of our experience and professional judgment.

Our methodology is well documented and developed, and it is also flexible. Our methodology does not approach each enterprise risk assessment engagement with the same boilerplate work programs and plans. Instead, our methodology allows our professionals to use their experiences and credentials to exercise both creativity and flexibility in performing work for our clients.

Plan to Ensure Timely Communications

Effective communication is critical to delivering client services, and maximizing productivity. CliftonLarsonAllen's success is based on providing clients with excellent service on a timely basis. Therefore, we will be available for routine questions – whether addressed in person, via telephone or email – at no additional charge – a welcome investment in an ongoing relationship.

We thank you for the opportunity to submit this proposal and look forward to answering any questions you may have.

Appendix A: Professional Resumes

Sue Ulrey, FCA, CPCU, CFE, CIA, CRISC, CRMA, MBA

Partner, Business Risk Services



Sue Ulrey is a Business Risk Services partner at CliftonLarsonAllen. She has extensive experience across all facets of internal auditing with more than 20 years of internal audit, contract and regulatory compliance, Sarbanes-Oxley, controls and risk assessments and internal audit department quality assurance reviews. She served as Co-chair for the recently published IIA 2010 Common Body of Knowledge Global Study.



RELEVANT EXPERIENCE

- Served over 50 clients with co-source and out-sourced internal audit activities, mainly in the healthcare, insurance and government sectors.
- Served over 30 clients in support of their Quality Assurance Reviews and internal audit function enhancement reviews.
- Supported 20 ERM projects as the risk and industry subject matter professional.
- Led the development, design, and implementation and testing projects for Sarbanes-Oxley compliance for 16 Fortune 150 organizations and 12 not for profit organizations. Successfully led an internal audit, investigations and compliance staff of over 100 associates for 12 years.
- Prior experiences in a Fortune 200 healthcare organization included roles as Chief Audit Executive, Chief Compliance Officer, Chief Privacy and Security Officer, and Director Membership Services.

EDUCATION

- Bachelor of Arts, Accounting, University of Kent, Canterbury
- Masters of Business Administration, Butler University

PROFESSIONAL ORGANIZATIONS

- Fellow Chartered Accountant (FCA)
- Chartered Property and Casualty Underwriter (CPCU)
- Certified Fraud Examiner (CFE)
- Certified Internal Auditor (CIA)
- Certified in Risk and Information Security Controls (CRISC)
- Certificate in Risk Management Assurance (CRMA)

Deborah D. Freeland, CPA

Partner



Deb has extensive experience with hospital and health systems and senior living providers specializing in reimbursement and assurance services.

Her experience includes cost report auditing, cost report preparation, Disproportionate Share Hospital audits and consulting, reimbursement methodology consulting, upper payment limit calculations, claim reviews, and expert witness testimony. In addition to focusing on providers, Deb has also worked with state agencies in Michigan, Mississippi, South Carolina, Ohio, Delaware, Indiana, Illinois, Nebraska, and Alabama.

Deb's background includes auditing and consulting for the Office of Inspector General of the U.S. Department of Health and Human Services and the Centers for Medicare and Medicaid Services. Deb is a member of the American Institute of Certified Public Accountants, American Health Lawyers Association, Healthcare Financial Management Association, Association of Government Accountants, American Hospital Association, Indiana Healthcare Association, LeadingAge Indiana, and the Indiana CPA Society.

RELEVANT EXPERIENCE

- Various hospital and health system assurance and reimbursement services
- Assurance and reimbursement services for senior living facilities
- Audits of Indiana hospital's Disproportionate Share Hospital surveys
- State of Mississippi – Office of the Governor - Division of Medicaid (2007-2011)
- State of Mississippi – Department of Public Safety (2007-present)
- State of Mississippi – Department of Human Services (2008-present)
- State of Alabama – Alabama Medicaid Agency (2008-2011)
- State of Michigan – Department of Community Health (2009-2011)
- State of Arkansas – Division of Medical Services (2009-2011)
- State of Indiana – Family and Social Services Administration (1994-2011)
- State of South Carolina – Department of Health and Human Services (2006-2011)
- State of Ohio – Department of Job and Family Services (2004-2007)
- State of Illinois – Department of Healthcare and Family Services (2006-2008)
- State of Nebraska – Health and Human Services System (1998, 2001)

- Office of Inspector General for the U.S. Department of Health and Human Services (1998-2003)
- Governmental Audits (1994-present)
- Governmental and Not-For-Profit Consulting (1994-2000)
- Not-For-Profit Audits (1994-present)
- For Profit and Employee Benefit Plan Audits and Consulting (1999-2001)

EDUCATION

- Bachelor of Science, Animal Ecology, Iowa State University
- Bachelor of Science, Accounting, Upper Iowa University Des Moines

YEARS OF EXPERIENCE

- 18 years

PROFESSIONAL ORGANIZATIONS

- Indiana Certified Public Accountant Society, member
- American Institute of Certified Public Accountants, member
- American Health Lawyers Association, member
- Healthcare Financial Management Association, member
- Indiana Health Care Association, member
- LeadingAge Indiana, member
- Association of Government Accountants, member
- American Hospital Association, member

Allen Still, CPA, CIA, CFE

Manager



Allen is a Certified Public Accountant and Certified Fraud Examiner with more than 6 years of experience in public sector and health care auditing and assurance. He has audited for and consulted with numerous Medicaid agencies throughout the United States. Throughout his experiences, Allen has helped state Medicaid agencies identify risks, improve efficiencies, and more properly account for their state and federal funding.

RELEVANT EXPERIENCE

- State of Mississippi- Office of the Governor- Division of Medicaid (2006-present)
- Centers for Medicare and Medicaid Services (CMS) (2008-present)
- State of Alabama- Alabama Medicaid Agency (2008-present)
- State of Michigan- Department of Community Health (2009-present)
- State of Arkansas- Division of Medical Services (2009-present)
- State of South Carolina- Department of Health and Human Service (2006-present)
- State of Indiana- Family and Social Services Administration (2006-2008)
- State of Indiana- Public Employee Retirement Fund (2007-2008)
- State of Ohio- Department of Job and Family Services (2006-2007)
- State of Illinois- Department of Healthcare and Family Services (2007-2008)

EDUCATION

- Bachelor of Science, Accounting, Purdue University

PROFESSIONAL ORGANIZATIONS

- Indiana Society of Certified Public Accountants, member
- The American Institute of Certified Public Accountants, member
- Association of Certified Fraud Examiners, member
- The Institute of Internal Auditors, member

Appendix B: Request for Quotation



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER

GOV12019

PAGE

1

ADDRESS CORRESPONDENCE TO ATTENTION OF

FRANK WHITTAKER
304-558-2316

RFQ COPY

TYPE NAME/ADDRESS HERE

CliftonLarsonAllen, LLP
9339 Priority Way West Drive, Suite 200
Indianapolis, IN 46240

OFFICE OF THE GOVERNOR

1900 KANAWHA BOULEVARD, EAST
CHARLESTON, WV
25305-0370 304-558-2000

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/25/2012				

BID OPENING DATE: 05/24/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	IS		961-20		
	CONSULTING					
				EXPRESSION OF INTEREST (EOI)		
				THE WEST VIRGINIA PURCHASING DIVISION, FOR THE WEST VIRGINIA OFFICE OF THE GOVERNOR, IS SEEKING EXPRESSIONS OR INTEREST FROM RESPONSIBLE VENDORS TO CONDUCT A THOROUGH REVIEW OF THE STATE OF WEST VIRGINIA'S MEDICAIDE SYSTEM AND IDENTIFY KEY ISSUES AND OPPORTUNITIES TO IMPLEMENT BEST PRACTICES PER THE ATTACHED SPECIFICATIONS.		
				ALL TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO FRANK WHITTAKER IN THE WV PURCHASING DIVISION VIA EMAIL AT FRANK.M.WHITTAKER@WV.GOV OR VIA FAX AT 304-558-4115. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 05/07/2012. AT 4:00 PM. ALL TECHNICAL QUESTIONS WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.		
				BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.		
				NOTICE		
				A SIGNED BID MUST BE SUBMITTED TO:		

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
 2. The State may accept or reject in part, or in whole, any bid.
 3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
 4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
 5. Payment may only be made after the delivery and acceptance of goods or services.
 6. Interest may be paid for late payment in accordance with the **West Virginia Code**.
 7. Vendor preference will be granted upon written request in accordance with the **West Virginia Code**.
 8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
 9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
 10. The laws of the State of West Virginia and the **Legislative Rules** of the Purchasing Division shall govern the purchasing process.
 11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
 12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
 13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.html and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
 14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
 15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
 16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
GOV12019

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
FRANK WHITTAKER 304-558-2316

V E N D O R	RFQ COPY
	TYPE NAME/ADDRESS HERE
	CliftonLarsonAllen, LLP
	9339 Priority Way West Drive, Suite 200 Indianapolis, IN 46240

S H I P T O	OFFICE OF THE GOVERNOR
	1900 KANAWHA BOULEVARD, EAST
	CHARLESTON, WV
	25305-0370 304-558-2000

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
04/25/2012						
BID OPENING DATE: 05/24/2012		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130					
THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:						
SEALED BID						
BUYER:				44		
RFQ. NO.:				GOV12019		
BID OPENING DATE:				05/24/2012		
BID OPENING TIME:				1:30 PM		
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						
				317-574-9707		
CONTACT PERSON (PLEASE PRINT CLEARLY):						
				Sue Ulrey		
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE			TELEPHONE		DATE	
TITLE		FAX		ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

Appendix C: Purchasing Affidavit

RFQ No. GOV12019STATE OF WEST VIRGINIA
Purchasing Division**PURCHASING AFFIDAVIT**

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

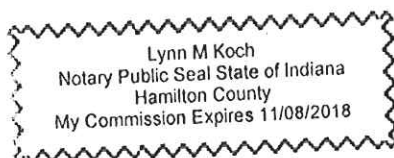
"Debtor" means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATUREVendor's Name: CliftonLarsonAllen, LLPAuthorized Signature: *Joe M. May*Date: May 22, 2012State of IndianaCounty of Hamilton, to-wit:Taken, subscribed, and sworn to before me this 22 day of May, 20 12.My Commission expires November 8, 20 18.

AFFIX SEAL HERE

NOTARY PUBLIC *Lynn M Koch*

Purchasing Affidavit (Revised 12/15/09)