OPTUM

A Response to the

State of West Virginia
Department of Administration

Request for Information INS 13004

Statewide Credentialing Verification Organization (CVO)

Date
October 4, 2012

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TAB 1: Transmittal Letter

Ms. Connie Oswald
Purchasing Division
2019 Washington Street, East
PO Box 50130
Charleston, WV 25305-0130

RE: Request for Information RFI 13004, Statewide Credentialing Verification Organization (CVO)

Dear Ms. Oswald:

Company Overview

Optum Government Solutions, Inc. ("Optum") is a health services company dedicated to making the health system work better for everyone. We deliver integrated, intelligent solutions that work to modernize the health system, improve overall population health, and build and enable Sustainable Health Communities. With a combined workforce of 30,000 people, Optum serves the entire health ecosystem, including nearly 250,000 health professionals and physician practices; 6,200 hospitals and facilities; more than 270 state and federal government agencies; more than 2,000 health plans; two of every five FORTUNE 500 employers; more than 400 global life sciences companies; and one in every five U.S. consumers.

Optum's strength is the deep expertise of our employees in public and private health care systems applied to shared health care business problems. As a result, Optum leads the market in developing real world technology and data solutions that reflect health care business needs and realities. Optum brings together advanced technology and in-depth expertise and knowledge of health care. Optum is a recognized industry leader in provider information management.

Understanding of Project

We understand the State of West Virginia is looking to gain efficiencies through a centralized statewide credentialing service. Optum has over 15 years' experience in providing such services for commercial, state, and Federal sponsored health plans. We can deliver complete Credentialing Verification Organization (CVO) services quickly and align the Primary Source Verification (PSV) process for the State of West Virginia or other in-state designated entity by July 2015. Optum has already made the capital investments to enable

centralized statewide credentialing services, and we perform similar services for Arizona and Massachusetts.

We appreciate the opportunity the State of West Virginia has provided in allowing Optum to respond to this RFI. We have shared some information on our capabilities and future vision we have for the CVO services. We will make ourselves available for further discussions with the State of West Virginia, and look forward to an opportunity to participate in a future procurement for CVO services.[1]

Sincerely,

Mike Miller
Client Executive
State of West Virginia

[1] This document is in response to the above captioned RFI and is provided by Optum Government Solutions, Inc. for planning purposes only. As such, it is not an offer capable of acceptance and is subject to change or revision at any time without notice.

TAB 2: Contact Information

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	Waltham, MA 02451
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TAB 3: Comments

1.1. Answers to RFI Questions

a) Based on the large number of West Virginia health practitioners subject to credentialing for which the CVO would be responsible, what computer platform and network and data base capabilities would be required or be desirable to meet the organizations need.

A web-based service that stakeholders access through a secure connection, over the internet, will be the least intrusive and least costly for stakeholders. Image capture and workflow tools provide an efficient process to meet required turnaround times for PSV activities. We think it will be beneficial for the State of West Virginia to require a potential vendor to comply with systems that meet the service needs based on the anticipated number of credentialing activities and users.

b) Due to the confidential nature of the information involved and being readily accessible and transmitted, what computer security systems or safe guards would be necessary to protect the integrity of the system, both for access and storage purposes.

Optum recommends security to be implemented at the network, application, and database-level. Each health plan should have its own designated account with access only to their particular providers. Optum has a formal Disaster Recovery Plan and Business Continuity Plan for its CVO operations. We recommend any vendor conform to State of West Virginia standards at minimum, and be required to present evidence of a plan within 30 days of contract.

Optum has created and supports the technical environment needed to sustain secure transmission of data between itself and its clients through the Internet using Secure Shell protocol (SSH). SSH provides an encrypted tunnel through which data can travel securely. SSH also encrypts the authentication (user ID and password) to the remote server.

Our file transmission mechanism is via the Optum Secure File Transfer Protocol (FTP) site, which uses Pretty Good Privacy (PGP) encryption. Optum encryption technology standards require a minimum key length of 128-bits for secret (symmetric) encryption, and 512-bits for public/private (asymmetric) encryption. However, these are the minimum standards; longer key lengths may be implemented within specific environments, based on risk.

Configurations should be able to be set by the user to allow access to specific credentialing reports, profile, search engine, and credentialing images. Each field of the reports should be sortable with the ability to export to Microsoft Excel for further analysis.

Internally, we maintain appropriate physical, electronic, and administrative security standards and procedures to safeguard our data and systems. Our employees are educated on the importance of privacy and security policies

and must comply with them. Employees are permitted to access and use only that personal and proprietary information they need to perform their job duties.

c) Based on scope of the statewide CVO and the incumbent reliance of the entire state health care system, what type of financial security and resources would be needed to insure continued and effective service over the long run.

We believe the centralized CVO approach will drive efficiencies and result in less cost for stakeholders. The state should consider service providers who have extensive experience in CVO activities and operations, including the ability to manage coordination and migration to a standard credentialing cycle based on practitioner birth month. The state should review the financial history and viability of the CVO, as it relates to the specific services being contracted, and consider the financial strength of the CVO and its potential partners in the technical scoring of the RFP. The state should also consider vendors who have experience in delivering CVO services for similar statewide efforts as part of the RFP requirements with a depth of resources to support workload fluctuations and business continuity.

d) In terms of personnel and other resources, what types and how many personnel would need to be dedicated, wholly or partially, to support the services provided.

Using the information provided in Addendum No. 2 of this RFI, we estimate roughly six to eight FTEs to support the CVO services for approximately 25,000 events a year on a two-year cycle. The Optum workflow system and web technology is completely scalable and able to handle additional file volume. Upon execution of the agreement, Optum will evaluate the assigned verification team structure and add additional team members as required to support the anticipated file volume.

As a function of our quality and staffing program, Optum continuously hires and trains new associates in preparation of new client contracts and then allocates staffing resources to the client teams. After joining their team, associates are assigned a team mentor and follow-up training sessions are conducted by the training team on a group and an individual basis to make sure all team members are fully trained and continuously monitored for opportunities for improvement in performance.

e) What credentialing processes or procedures, in general and specific, do you see as best serving the requirements and needs of the overall service provided and the flexibility to serve individual clients.

To meet the project goals and objectives, it is important to have an experienced CVO partner with a strong compliance department and a thorough understanding of National Committee for Quality Assurance (NCQA), Utilization Review Accreditation Commission (URAC), National Provider Databank (NPDB), and Joint Commission on Accreditation of Healthcare Organizations (JCAHO) requirements throughout the organization. These establish an important baseline for policies and procedures.

Another important key to success is a sponsoring organization to coordinate activities with the health plans. Policies established and coordinated centrally will support more efficient delivery of CVO services. This may be done initially by a State organization and transitioned to a vendor or maintained by the State. It is important not to underestimate the value of this function to promote program success for both health plans and providers.

Standard data collection inputs and outputs are key to elimination of duplicity across the state. Consideration should be given to a standardized input for collection of applications. Electronic collection and distribution of data will result in the most efficient solution.

f) What direct source, or other, methods of verification of information best serve the credentialing process.

Primary Sources are the most effective, supported by an imaging and workflow system to track verification attempts and verify turnaround times are met.

g) What type of electronic interface or network, webpage, etc., do you see best facilitating electronic exchange of data and information. What type and nature of access would clients, both practitioners and credentialing entities, have. How would paper transactions be accommodated.

Best results are achieved when using a standard electronic portal for application gathering. If paper applications are needed, this can also be accommodated. Some states have chosen to mandate use of the Council for Affordable Quality Healthcare (CAQH) portal for application gathering that provides a central access point. A central electronic application can easily be consumed into a workflow system for efficient management of the PSV process. A secure site with appropriate permissions can be established for both collection and distribution of information. Additionally, PSV files provided to health plans may be sorted by clean or unclean data to expedite the committee review process.

Between credentialing cycles provider information may quickly become outdated. A centralized process for provider data collection, aggregation, and quality validation may be used to maintain provider information with access for health plans. This can supplement standard CVO activity. Additionally, ongoing monitoring provides electronic alert notifications to health plans of practitioner sanctions.

h) What are possible methods of assimilating and transitioning all West Virginia practitioners into a single CVO process and practical time frames.

Understanding the number of health plans in the state and the collection of health plan provider rosters to evaluate the practitioner overlap is an important first step to understanding the volume of CVO work. Coordination and communication with the health plans during the implementation period is important. Many years of experience in this area is another key success factor and should be considered as an RFP requirement. Standardized inputs and outputs will allow a shorter implementation period with work typically starting 30 days after contract execution, including alert notifications and sanction monitoring.

i) Possible fee arrangement considering credentialing entities fees and possible annual fee for practitioners.

We charge a per-practitioner/per transaction fee to health plans. We can also work with the State of West Virginia or other entity to develop a fixed monthly fee plan or a per-practitioner/per transaction fee to the State of West Virginia that is subsequently shared by the health plans.

j) What procedures would be useful to ensure confidentiality of information.

As an experienced CVO, our tools and processes are established to protect confidential information and provide access to authorized users. This is done through training of our staff, as well as security of our internal systems and distribution portals.

To protect sensitive client data, Optum employs a combination of logical and physical controls. Logical access controls are implemented at the operating system, network, database, and/or application layers, depending on the architecture of the application. These verify that users are able to access only the data and functions required to perform their assigned duties. These controls also prevent users from being able to access the operating system files.

Optum also uses pPhysical controls to make certain physical access to equipment storing sensitive data is restricted to only authorized individuals.

k) What procedures are available to handle and resolve any disputes between practitioners and the CVO with regard to information verification results.

We have a comprehensive policy to report, track, and trend any dissatisfaction that is reported to us. This includes timeframes for resolutions. Generally, any issues arising from the provider are filtered to the health plan who then reports the issue to us. Any errors reported are promptly corrected.

l) Does credentialing for Medicare/Medicaid purposes present any special considerations.

We currently provide services to a large number of Medicare and Medicaid clients. The State should consider whether there is a need to expand the CVO services to encompass some additional provider types and processes that may be unique to Medicaid. Medicaid is required to collect ownership/controlling interest information to monitor for sanctions. This activity could be combined with the scope currently outlined for the CVO.

m) Any other information which might be valuable in assessing the needs of the statewide CVO.

West Virginia should ally with a company that has the breadth to support current CVO needs and can partner with the State to enhance capabilities to maintain quality provider data between credentialing cycles above and beyond sanction monitoring. The asset of quality provider data with expanded data breadth can serve

many purposes across the State such as the Health Benefit Exchange provider directory, Health Information Exchange provider directory, and Medicaid-specific sanction monitoring and re-enrollment requirements.

n) What type of disaster recovery system can be provided.

Disaster Recovery (DR) should be part of an overall hosted systems environment. An effective disaster recovery program includes business continuity and is focused on minimizing service disruptions, preserving client information, and continuing compliance during a vulnerable period. We encourage the State of West Virginia to require a disaster recovery plan within 30 days of contract award. Optum has a dedicated response team as part of the DR process that is responsible for nightly backups, restore and recovery procedures, and service level agreements (SLAs) with our clients.

1.2. Optum Credentialing Capabilities

Optum's credentialing operations are financially sound and we are part of a Fortune 50 company, UnitedHealth Group, Incorporated.

Performing approximately 550,000 credentialing events annually, Optum credentialing efforts are supported by approximately 260-trained personnel. We actively support continuing education for our credentialing staff and some of our employees have earned their Certified Professional Credentialing Specialists (CPCS) designation.

1.2.1. The Industry Leader in Outsourced Credentialing Service

Optum is considered the industry leader in outsourced credentialing services. Some key highlights of Optum's credentialing services include the following:

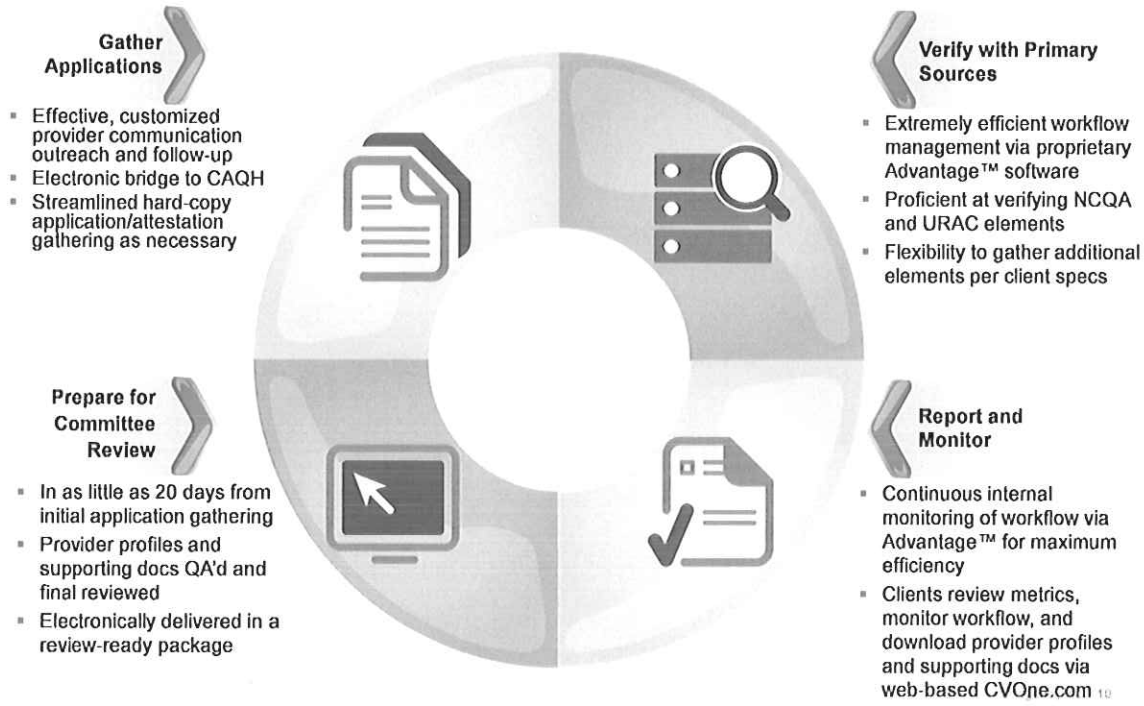
- We are the nation's most experienced CVO, operating since 1997 – our operations managers average 14+ years CVO experience.
- We are the nation's largest CVO with 260+ highly trained personnel performing over 550,000 credentialing events per year with 900,000 providers/facilities in our database.
- We focus exclusively on CVO – quality is our obsession.
- We are fully certified by the National Committee for Quality Assurance (NCQA) and accredited by the Utilization Review Accreditation Commission (URAC).
- We provide flexible and scalable solutions to meet the specific needs of over 50 clients.
- We offer demonstrated leadership in the CVO industry – we were the first to:
  - Commercially credential 100,000 providers
  - Launch a credentialing web portal

- Orchestrate a successful credentialing alliance
- Suggest the addition of off-shoring and CAQH bridge.

The Optum Credentialing solution is a combination of technology and services supporting the full breadth of CVO activities as shown in Figure 1, and includes the following:

- Gathering provider applications
- Performing primary source verification
- Facilitating the committee review process and expedite approvals
- Continuously monitoring provider networks for sanctions.

Figure 1: Optum is the first CVO to offer an end-to-end solution



Because the credentialing process is largely dictated by accreditation bodies, Optum believes that the key to innovation in credentialing is technology. To that end, Optum has developed numerous first-to-market technologies that are a part of the standard credentials verification package:

- Email and facsimile-based auto-messaging system to providers that increases speed and reduces paper
- Client portal that enables users to generate network reports or drill down to provider-level detail
- On-demand Portable Document Format (PDF) generation of completed applications and documents
- Data stored temporally—allows viewing verification data at any historical date

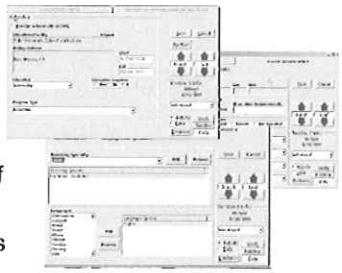
- Dynamically-built online provider data collection portal
- Fax-based imaging system that reduces resources and improves accuracy
- Data exchange capabilities to other systems (e.g. Medicaid Management Information System (MMIS)).

We manage and provide the credentialing event outputs in a continuous manner to our clients using the Advantage and CVOne.com solutions illustrated in Figure 2.

Figure 2: Optum uses technology to drive efficiency in the credentialing cycle

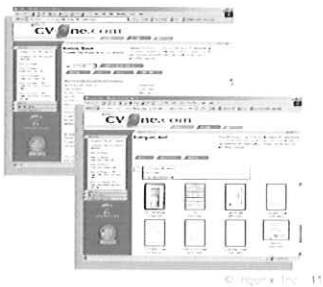
Advantage™

- All-in-one workflow, database, and imaging system
- Efficiently handles 550,000 credentialing events per year
- Twelve years in development – NCQA & URAC compliant
- One system used by PSV, call center, and management staff
- Archives all credentials profiles and supporting docs
- Electronic export and delivery of profiles and supporting docs



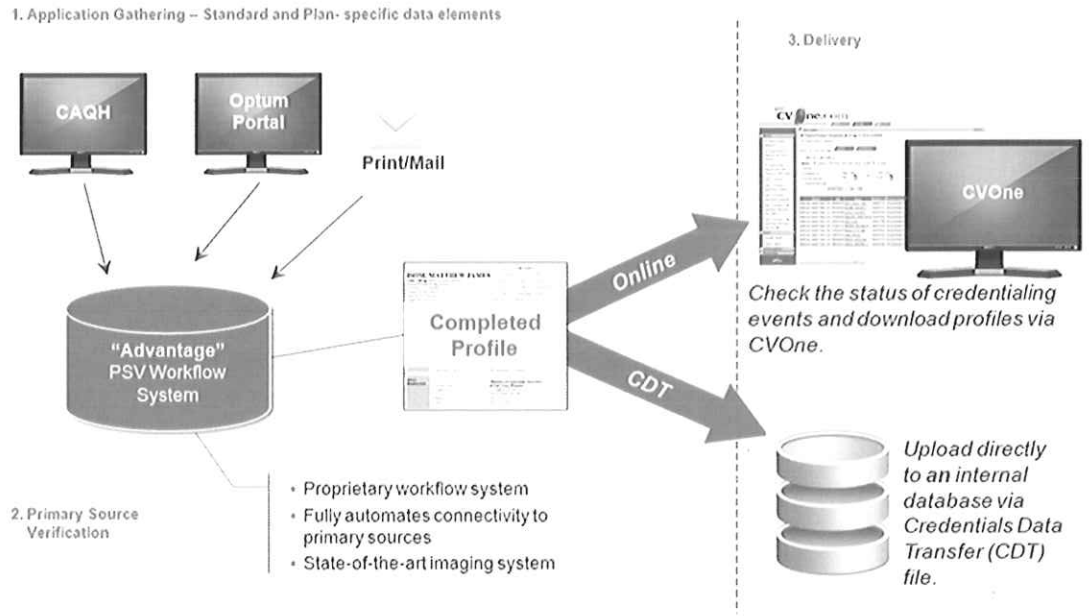
CVOne.com

- Your on-line portal to Advantage
- Monitor workflow with summary detail reports
- Print provider profiles with imaged support documents
- Unlimited users and usage across all your plans



Our solutions help address specific credentialing objectives. Collectively, they form a comprehensive, end-to-end credentialing strategy that drives better efficiency along the entire continuum. Figure 3 illustrates our flexibility to handle various inputs and exports while maintaining the core technology and processes.

Figure 3: Optum provides a flexible structure to support client's needs



Further information on Optum's Credentials Verification Services is provided in Appendix A and Appendix B to this response.

1.3. Detailed Explanation of Optum Services

1.3.1. Application Gathering

Optum can support any application gathering process required for the CVO. Our capabilities include:

- **Optum Online Portal** – Our online application gathering portal can be used to design a custom CVO form, complete with branding requirements.
- **Optum Paper Application** – In the event that a provider is unable or unwilling to use a provider application portal, we can print and mail a custom paper application.
- **Council for Affordable Quality Healthcare (CAQH)** – Our CAQH Bridge allows us to download completed applications directly from CAQH into our Advantage workflow system.
- **Combination** – We can also support the retrieval of a standard CAQH application combined with a supplemental application to gather any additional required information.

Our Online and Paper Applications are both pre-populated with any information available in our extensive provider database.

Each application gathering option includes up to three follow-up attempts to reduce non-responder rates. Depending on the provider's preference, we will follow-up via telephone, facsimile, email or letter. Once the application data has been entered / downloaded into our system, it will be available to health plans via:

- **CVOne** – Our legacy Web portal that allows health plans to check the status of any credentialing event as well as retrieve/view a profile.
- **Credentialing Workbench** – A new Web portal that allows health plans to check the status of a credentialing event, retrieve/view profiles as well as conduct the entire committee review process online.

1.3.2. Primary Source Verification

Optum CVO clearly distinguishes itself from the competition through its core competencies of data collection, data verification, and data management. These competencies complement our size, technology, scalability, creativity, quality, and experienced staff at all levels within the organization. For the past 14 years, Optum has been at the forefront of the health care industry in the development of a sophisticated workflow management system, web-enabled applications, and data management capabilities. Through these efforts, Optum is able to offer a high quality, total-solution approach to CVO services.

At the core of our service, Optum offers a proven PSV process supported by Advantage, our proprietary, state-of-the-art imaging and workflow system. Our experience allows us to develop and continually enhance a system and process to perform PSV efficiently and cost effectively.

Optum will also provide access to CVOne.com, our provider data management Web portal. This tool allows the user to monitor the credentialing process at any level of detail through a secure Internet portal and to print documents as needed. As a complement to our Web portal, Optum offers electronic data delivery options that create an efficient process for exchanging data between Optum and its customers, eliminating the need for duplicate data entry.

Optum has experience in working with customers of all sizes with all provider types in completing both initial credentialing and recredentialing events. Below is a list of our standard PSV elements:

- Verification of State License for practicing state(s) (State Licensing Board).
- Verification of State License Sanction History, including disciplinary activity or limitations on licensure, for all licenses held during the past five years at initial credentialing and the past 3 years at recredentialing.
- Verification of Board Certification for MD, DO, DPM and Dentists.
- Verification of Education/Training in the primary practicing specialty, completed when not satisfied by verification from State License Board or Specialty Board Certification (Initial Credentialing Only).

- Verification of DEA number when available in each prescribing state and/or Controlled Dangerous Substance (CDS) in states that mandate verification.
- Malpractice Claims History for all providers via the National Practitioner Data Bank (NPDB).
- Medicare/Medicaid Sanctions for all providers via NPDB and Office of Inspector General (OIG).
- Verification of Professional Liability Insurance Coverage via application question and attestation or a copy of the declaration page if state requires or URAC accredited.
- History of Loss or Limitation of Hospital Privileges or Disciplinary Activity via application question and attestation or verification directly from the source for primary if state requires (additional hospitals can be verified at an additional charge).
- Work History, including five years data collection and explanation of gaps greater than six months (CV or Application) (Initial Credentialing Only).
- OIG/ List of Excluded Individuals/Entities(LEIE).
- GSA/ Excluded Parties Listing (EPLS).

Optum will return the following upon completion of PSV events:

- **Imaging and Credentialing Data Transfer (CDT)** – All applications and supporting credential documents obtained during the PSV process are scanned/imaged and returned to the CVO via electronic CDT on a daily or weekly basis. The CDT file is available in several standard formats including: Access, Excel, delimited text, or fixed-length American National Standards Institute (ANSI) text.
- **Standard Clean/Unclean Data Sort (Provider Credentialing Only)** – If desired, CDT can be returned to the CVO using Optum standard "clean/unclean" data sort criteria. This typically expedites the committee review process by electronically separating files that may have issues from those that have no issues. Criteria used to flag a file as "unclean" is based on Optum standard criteria noted below:
  - Adverse query results from NPDB
  - Adverse answers on questionnaire
  - Licenses verified with quality issues
  - Any Incomplete File or Non-responder
  - Professional Liability Insurance limits below 1 million/ 3 million
  - MD/DO with no Board Certification and/or Board Certification that is verified with Quality Issues.

1.3.3. Provider Data and Updates

Optum maintains the most comprehensive and accurate provider data in our Provider360 Database. A unique data sourcing model combined with a provider outreach data verification program give the Provider360 Database unparalleled provider coverage, data fills and accuracy. Moreover, industry relationships provide Optum access to rich, accurate repositories of healthcare provider information including credentialing, provider attestation, billing and other data not available to any other company. In addition, Optum aggregates data directly from nearly every federal and state medical licensing and enumeration agency.

Each plan could have access to Provider360 to retrieve provider data. In addition, Provider360 can be used to:

- Standardize, de-dupe, augment and correct in-house provider data files
- Authenticate providers
- Recruit providers
- Conduct accurate provider mailings, site visits and marketing campaigns
- Populate provider search portals
- Create crosswalks between key provider identifiers.

Figure 4 illustrates the current providers populated in Optum's Provider360 for the State of West Virginia.

Figure 4: Optum provides an ongoing source for accurate provider data between credentialing cycles

State of WV As of 7/30/12		Data Element	Physicians		Dentists		Other Professionals Total	
			Filled		Filled		Filled	
Provider Data	Personal	Name	7,507	100.0%	883	100.0%	5,847	100.0%
		Gender	7,489	99.8%	877	99.3%	5,838	99.8%
		Birth Date	6,504	86.6%	159	18.0%	3,945	67.5%
		Language	2,022	26.9%	34	3.9%	567	9.7%
	Medical Education & Specialty	Degree	7,507	100.0%	879	99.5%	5,826	99.6%
		Medical School	6,189	82.4%	227	25.7%	2,814	48.1%
		Residency	4,506	60.0%	65	7.4%	905	15.5%
		Specialty	7,203	96.0%	716	81.1%	5,695	97.4%
	Medical Licenses & Numbers	License	6,427	85.6%	783	88.7%	5,309	90.8%
		NPI	6,685	89.1%	753	85.3%	5,336	91.3%
		UPIN	4,788	63.8%	87	9.9%	2,150	36.8%
		DEA Number	6,008	80.0%	765	86.6%	2,480	42.4%
	Other	Address	7,507	100.0%	883	100.0%	5,847	100.0%
		Phone	7,315	97.4%	857	97.1%	5,757	98.5%
		Fax	6,034	80.4%	519	58.8%	4,556	77.9%
		Practice Affiliation	5,585	74.4%	414	46.9%	4,385	75.0%
		Hospital Affiliation	5,462	72.8%	52	5.9%	1,706	29.2%
		Tax ID	5,883	78.4%	250	28.3%	4,368	74.7%
		Sanction	244	3.3%	24	2.7%	89	1.5%

1.3.4. Site Visits

Our solution offers quick-turn Site Visits for the provider credentialing process. We specialize in quickly accessing provider offices across the country. Our staff is trained to deliver high-quality audits meeting URAC and NCQA guidelines. Criteria can be customized to also include West Virginia specific requirements.

We rely on a blend of advanced technology, time-tested recruiting and scheduling methodologies. We understand the dynamic nature of the credentialing process and have built a flexible operational culture that will support the State's needs.

Our Technology

Our site visit solution allows us to effectively work with each client to manage the entire Site Visit process. *The solution* is a Web-based application that houses all information and documentation tied to the Site Visit, and provides real-time tracking and transparency throughout the process. Features of our solution include the following:

- Automated nightly upload of client orders
- Web-based application with client login
- Access to key site visit information, including: Order Date, Order Status, Provider Contact, Scheduled Site Visit Date, Completion Date, Scheduling Exceptions, Scheduling Notes, Site Visit Scores
- Access to view, print and save completed scoring tools
- Automated e-mail notifications when access is denied
- Turn time metrics updated daily
- Order export capabilities
- Automated nightly transmission of completed client orders.

We also provide instant electronic notification when we encounter a problem during the Site Visit process. If we cannot gain access to a provider office or if the contact information is incorrect, specified client personnel will be notified from the automated e-mail notification system. This exception management process facilitates the necessary communication required to efficiently resolve issues as they arise.

Once the site visit process is complete, the data is integrated with the primary credentialing event and provided to the health plan through the CVOne online portal.

1.3.5. Optum – A Comprehensive Solution

Optum offers a comprehensive suite of products that can provide a simple, single vendor solution to meet your requirements:

- Provider application gathering in any format required (customized paper, customized online portal, or download from CAQH). Non-responder rates minimized with multiple follow-up attempts.
- High quality, industry proven PSV that typically reduces cost and turnaround time.
- Access to the most comprehensive and accurate provider data with Provider360.
- Alerts Notification and Sanctions Monitoring solutions that proactively update plans with changes to sensitive provider data.
- Highly skilled staff combined with state of the art technology to perform Site Reviews and Medical Chart Retrievals.
- Opportunities to further reduce cost by having a single, branded entity with "private labeling" for each plan.

1.4. Supplemental Credentialing Services

Optum offers numerous products and services that will complement our credentials verification services. Our product portfolio centers primarily on the concept of helping our clients achieve "Provider Network Excellence."

In addition to credentials verification services Optum offers ongoing credentialing support in a consulting capacity to assist with policies and procedures, process workflows, team structure, and compliance questions.

Optum also supports the need for ongoing management of provider information for many statewide initiatives such as health benefit exchange and health information exchange. Please see Appendix A and B for additional information.

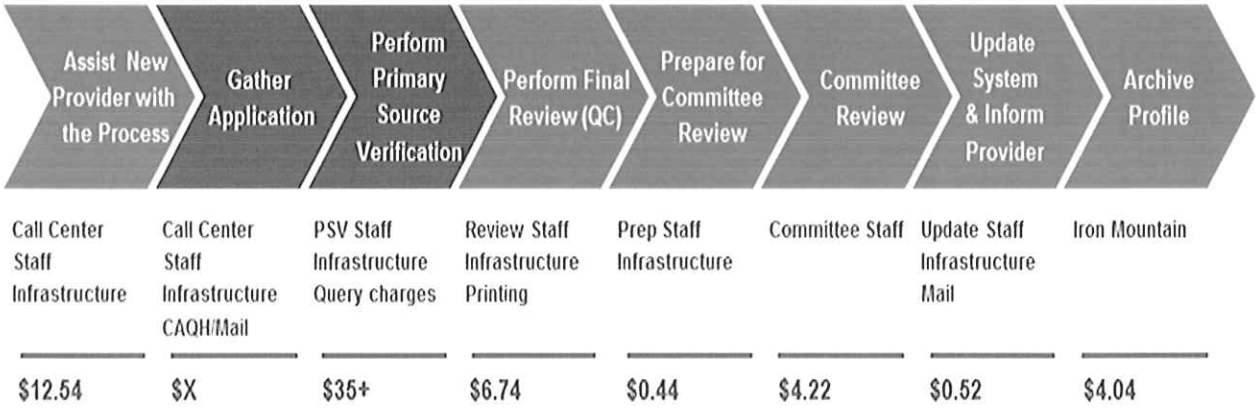
TAB 4: Approach

Optum recommends the state consider a central "CVO utility service". These systems and services already exist minimizing the capital expenses needed to stand up a centralized credentialing entity and/or services. This could be a "state-sponsored" service, or another entity providing "state-wide credentialing services." The state would mandate health plans, including state-run and sponsored health plans (e.g., Medicaid), utilize one "Credentials Verification Organization". Optum can either be that entity or provide services and operational capacity to a designated entity, specifically, providing PSV services to health plans, including state-run and sponsored health programs.

We understand other states have had difficulty in having a single non-health plan entity be the "Designated Credentialing Entity" due to either state or federal regulatory challenges, but there are common services in the credentialing process, namely, PSV that could be shared and aligned without delegating the overall credentialing responsibility.

By focusing on the PSV process within the overall credentialing process we feel the state can significantly reduce health plan and state costs and drive efficiencies related to provider credentialing. See the various steps in the credentialing process and the associated costs in Figure 5.

Figure 5: Optum reduces significant cost in the credentialing process



TAB 5: Appendices

Removing redundancies while improving communications: Provider Information Management

An Optum Executive Brief

OPTUM™

Provider information is vitally important for everything from physician credentialing and verification to referrals and assuring accurate payments.

Outdated and incorrect provider data costs the health care system more than $26 billion every year. Managing provider data is an administrative task duplicated across the health care system.

Statewide health information exchanges, State Medicaid agencies, health information exchanges, public and private health plans, provider systems, and individual providers are all engaged in the process of provider information gathering and management. However, most are duplicating each other's efforts, and more often than not, are coming up short. The fact is, outdated and incorrect provider data costs the health care system more than $26 billion every year.[1] These costs can be significantly reduced and shared across the system.

Optum Provider Information Management centralizes the collection, verification, and redistribution of the information necessary to reliably interact with providers. It can help:

- Reduce administrative waste in provider data management
- Improve the effectiveness of inter-provider, provider-to-plan, and provider-to-state communications
- Deliver value for state agencies, statewide health information exchanges, and health plans in their efforts to sustain safe and secure electronic health information exchange

Provider Information Management offers the single source of truth for provider data, while taking administrative waste out of the health care system.

Benefits for statewide HIEs

Provider Information Management can minimize complexity by eliminating inaccurate and redundant information collection and verification efforts, thus reducing duplicative administrative activities for participating providers, and health plans. By spreading the expense associated with provider information management and primary source verification across multiple parties, it can also provide actual, quantifiable cost-savings for all participants. It can streamline the process of generating provider profile reports and other provider-related analytics. And Provider Information Management can provide the means to simplify provider enrollment and help agencies better understand their network—all while simplifying the process for providers.

Optum simplifies administration of provider data

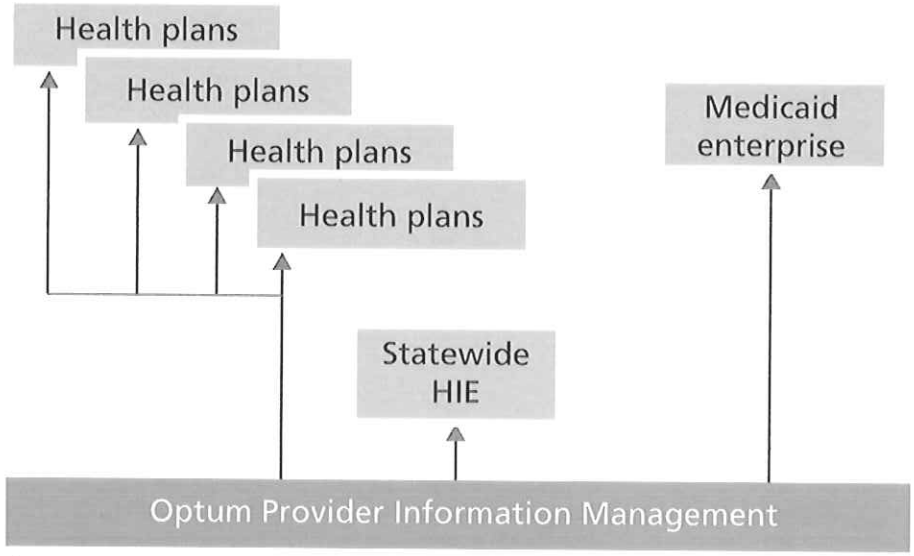


Figure 1: Centralized Provider Information Management consolidates efforts and reduces costs related to collection, verification, and redistribution of provider information.

Most statewide HIEs are struggling to find and retain ongoing sources of funding as, in many instances, health plans and providers have yet to be convinced of the value of HIE participation. However, Optum Provider Information Management, when delivered through HIEs as a service, changes the incentives for health plans and providers by reducing their actual costs, driving the adoption necessary to meet federal grant requirements. This provider "source of truth" also enables other utility services for electronic identity proofing, as well as care management and coordination.

Provider Information Management provides the foundation for a sustainable HIE business model.

With the Optum Provider Information Management system in place, stakeholders in any regional or state health care community can accomplish electronic identity proofing, verifying that providers are who they say they are. This capability enables the first steps toward aggregated and efficient electronic consultations, referrals, administrative communications, and payments.

Optum Provider Information Management can simplify the administration of provider information management, while helping agencies better understand and manage their network to make sure beneficiaries have access to the services they need.

Provider Information Management also supports both regional and private HIEs, supporting more secure and accurate communication internally and externally, and without disrupting their existing business models. It is technology that can potentially support requirements of programs such as ONC's Direct Project that specifies "a simple, secure, scalable, standards-based way for participants to send authenticated, encrypted health information directly to known, trusted recipients over the Internet in support of Stage 1 Meaningful Use requirements.2" And, best of all, it has the potential to create recurring revenue streams for HIEs through subscription fees.

State-populated data

As of 12/07/2011		Data element	Physicians		Dentists		Other professionals total	
			Filled		Filled		Filled	
Provider data	Personal	Name	22,928	100.0%	3,830	100.0%	25,463	100.0%
		Gender	22,904	99.9%	3,764	98.3%	25,447	99.9%
		Birth date	15,162	66.1%	905	23.6%	12,849	50.5%
		Language	4,486	19.6%	494	12.9%	1,907	7.5%
	Medical education & specialty	Degree	22,928	100.0%	3,819	99.7%	25,431	99.9%
		Medical school	16,194	70.6%	1,026	26.8%	10,987	43.1%
		Residency	13,638	59.5%	167	4.4%	2,475	9.7%
		Specialty	21,870	95.4%	3,531	92.2%	25,208	99.0%
	Medical licenses & numbers	License	20,337	88.7%	3,355	87.6%	22,282	87.5%
		NPI	19,279	84.1%	3,236	84.5%	21,814	85.7%
		UPIN	13,227	57.7%	310	8.1%	7,299	28.7%
		DEA number	18,521	80.8%	3,153	82.3%	8,546	33.6%
	Other	Address	22,928	100.0%	3,830	100.0%	25,463	100.0%
		Phone	22,523	98.2%	3,770	98.4%	25,287	99.3%
		Fax	17,054	74.4%	2,298	60.0%	19,660	77.2%
		Practice affiliation	18,605	81.1%	2,494	65.1%	19,399	76.2%
		Hospital affiliation	15,737	68.6%	141	3.7%	7,501	29.5%
		Sanction	391	1.7%	42	1.1%	269	1.1%

Figure 2: Our PIM database has accurate and current information on most providers across the country. This information is available today to help States and other payers better understand their networks, the gaps, and potential new providers to better match the needs of those in their care.

Funding is available: Federal 90/10 funding guidelines are detailed in the State Medicaid Director letters regarding HITECH or MMIS.

Benefits for Medicaid enterprises

Medicaid agencies that implement the Provider Information Management solution may be eligible for federal funding to support the effort. Provider Information Management may help meet the requirements for ACA Section 1902 for assuring access to Medicaid services. Also, under the HITECH Act, Medicaid enterprises need to show progress toward:

- Developing and implementing up-to-date privacy and security requirements for HIE
- Developing directories and technical services to enable interoperability within and across states
- Coordinating with state public health programs to enable information exchange and support monitoring of provider participation in HIEs
- Removing barriers that hinder effective HIE, particularly those related to interoperability across laboratories, pharmacies, hospitals, clinician offices, health plans, and other health information exchange partners[3]

Provider Information Management can help Medicaid enterprises move forward in all of these crucial areas. It can also be used to support direct, secure messaging between providers, plans, statewide health information exchanges, and Medicaid enterprises.

Benefits for providers

The status quo isn't working. Providers who participate with multiple health plans, hospitals, and medical associations are being credentialed ad nauseum by each entity according to their individual credentialing cycles—and none of this is currently coordinated. As a result, physician practices and MCOs are barraged with inquiries. However, with a centralized, universally trusted Provider Information Management solution, we can simplify the verification requests from health plans and keep the information more current.

Providers benefit from far fewer requests for information, and a trustworthy and secure electronic referral system.

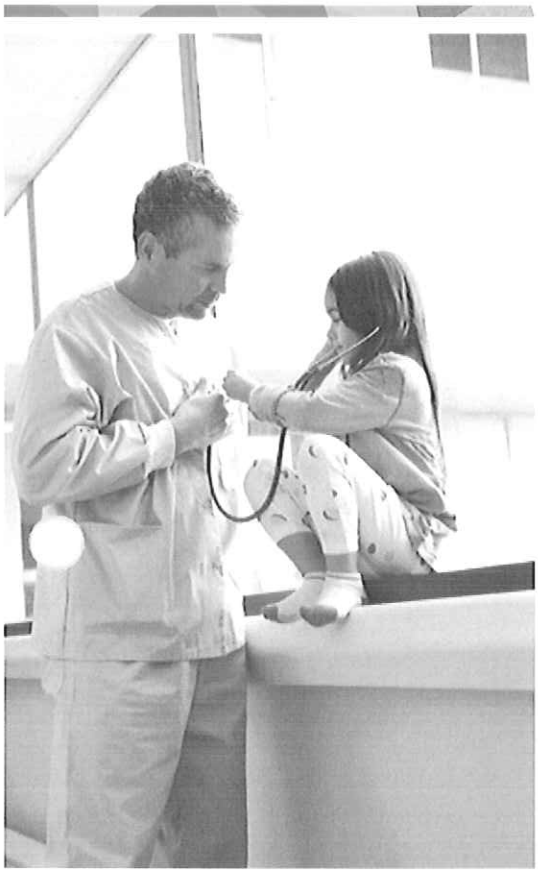
Besides reducing redundant calls into the practice, Optum Provider Information Management can simplify the communication between providers. First, the electronic addressing information will be up to date and verified. Second, as electronic exchange evolves and physicians refer more patients to a broader, more widely dispersed pool of providers, the referring physician can be more secure in knowing the medical credentials of the receiving provider have been verified and are in good standing. This combination of credential verification and electronic identity proofing and management provides the safety and security we all expect.

Benefits for health plans

Health plans spend millions every year independently identifying physicians, verifying their credentials, and publishing directories that are outdated before the ink is dry or the pixels are in place. Of course, inaccurate provider data slows down claims processing operations and increases the potential for fraud, which only serves to damage relationships between providers and plans, while raising health plans' administrative costs.

With Optum Provider Information Management, the redundancies of these efforts—and the costs—can be dramatically reduced. Instead of several plans each paying full price to independently verify providers in their networks, plans can leverage economies of scale—enlisting a single, centralized system to establish and verify demographic information and credentials continuously on everyone's behalf. Moreover, accuracy can improve substantially because the shared Provider Information Management platform is vastly superior to anything health plans can build individually.

Health plans can lower costs and minimize redundant administrative efforts by collectively leveraging a single, centralized system.



Patients and their families benefit from a comprehensive, accurate system that establishes the authenticity of physician credentials.

In addition to benefiting from lower costs and fewer administrative hassles by opting for a centralized, single source of truth about physician information, commercial health plans may be able to treat Provider Information Management-related expenditures as medical expenses under the Medical Loss Ratio (MLR) provision of the Affordable Care Act. For example, by linking a Provider Information Management subscription to HIE support or other quality improvement activities, health plans can treat qualifying expenses as medical rather than administrative. This gives plans actual reduced costs and potential assistance in meeting MLR targets—an additional value for participation.

With Optum Provider Information Management, health plans can cost-effectively and continuously monitor their providers in order to maintain network integrity. And the platform can provide a foundation for population-based quality measurements and public reporting, enabling physician network management and member health improvement like never before.

Benefits for health care consumers

For consumers, the benefits of Optum Provider Information Management are no less compelling. An accurate physician credentialing repository enables health care consumers to know that the physicians they see are in fact the persons they claim to be, and have qualifications commensurate with the diplomas on display and the letters that follow their names. What's more, in the event that a patient is referred to a specialist via electronic means, the patient can rely on the secure transfer of personal health information from the referring physician to the specialist. All in all, the Optum Provider Information Management system can offer higher-quality provider data (sourced from a single source of truth) that can result in more accurate provider directories, thus instilling confidence and enhancing patient safety.

System architecture basics

Optum Provider Information Management combines demographic information management with electronic identity proofing and verification of medical credentials. In addition, the system provides ongoing access and identity management of all users via secure sign-on, digital certificates, and other best-of-breed security technologies.

Key components of Optum Provider Information Management architecture include:

A comprehensive database. The Optum Provider Information Management database includes more than two million providers, and enables users to:

- Authenticate providers
- Conduct network analysis
- Support credentialing with primary source verification
- Enable provider to provider communication across HIEs and other electronic communications platforms
- Lower claims-processing costs
- Publish accurate, complete provider directories
- Comply with regulatory data requirements
- Create crosswalks between key provider identifiers
- Reduce returned mail rates and costs

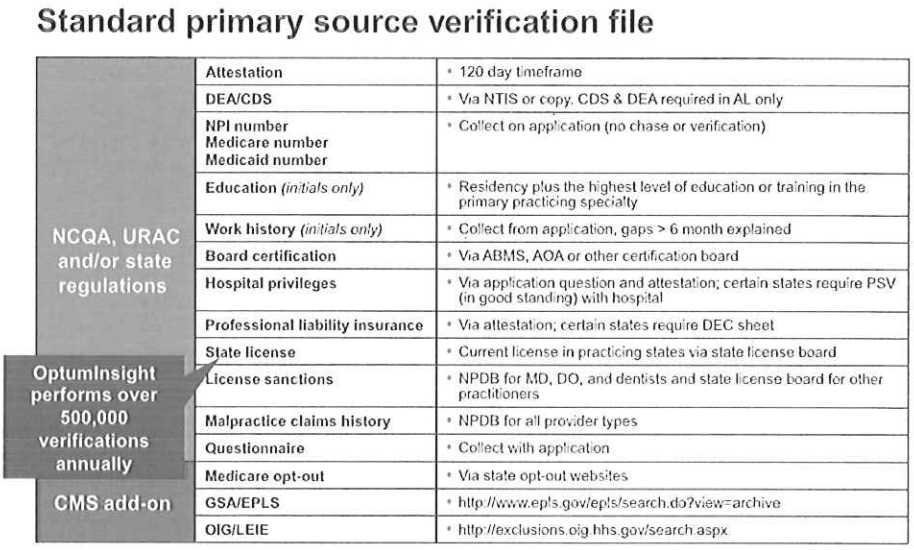


Figure 3: Optum Provider Information Management solution aggregates individual- and entity-level provider data from commercial and proprietary data sources and provides Primary Source Verification of medical credentials. In addition, inbound data is scrubbed to reconcile conflicts.

Large-scale Primary Source Verification. Optum Provider Information Management also features unique tools for large-scale Primary Source Verification to support NCQH, URAC and Joint Commission standards. Annually recurring costs of physician credentialing for Medicaid enterprises, health plans, hospitals, MCOs and others can range from $35 to $100 per provider. Accurate Primary Source Verification can help reduce those costs dramatically so that resources previously spent collecting often incomplete and inaccurate provider information can now be put to better use elsewhere.

Secure portals. With implementation of Optum Provider Information Management, each user in the portal to the database is secured to a specific role, whether that user is a participant in a state Medicaid agency, an HIE, or a provider organization. Regardless of the type of user, security is assured via identity proofing, and digital certificates. Commercial certificates, federal certificates, or both can also be required for access. These extraordinarily high security standards minimize the likelihood of system abuse while allowing for direct updates of provider information.

Other access methods. Application programming interfaces (APIs) can be built for Medicaid enterprises, HIEs, health plans, providers, and other specific user categories, to allow for custom, site-specific information requirements. Similarly, integration of other data types with Optum Impact Intelligence™ and other commercial OptumInsight products adds further capabilities in provider network management and clinical quality management.

Administrative simplification through PIM

Optum Provider Information Management represents an important platform for streamlining existing inefficiencies in provider information management processes. This capability delivers an accurate, verified data set and the related technologies to securely maintain essential information about the nation's providers. It offers the basis for cost-effective, widely accepted, standards-based HIE interoperability and decreases costs for provider and payer stakeholders. And it is a major step in helping to transform the collaborative environment between payers and providers.

About Optum

Optum™ is an information and technology-enabled health services company serving the broad health marketplace, including government, care providers, plan sponsors, life sciences companies, and consumers. Its business units—OptumHealth™, OptumInsight, and OptumRx™—employ more than 30,000 people worldwide who are committed to helping the health care system work better for everyone.

References

1 Thomson Gale Publications 2007

2 ONC and FHA Demonstrations in the HIMSS Interoperability Showcase, http://www.healthit.hhs.gov/

3 Source: "HITECH Priority Grants Program: State Health Information Exchange Cooperative Agreement Program Facts At A Glance," http://www.healthit.hhs.gov/portal/server.pt/gateway/PTARGS_0_0_8348_1495_0_43/portal/server.pt/gateway/PTARGS_0_0_8268_3436_22233_43/http;/wci-pubcontent/publish/onc/public_communities/_content/files/himss11

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Credentials Verification Services

Credentialing verification for providers is critically important, but with provider overlap between Medicaid managed care plans, the process can become redundant and costly. We can help you to simplify it, lower costs, and minimize the labor-intensive administrative burden while maintaining the standards set forth by accrediting bodies.

Today, providers are asked to complete extensive Medicaid enrollment forms, followed by separate applications for each Medicaid managed care plan. While the industry has made strides to improve the provider application process, the process is still fragmented. The process is further complicated in the subsequent steps:

- Each health plan completes primary source verification (PSV) on the data independently.
- Providers are recredentialed every three years on varying dates.
- Providers are also recredentialed by Medicaid, creating another touch point.

By partnering with Optum®, state Medicaid programs can streamline the credentials verification process by leveraging our leading data resources to establish a comprehensive, ongoing credentialing cycle that's built on a common schedule. This centralized process encompasses all providers serving Medicaid in both fee-for-service and managed care programs. Implementing it results in a single verification for each provider, which is then shared with all participating entities. This simplified process leads to less paperwork and lower costs by removing redundant health plan processes.

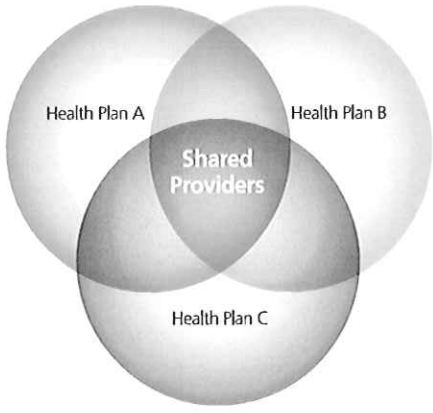
Provider data and supporting documents collection

Optum can tackle all the time-consuming tasks that go into processing provider credentialing forms. We contact providers, collect data elements, and gather supporting documents. To help you manage this information, we offer an online data collection portal that can be configured to support your unique needs. Or, if preferred, we can distribute and collect paper-based applications. Both approaches support industry standards and are pre-populated with known provider data.

Partner with Optum to simplify credentials verification processes for your Medicaid managed care plans.

Benefit from:

- Elimination of credentials verification redundancies between health plans
- Better, faster, more affordable primary source verifications
- Cost-effective, efficient solutions to track sanctions, disciplinary actions, and limitations of licensure
- Facility credentialing that verifies data for hospitals, ambulatory surgical centers, home health agencies, long-term care facilities, and more



Centralized credentials verification

We deliver fully certified and accredited primary source verification quickly, affordably, and with performance guarantees for timely completion of verification services. Provider information that overlaps between health plans is shared, which streamlines credentialing, eliminates redundancies, and reduces provider abrasion that's often caused by Medicaid managed care expansion. While credentialing providers is still critically important, it has become redundant. And significant resources should no longer be consumed by credentialing providers with every health plan.

By partnering with Optum, the health plans you engage with will devote less staff time to taking calls, contacting providers, handling documents, and tracking state regulations and accreditation requirements, which can result in significant time and cost savings. Our credentialing services can be delivered in a budget-neutral model, that also benefits the overall program by:

- Making credentialing profiles that get providers into the Medicaid available faster
- Consolidation redundant, labor-intensive processes while still allowing for health plan network autonomy
- Reducing the administrative burden on providers and helping improve the provider satisfaction overall

In addition to provider credentialing services, we can help to verify data for facilities such as hospitals, ambulatory surgical centers, home health agencies, and long-term care.

Monitoring of providers' sanction, credential, and demographic status

As your partner, we can help you save time by handling labor-intensive monitoring work. Optum offers continuous screening of providers for major credential or demographic changes. We can also monitor fee-for-service and management care networks for Medicare, Medicaid, and state licensure sanctions, helping ensure that national certification requirements are maintained and potential risks, such as working with sanctioned providers, are minimized.

Flexible, scalable credentialing services

Optum has the expertise to execute credentialing work for projects large and small, with tight deadlines or long-term implications. Our vast experience enables us to deliver the accuracy you expect — faster and more affordably — by eliminating redundancies and streamlining the entire process for participating plans.

The Optum credentialing verification process

Create a more efficient, cost-effective credentials verification processes.

To learn more about our credentials verification services:
Call: **800.765.6092**
Email: **innovate@optum.com**
Visit: **www.optum.com/government**

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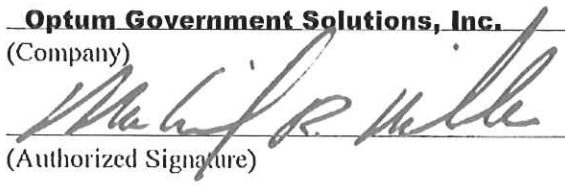
CERTIFICATION AND SIGNATURE PAGE

By signing below, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid or proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

Optum Government Solutions, Inc.
(Company)



(Authorized Signature)

Mike Miller, Senior Client Relationship Executive
(Representative Name, Title)

(508) 308-2085 **(781) 895-9951**
(Phone Number) (Fax Number)

October 3, 2012
(Date)

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: INS13004

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:
(Check the box next to each addendum received)

[X]	Addendum No. 1	[ ]	Addendum No. 6
[X]	Addendum No. 2	[ ]	Addendum No. 7
[ ]	Addendum No. 3	[ ]	Addendum No. 8
[ ]	Addendum No. 4	[ ]	Addendum No. 9
[ ]	Addendum No. 5	[ ]	Addendum No. 10

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Optum Government Solutions, Inc.
Company

Authorized Signature

October 3, 2012
Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.