



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

Date: March 15, 2012

To: Interested Parties

Subject: Medi-Cal Recoveries Involving Workers' Compensation Claims Request for Information (RFI)

The California Department of Health Care Services (DHCS), Medi-Cal Workers' Compensation Recovery Program (WCRP) is soliciting input from interested parties regarding the recovery of funds from workers' compensation settlements involving Medi-Cal beneficiaries.

Interested parties are requested to respond to the questions outlined in Section III, RFI Questions, of the following document. DHCS is very interested in receiving information on the level of interest in this program and recommendations for the best approaches to a program such as this.

THIS IS NOT A SOLICITATION FOR PROPOSALS AT THIS TIME BUT IS DESIGNED ONLY TO ELICIT INFORMATION FOR CONSIDERATION REGARDING THE FUTURE DIRECTION OF THE WCRP. DHCS may issue a future Request for Proposal (RFP) and may use the responses to this RFI in its development of an RFP.

If you have any questions about this RFI, please submit them to DHCS in writing no later than March 21, 2012. Responses to this RFI should be submitted by April 7, 2012 to OMCPRFP7@dhcs.ca.gov or by mail to the address below:

Department of Health Care Services
Office of Medi-Cal Procurement, MS 4200
Medi-Cal Workers' Compensation Recovery Program RFI
P.O. Box 997413
Sacramento, CA 95899-7413

Responses may also be faxed to the Office of Medi-Cal Procurement (OMCP), attention Katonya Shaw, at 916-440-7369.

Please do not submit proprietary or confidential material in your response.

Thank you for your interest in this program.

Original signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement

Medi-Cal Workers' Compensation Recovery Program Request for Information

I. Purpose

The California Department of Health Care Services (DHCS), Medi-Cal Workers' Compensation Recovery Program (WCRP) recovers funds from workers' compensation settlements involving Medi-Cal beneficiaries. DHCS is soliciting input from interested parties, including firms that may be interested in performing these activities.

DHCS intends to award two separate contracts if a Request for Proposal (RFP) results from this Request for Information (RFI). The contracts will be referred to as the WCRP Southern Region contract and the WCRP Northern Region contract. The contracts will be awarded to the most responsive and responsible firm earning the highest combined narrative and cost score for each contract awarded. If an RFP is released, firms may bid on either the WCRP Northern Region contract, WCRP Southern Region contract or both contracts.

The 48 counties designated in the WCRP Northern Region contract are: Alameda; Alpine; Amador; Butte; Calaveras; Colusa; Contra Costa; Del Norte; El Dorado; Fresno; Glenn; Humboldt; Inyo; Kings; Lake; Lassen; Madera; Marin; Mariposa; Mendocino; Merced; Modoc; Mono; Monterey; Napa; Nevada; Placer; Plumas; Sacramento; San Benito; San Francisco; San Joaquin; San Mateo; Santa Clara; Santa Cruz; Shasta; Sierra; Siskiyou; Solano; Sonoma; Stanislaus; Sutter; Tehama; Trinity; Tulare; Tuolumne; Yolo; and Yuba.

The 10 counties designated in the WCRP Southern Region contract are: Imperial; Kern; Los Angeles; Orange; Riverside; San Bernardino; San Diego; San Luis Obispo; Santa Barbara; and Ventura.

This RFI is extended to all interested parties, including firms who may be interested in submitting a response to a future RFP.

II. Background

In July 1965, the Social Security Act (SSA) was amended to add Title XVIII, which established the Medicare Program and Title XIX, which established the state-option Medicaid Program, in California known as Medi-Cal. Title XIX provided federal reimbursement (called "federal financial participation") to those states that implemented a Medicaid Program.

California legislation implementing the Title XIX program was signed in November 1965. Medi-Cal, the California Medicaid program, became effective in March 1966. Prior to the start of Medi-Cal, indigent Californians were provided health care services through a variety of programs administered by the counties. With the advent of Medi-Cal, a wide range of health benefits are provided uniformly to certain individuals throughout the State whose income and resources are insufficient to meet the cost of necessary medical services without jeopardizing the person's or family's self-maintenance and security.

Title XIX, section 1902, subsection (a) (25) of the SSA directs any state agency administering a plan for medical assistance under this chapter to take all reasonable measures to determine the legal responsibility of a party or carrier as it relates to the payment of medical care arising out of a work-related illness or injury. If a party is legally liable, the State shall seek reimbursement to the extent of legal liability.

In 1981, Welfare and Institutions Code (W&I) section 14124.82 directed the State to enter into at least two pilot project contracts for Workers Compensation (WC) recoveries. Subsequent to the

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expiration of the pilot project contracts, W&I Code section 14124.88 allowed DHCS, at its discretion, to continue contracting out the WCRP. As such, the State has contracted out the WCRP since 1991. Through this RFI process, DHCS is interested in obtaining high-level information about the viability of the existing program and in identifying those firms that may be interested in responding to a future RFP.

Under the WCRP, each Contractor receives a fixed percentage based on the amount of recoveries collected on behalf of the State for WC cases.

Medi-Cal WCRP cases are developed and carried out from the discovery of a case to closure or settlement. WCRP cases are identified by an electronic data match between the Department of Industrial Relations and the Medi-Cal Eligibility Data Systems. Data used for matching will be forwarded to the successful Contractor(s). Access to eligibility information and resources to order Medi-Cal beneficiary claim history reports will be available for each region.

All cases on which liens are filed with the appropriate employer, WC carrier or Workers Compensation Appeals Board (WCAB) prior to expiration of the WCRP contract shall remain with the existing Contractor. Extensive transition activities are not contemplated from an existing Contractor to a new Contractor, should a new Contractor be selected as part of the procurement process. Upon termination/expiration of an existing contract, unprocessed potential case referrals are transferred to a new Contractor within thirty State working days of the expiration of the previous contract. There is also a transparent changeover in some of the administrative areas of the contract to provide the successful Contractor with the necessary systems access and claims data to perform the work described in this RFI.

III. RFI Questions

Please respond to the following questions.

Questions for Interested Parties (including firms who may be interested in submitting a proposal to a future RFP):

1. Would you be interested in bidding on a future RFP for this contract? If your answer is no, why?
2. What changes to the contract would make it more appealing?
3. Please identify any problems or challenges you foresee in the WCRP that may discourage you from bidding on a future RFP.
4. What data would you need in advance of preparing a response to a future RFP?
5. What questions would need to be answered prior to responding to a future RFP?