

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
REQUEST FOR INFORMATION
ON DURABLE MEDICAL EQUIPMENT AND MEDICAL SUPPLIES
PROCUREMENT AND/OR BROKER SERVICES**

Purpose

The Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) is seeking information to assist it in developing requirements to procure Durable Medical Equipment (DME) and Medical Supplies (MS) in the most cost efficient manner that provides greater management oversight, accountability and monitoring of reimbursements to DME/MS providers.

DMAHS considers that engaging a contractor to serve as a broker to identify and manage a network of DME and MS providers for the statewide delivery of DME and MS in accordance with State and federal requirements is one way to improve the quality and cost effectiveness of DME and Medical Supplies delivered to Medicaid and NJ FamilyCare recipients.

As a preliminary step in this process, this RFI seeks responses from entities that use DME and MS brokerage services, firms that provide DME and MS broker services, and other interested, relevant entities that may have information helpful to the procurement of DME and MS. This includes information on item/services pricing and/or payment methodologies, such as transaction fees, capitation rates, or individual prices for DME and MS items and services. Respondents may be entities that provide some or all of the proposed services.

This RFI provides a brief background, a listing of the proposed types of services expected to be provided by a DME and MS broker and a list of questions to be answered by respondents. While the ideal response would include an answer to each question, with the exception of a few required answers, a respondent may choose which questions to answer. Those entities that procure or provide DME and MS through other methods are urged to provide supplemental information on alternative methods on how DME and MS items and services are obtained and paid or provided and reimbursed.

Important note: Information provided in response to this RFI is not subject to the Open Public Records Act because it consists of information which, if disclosed, would give an advantage to competitors or bidders.

Please email responses with the heading DME AND MEDICAL SUPPLIES PROCUREMENT AND/OR BROKER RFI to: Jennifer.D.Petrino@dhs.state.nj.us.

Responses are requested by June 26, 2009.

Background

The State pays for medically necessary equipment and supplies for qualified individuals pursuant to NJ FamilyCare and Medicaid programs. The State currently pays each DME and/or MS provider separately for covered items and services to Medicaid clients in accordance with DMAHS reimbursement methodology.

Payments for DME and MS to Medicaid Fee for Service (FFS) clients were an estimated \$36.1 million in calendar year 2008. Secondary/supplemental payments were \$5.5 million in the same period.

DMAHS is considering alternative methods of procurement and payment as a way to improve the cost effectiveness of DME and MS distribution to Medicaid FFS clients.

DMAHS is cognizant that recent changes promulgated by the Centers for Medicare and Medicaid Services (CMS) include a requirement that all DME and MS providers be accredited by September, 2009 and that CMS is also considering implementing competitive contract pricing for select DME items in select regions.

DMAHS has developed the following set of requirements as a baseline for future procurement and payment of DME and MS.

Proposed Requirements

- A. Services provided by a DME and Medical Supplies Broker include but are not limited to, the following:
- develop, maintain and manage the provider network that provides DME and MS services to covered Medicaid clients;
 - maintain and assure quality standards established by DMAHS;
 - ensure credentialing of network providers by CMS-approved credentialing entities in accordance with CMS standards;
 - conduct prior authorization for procedure codes required for the purchase, rental or leasing of DME and MS by Medicaid clients based upon medical necessity;
 - adjudicate claims;
 - establish and maintain a computerized Management Information System on the broker's information technology infrastructure;
 - manage finances; and
 - provide data metrics and reports to the State Contract Manager.
- B. It is anticipated that a monthly, capitated payment arrangement based upon the number of Medicaid/NJ FamilyCare fee for service population could be used to reimburse the DME and Medical Supplies Broker for its services.
- C. A DME and MS broker would be required to:
- provide DME and MS to eligible Medicaid/NJ FamilyCare recipients;
 - establish and maintain a computerized reporting system with DME and MS network providers for the purpose of tracking expenditures of DME and MS;
 - ensure provision of emergency DME and MS required to treat an emergency medical condition within twenty-four (24) hours;
 - respond to non-urgent DME and MS requests within forty-eight (48) hours; and
 - provide and operate a toll-free telephone call center.

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Respondent Questionnaire**

Please Note: Questions 1-11 represent required information

- 1. Firm Name: _____
- 2. Firm Street Address: _____
- 3. Firm City, State, Zip: _____
- 4. Firm Primary Business: _____
- 5. Contact Person Name: _____
- 6. Contact Person Title: _____
- 7. Contact Person Voice: _____
- 8. Contact Person Fax: _____
- 9. Contact Person Email: _____

10. Are you willing to make a presentation in Trenton, New Jersey at your company's expense, if requested? _____

11. If yes, what is the minimum notice you require in order to travel to Trenton, New Jersey to make a presentation? _____

- 12. Parent Company Name: _____
- 13. Parent Company Street Address: _____
- 14. Parent Company City, State, Zip: _____
- 15. Parent Company Primary Business: _____

16. Characterize respondent (Check one)
- A. DME Broker (Answer Questions 17-27, Attachments A and B)
 - B. Entity that retains a DME Broker (Answer Questions 28-39 Attachment B)
 - C. Entity that provides DME Broker services (Answer questions as appropriate)
 - D. Other (Describe)(Answer questions as appropriate)

QUESTIONS FOR DME BROKER/OTHER

- 17. Volume of DME Broker services currently provided (Gross \$) _____
- 18. Number of DME Clients (Please attach a list of major clients with volume in gross dollars and geographic location and dates of contract see Attachment A) _____
- 19. Do any of the current contracts include prosthetics/orthotics (if so, please identify in attachment A and include gross \$ volume)? _____
- 20. Is the compensation in the form of a capitated payment? _____
- 21. If, not, how is compensation structured? _____
- 22. What percent of DME business is rental _____
- 23. What percent of DME business is direct sales? _____
- 24. What percent of DME business is purchase of customized and selective DME ? _____
- 25. Attachment A attached (Circle one)? Yes No
- 26. Services: Please complete Attachment B to the extent possible/feasible/desired Attachment B attached (Circle one)? Yes No
- 27. Please indicate percentage of equipment and supplies listed in Appendix A that _____

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Respondent Questionnaire

are provided through the service _____

QUESTIONS FOR DME CLIENT/IN-HOUSE/OTHER

- | | | | | |
|------------|---|--|-----|----|
| 28. | Volume of DME Broker services currently contracted (Gross \$) | _____ | | |
| 29. | Annual cost of DME Broker Services | _____ | | |
| 30. | Size of Client Base | _____ | | |
| 31 | Characterization of Clients | _____ | | |
| 32. | Does contract include prosthetics/orthotics (please identify in gross \$ volume)? | _____ | | |
| 33. | Is the compensation in the form of a capitated payment? | _____ | | |
| 34. | If, not, how is compensation structured? | _____ | | |
| 35. | What percentage of DME business is rental? | _____ | | |
| 36. | What percentage of DME business is direct sales? | _____ | | |
| 37. | What percentage of DME business is purchase of customized and selective DME ? | _____ | | |
| 38. | Services: Please complete Attachment B to the extent possible/feasible/desired
Completed Attachment B attached (Circle one)? | <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 0 10px;">Yes</td> <td style="padding: 0 10px;">No</td> </tr> </table> | Yes | No |
| Yes | No | | | |
| 39. | Please indicate percentage of equipment and supplies listed in Appendix A that are provided through the service | _____ | | |

ATTACHMENT B

Respondent Name:

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Services Summary**

For each of the following please indicate if you currently provide the services and indicate volume of services provided you may either provide a total or the amount for your largest client:

	Yes No Check One		Volume	
Developing, maintaining and managing a provider network			(# Providers)	(# Geographic Areas)
Conducting credentialing			(Credentials completed annually)	(Indicate year and whether SFY, CY, FFY)
Competitive contracting/pricing strategies				(please provide description of practices and results)
Marketing/publicity			(Expenditures)	(Attach marketing plan and/or sample materials)
Conducting prior authorization			(prior authorizations completed annually)	(Indicate year and whether SFY, CY, FFY)
Adjudicating claims			(claims adjudicated annually)	(Indicate year and whether SFY, CY, FFY)
Establishing and maintaining a computerized management information system			(Total operating costs)	(Please provide materials describing the functionality of the system)
Managing finances			(Describe role)	(Provide list of accomplishments, i.e. cost savings)
Reporting monthly			NA	(Provide Sample(s))
Reporting weekly			NA	(Provide Sample(s))
Ad hoc reporting			(# of ad hoc reports annually)	(Provide Sample(s))
Automated tracking and reporting of expenditures by network providers				
Provide medical equipment and supplies to client			(Gross \$)	(Gross \$ purchase)
Provide emergency DME and medical supplies required to treat emergency medical conditions			(Average response time to emergency requests)	(Volume of emergency requests per year)
Respond to non-urgent DME and medical supplies requests within forty-eight (48) hours			(Average response time to non-urgent requests)	(Volume of nonemergency requests per year)
Operate a call center			(Annual Volume of Calls hours of operation)	(Please provide as many quality indicators as possible, for example: average/maximum wait time average/maximum pick up time ratio of operators to client base)
Quality control procedures				(Please provide any documentation available)
<i>Please list and provide volume/cost and any available details on additional services provided and not included above</i>				
<i>Please note all requests for information are optional but strongly encouraged</i>				