



Robert P. Astorino
County Executive

Department of Social Services

Kevin M. McGuire
Commissioner

30478

Date: November 17, 2012

To: The Board of Acquisition and Contract

From: Kevin M. McGuire
Commissioner
Department of Social Services

John B. McCaffrey
Chief Information Officer
Department of Information Technology

Re: Resolution to exempt from the Westchester County Procurement Policy an Agreement with Salient Corporation for the provision of software to detect Medicaid fraud, waste and abuse, pursuant to Section 3(a) xxi thereof.

Authority is hereby requested from your Honorable Board to exempt from the Westchester County Procurement Policy and Procedures an agreement with Salient Corporation for the provision of software as well as training support and maintenance to detect Medicaid fraud, waste and abuse. The proposed agreement will be in an amount not to exceed \$88,245 payable pursuant to an approved budget and subject to an appropriation for the term commencing on January 1, 2013 and ending December 31, 2013 with the County having the option, at its sole discretion, to extend the contract for two (2) additional one (1) year terms for amounts to be negotiated.

The State Legislature, through the passage of A12015/S8450, created an Office of the Medicaid Inspector General and charged it with coordinating all Medicaid fraud, waste and abuse activities in the State. The State subsequently entered into a Memorandum of Understanding (MOU) with Westchester County and agreed to work collaboratively with the County in a demonstration project to reveal Medicaid fraud, waste and abuse in order to identify Medicaid providers who should be targeted for compliance audits to ensure that such providers' billing practices are in compliance with the NYS Medicaid requirements. If not in compliance, the State and County will pursue a recovery of any inappropriate payments.

In order to comply with the directives from the Medicaid Inspector General, the County needs a software program that mines Medicaid data to support the detection of potential provider and/or recipient fraud, waste or abuse. Salient Corporation provides this software program to thirteen New York counties, six of which are part of the demonstration project. In addition, Albany County issued a Request for Proposals for the same software mining services and in the end awarded the contract to Salient Corporation. Pursuant to that contract, Westchester County Department of Social Services obtained the same services, software, training, support and maintenance, as well as the same pricing for the services.

Salient is using the same pricing model for licenses and services for all of their New York County customers and will continue to do so for 2013.

This contract serves a **public purpose** in that it provides the means for the County to detect and investigate Medicaid fraud, waste and abuse and, ultimately, generates recoveries for both state and local governments.

The **goals and objectives** of this agreement are to utilize the Salient Corporation software and the additional support services in order to analyze Medicaid confidential data for the detection of potential provider and/or recipient fraud, waste or abuse and to identify potentially fraudulent, wasteful or abusive patterns of activity.

Salient has been providing the software and the support services for the past few years. The continued use of this software and support services is crucial for the successful operation of the program to detect fraud, waste and abuse and subsequent recovery.

Therefore, based on the expertise, experience and familiarity of the contractor in working with this program and the long-standing relationship the contractor has with the County, it is proposed that the best interests of the County would be served by entering into this agreement with Salient Corporation for continued professional and technical services. This recommendation is made pursuant to Section 3(a) (xxi) of the Westchester County Procurement Policy.

Pursuant to Section 3(a) xxi, the Westchester County Procurement Policy and Procedures are not applicable to any procurement for which this Honorable Board determines, by resolution passed prior to commencing such procurement, that compliance with the Policy would not be in the best interests of the County. A separate resolution has been submitted requesting authority to enter into this agreement. .

Accordingly, a resolution to exempt this procurement is hereby submitted for your Honorable Board's consideration.

RESOLUTION

Upon a communication from Kevin M. McGuire, Commissioner of the Department of Social Services, and John B. McCaffrey, Chief Information Officer, Department of Information Technology, be it hereby

RESOLVED, that pursuant to Section 3(a)(xxi) of the Westchester County Procurement Policy, it is determined that application of the procedural requirements contained therein, including the necessity of soliciting proposals, is neither cost effective nor expedient and accordingly not in the best interests of the County in connection with the procurement of an agreement with Salient Corporation for the provision of software to reveal, Medicaid fraud, waste and abuse.

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/13/2012 JOMARY WEIR SECRETARY