



Robert P. Astorino
County Executive

Department of Social Services
Kevin M. McGuire
Commissioner

Philippe Gille
First Deputy Commissioner

42284

Date: September 18, 2014

To: Board of Acquisition and Contract

From: Kevin M. McGuire
Commissioner of Social Services

Subject: **Resolution authorizing the County of Westchester to amend an agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the purpose of conducting Medicaid Compliance Reviews for the County by extending the contract for six months to end February 28, 2015 and increasing the amount not to exceed by \$233,147 from an amount not to exceed \$454,409 to a new total not to exceed \$687,556 to be paid pursuant to approved budget and subject to appropriation**

On November 21, 2012, your Honorable Board approved a resolution authorizing the County of Westchester, acting by and through its Department of Social Services, to enter into an agreement with Island Peer Review Organization, Inc. d/b/a IPRO to conduct Medicaid Compliance Reviews for the County for the period September 1, 2012 through August 31, 2013 for an amount not to exceed \$454,409 with the County having the option to renew the agreement for three (3) additional one-year terms for amounts to be negotiated. The contract was subsequently executed.

One September 26, 2013, your Honorable Board approved a resolution authorizing the County of Westchester to exercise its first option to renew the agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the period September 1, 2013 through August 31, 2014 for an amount not to exceed \$454,409. The contract was subsequently executed.

Authority is now requested for the County of Westchester to amend the agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the period September 1, 2013 through August 31, 2014 for an amount not to exceed \$454,409 by extending the contract for six months to end February 28, 2015 and by increasing the not to exceed amount by \$233,147 from an amount not to exceed \$454,409 to a new total not to exceed amount of

\$687,556 to be paid pursuant to an approved budget and subject to appropriation. The additional funding will be used to cover the expenses during the extended term. The Department would like to extend the existing contract for another six months in order to keep the services provided by the vendor uninterrupted. Pursuant to the terms of this agreement, the contractor conducts audits and reviews of providers' compliance with Medicaid billing and program requirements on an ongoing basis and provide pre-litigation and litigation services and testify at proceedings as necessary. The Department will work on a Request for Proposal ("RFP") for the continued services beyond the six months extension. Accordingly, we are requesting for an exemption from the application of Federal Common Grant Rules on exigency ground. IPRO has been notified by the Department of the six months extension of the agreement and they have agreed to the same.

The New York State Association of Counties and its member counties have been working with the State Department of Health and the Medicaid Inspector General's Office to develop a project designed to assist the State in tackling Medicaid fraud, waste or abuse at the County level. Participation in this project makes Westchester County a partner in the effort to detect, investigate and prosecute Medicaid fraud, waste and abuse and to increase recoveries to both State and local governments.

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

The **goals and objectives** of this agreement are:

- to evaluate claims data and other Medicaid information from the data warehouse and Salient Solutions in order to identify targets for audit or further investigation
- to conduct audits and reviews of providers' compliance with Medicaid billing and program requirements
- to provide pre-litigation and litigation services and testify at proceedings as necessary

These **goals and objectives are in the best interests of the County in terms of health and safety** in that the efforts put forth through this contract are designed to maintain and protect the integrity of the Medicaid system. Medicaid is the largest source of funding for medical and health-related services for people with limited income. Improving the efficiency and accountability of the Medicaid program by preventing and detecting fraudulent, wasteful and abusive practices protects the health and safety of the Westchester County residents receiving health care services through this program.

Also, these **goals and objectives are in the best interests of the County as regards fiscal responsibility** in that the identification and prosecution of Medicaid fraud act as a deterrent against future fraud and, in many instances, results in the recovery of funds expended by the taxpayers. Achieving success in areas such as Medicaid recoveries is a significant step toward economic well-being.

The goals and objectives of this agreement will be tracked and monitored through performance measurement indicators, submission of audit reports, weekly conference calls and monthly written status reports on investigation/audit activity.

A report on recoveries for the period starting 4/1/13-3/31/14 has not been published yet. This will be made available to the Department when it is published.

Authority to exempt the proposed agreement from the application of the Procedures of the Westchester County Procurement Policy pursuant to Section 3(a) xxi has already been granted through a resolution approved by your Honorable Board on November 15, 2012.

Except as specifically amended hereby, all other terms and conditions of the original agreement as extended shall remain in full force and effect.

Accordingly, authority is requested to amend the agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the above stated purpose.

Approval of the attached resolution by your Honorable Board is respectfully requested.

RESOLUTION

Upon a communication from the Commissioner of the Department of Social Services, be it hereby

RESOLVED, that the County of Westchester, acting by and through its Department of Social Services, is hereby authorized to amend an agreement with Island Peer Review Organization, Inc. d/b/a IPRO for the purpose of conducting Medicaid Compliance Reviews for the County for the period September 1, 2013 through August 31, 2014 in an amount not to exceed \$454,409 by extending the contract for six months to end on February 28, 2015 and by increasing the not to exceed amount by \$233,147 from an amount not to exceed \$454,409 to a new total not to exceed amount of \$687,556 to be paid pursuant to an approved budget; and be it further

RESOLVED, that the Agreement is subject to County appropriations; and be it further

RESOLVED, that the Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of the Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate the Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Agency, then the Agency shall have the right to terminate the Agreement upon reasonable prior written notice; and be it further

RESOLVED, that except as specifically amended hereby, all other terms and conditions of the original agreement as extended shall remain in full force and effect; and be it further

RESOLVED, that the County Executive, or his authorized designee, is hereby authorized to execute all instruments and take all actions necessary to implement this resolution.

Original Contract Amount:	\$454,409
This Amendment:	<u>\$233,147</u>
Total	\$687,556

Account to be
Charged/Credited

	Fund	Dept	Major Program, Program & Phase Or Unit	Object Sub-Object	Trust Account	Dollars
2014	101	22	4000	4420	-----	\$155,431
2015	101	22	4000	4420	-----	\$ 77,716

Budget Funding Year(s): 2014-15
(must match resolution)

Start Date: N/A

End Date: 02/28/15

Funding Source

\$233,147

(must match resolution)

Tax Dollars:

State Aid: 50%

Federal Aid: 50%

Other: