



Robert P. Astorino
County Executive

Department of Social Services

Kevin McGuire
Commissioner

Philippe Gille
First Deputy Commissioner

44119

Date: January 7, 2015

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 authorizing the County of Westchester to exercise its second option to renew an Agreement with Salient Corporation for the provision of software to identify Medicaid fraud, waste and abuse along with training, support services and maintenance in an amount not to exceed \$94,645 payable pursuant to an approved budget and subject to appropriation for the period January 1, 2015 through December 31, 2015

On December 13, 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 Salient Corporation for the provision of software to identify Medicaid fraud and abuse along with training, support services and maintenance in an amount not to exceed \$88,245 payable pursuant to an approved budget and subject to appropriation for the period January 1, 2013 through December 31, 2013 with the County having the option to renew the agreement for two (2) additional one-year terms for amounts to be negotiated. The contract was subsequently executed.

On February 6, 2014, your Honorable Board approved a resolution authorizing the County of Westchester to exercise its first option to renew the agreement with Salient Corporation by extending the contract for one (1) additional year commencing January 1, 2014 and terminating December 31, 2014 in an amount not-to-exceed \$94,645 payable pursuant to an approved budget and subject to appropriation. The contract was subsequently executed.

Authority is now requested for the County of Westchester to exercise its second and final option to renew the agreement with Salient Corporation by extending the contract for an additional year for the

period commencing January 1, 2015 through December 31, 2015 in an amount not to exceed \$94,645 to be paid monthly pursuant to an approved budget and subject to appropriation.

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 and with Island Peer Review Organization, Inc., the County's auditing contractor for these services, 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 2015.

Salient Corporation is a Sole Source based on the services they are providing. Support services consist of two (2) components: (1) software updates and (2) help-desk support. As to software updates, the software is proprietary to Salient and no other party has the legal right or, to our knowledge, the technical capability to update the software. As to help-desk support, it requires both familiarity with the software and access to the source code. No party other than Salient has the legal right to access to the software's source code and no party other than Salient has actual access to the software's source code. Further, no party has familiarity with Salient's proprietary software that is comparable to Salient's familiarity with it. Accordingly, no party other than Salient could provide the County with the support services Salient is currently providing.

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 helps in generating 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.

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 incomes. Improving the efficiency and accountability of the Medicaid program by preventing and detecting fraudulent, wasteful and abusive practices protects the welfare 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 in terms of fiscal responsibility** in that the identification and prosecution of Medicaid fraud act as a deterrent against future fraud and, in many instances, result 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 developed by the Department. They include, but are not limited to, weekly updates of Medicaid paid claims, data integrity, validation reports, user assistance and navigation help.

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

This contract is exempt from the Westchester County Procurement Policy pursuant to Section 9, as this is a sole source provider. The sole source exemption also applies to the Federal Common Grant Rules as well.

Accordingly, I recommend approval of the annexed Resolution.

APPROVED BOARD OF ACQUISITION & CONTRACT - 01/19/2019 - PRIMARY VIEW SECRETARY

RESOLUTION

Upon a communication from the Commissioner of the Department of Social Services and the Chief Information Officer, Department of Information Technology, be it hereby

RESOLVED, that the County of Westchester is hereby authorized to exercise its second renewal option for an agreement with Salient Corporation for the provision of software to identify Medicaid fraud, waste and abuse, along with training, support and maintenance services in an amount not to exceed \$94,645 payable pursuant to an approved budget for the term January 1, 2015 through December 31, 2015; and be it further

RESOLVED, that this Contract is subject to County Appropriations; and be it further

RESOLVED, that this 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 this 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 this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that based on the representations of the Commissioner of Social Services and the Chief Information Officer, Department of Information Technology, this Agreement is exempt from the Westchester County Procurement Policy pursuant to Section 9 (Sole Source) of said Policy as Salient Corporation is the sole provider of this service; 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 any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Account to be charged:

Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	22	8900	5720	----	\$94,645

Budget Funding Year(s): 2015 Start Date: 01/01/15 End Date: 12/31/15

Funding Source Tax Dollars:
State Aid: 50%
\$94,645 Federal Aid: 50%
(must match resolution) Other:

APPROVED BOARD OF ACQUISITION & CONTRACT - 02/19/2015 - JOMARY VIEIRA, SECRETARY