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Robert P. Astorino
County Executive

Department of Social Services

Grant E. Mitchell, MD
Acting Commissioner

16144

Date: December 15, 2010

To: The Board of Acquisition and Contract

From: Grant E. Mitchell, MD
Acting Commissioner
Department of Social Services

Marguerite Beirne
Chief Information Officer
Department of Information Technology

Re: Authority to rescind a resolution dated April 15, 2010 and to amend an Agreement with Salient Corporation for the provision of a software program which allows for reporting, analysis and exploration of the Medicaid confidential database and aids in the detection of Medicaid fraud, waste and abuse, and the procurement of certain other services including training, support and maintenance for the period November 1, 2007 through October 31, 2010 in an amount not to exceed $293,440 by: 1) extending the end date of the Agreement from October 31, 2010 to December 31, 2011; 2) modifying the scope of services retroactively effective May 1, 2010 to include premium services as described in Schedule "A" attached herewith; 3) changing the license granted in the Agreement from a "Perpetual License" to a "personal, non-transferable and non-exclusive license to the Muni Minder Medicaid module (the "Software")" for fifteen users; and 4) increasing the not to exceed amount by $73,240 from a not to exceed amount of $293,440 to a new total not to exceed amount of $366,680 to be paid pursuant to an approved budget and subject to appropriation to cover the cost of the premium services retroactively effective May 1, 2010 as well as the services to be provided during the extended term.

By resolution approved on August 30, 2007, your Honorable Board authorized the County of Westchester, through its Department of Social Services, to enter into an Agreement with Salient Corporation for the provision of a software program which allows for reporting, analysis and exploration of the Medicaid confidential database and aids in the detection of Medicaid fraud, waste and abuse, and the procurement of certain other services including training, support and maintenance, in an amount not-to-exceed $293,440 payable pursuant to an approved budget and subject to appropriation, for the term commencing on November 1, 2007 and ending on October 31, 2010 (the "Agreement"). The Agreement was subsequently executed.

It is now requested that a resolution approved on April 15, 2010 which authorized a first amendment to the Agreement increasing the not to exceed amount of the Agreement by $4,000 to add premium services, be rescinded. This rescission is necessary in order to adopt the current resolution authorizing an extension of the term of the agreement, an increase in the amount of the contract to include premium services and a revision to the original Agreement relating to the type of software license granted.

Authority is also now being requested to amend the Agreement by: 1) extending the end date of the Agreement from October 31, 2010 to December 31, 2011; 2) modifying the scope of services retroactively to include premium services effective May 1, 2010, as described in Schedule "A" attached herewith; 3) changing the license granted in the Agreement from a "Perpetual License" to a "personal, non-transferable and non-exclusive license to the Muni Minder Medicaid module (the "Software)" for fifteen users; and 4) increasing the not to exceed amount by $73,240 from a not to exceed amount of $293,440 to a new total not to exceed amount of $366,680 to be paid pursuant to an approved budget and subject to appropriation. The additional funding will be used to cover the cost of the premium services retroactively effective May 1, 2010 as well as the services to be provided during the extended term. The premium support services will provide enhanced user assistance and navigation help as well as monitoring and reporting for higher security assurance.

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, generate recoveries for both state and local governments.

The **goals and objectives** of this agreement are to utilize the Salient Corporation Software 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 health and safety of Westchester County residents receiving health care services through this program.

Also, these **goals and objectives are in the best interests of the County** regarding **fiscal responsibility** in that the identification and prosecution of Medicaid fraud acts 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 approved by the County Budget Office. They include, but are not limited to, weekly updates of Medicaid paid claims, data integrity and validation reports and user assistance and navigation help.

During the contract term, Salient met all of its milestones on time including Software installation, implementation services, training and software maintenance and support.

This agreement will continue to provide significant savings for the County. Based on Salient Corporation's proven success, and the fact that the County was obtaining the pricing and services obtained by Albany County from Salient pursuant to an existing contract and the County was acting in compliance with directives from the Medicaid Inspector General, your Honorable Board exempted the procurement of these services from the Westchester County Procurement Policy and Procedures pursuant to Section 3(a) (xxi) through a resolution approved by your Honorable Board on August 30, 2007.

Except as specifically modified hereby, all other terms and conditions of the Agreement shall remain in full force and effect.

Accordingly, I recommend approval of the annexed Resolution.

R E S O L U T I O N

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

RESOLVED, that the resolution approved on April 15, 2010 which authorized a first amendment to the Agreement increasing the not to exceed amount of the Agreement by $4,000 to add premium services is hereby rescinded; and be it further

RESOLVED, that the County of Westchester is hereby authorized to amend the Agreement with Salient Corporation for the provision of a software program which allows for reporting, analysis and exploration of the Medicaid confidential database and aids in the detection of Medicaid fraud, waste and abuse, and the procurement of certain other services including training, support and maintenance for the period November 1, 2007 through October 31, 2010 in an amount not to exceed $293,440 by: 1) extending the end date of the Agreement from October 31, 2010 to December 31, 2011; 2) modifying the scope of services retroactively effective May 1, 2010 to include premium services as described in Schedule "A" attached herewith; 3) changing the license granted in the Agreement from a "Perpetual License" to a "personal, non-transferable and non-exclusive license to the Muni Minder Medicaid module for fifteen users; and 4) increasing the not to exceed amount by $73,240 from a not to exceed amount of $293,440 to a new total not to exceed amount of $366,680 to be paid pursuant to an approved budget and subject to appropriation. The additional funding will be used to pay for the premium services retroactively effective May 1, 2010 as well as the services to be provided during the extended term; 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 except as specifically modified hereby, all other terms and conditions of the Agreement 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.

Original Contract Amount: $293,440
This Amendment: $ 73,240
Total $366,680

Account to be charged:

Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
2010	101	22	8900	5650	--------	$27,320
2011	101	22	8900	5650	--------	$45,920

Budget Funding Year(s) ___2010-11___   Start Date: N/A   End Date: 12/31/11

Funding Source   Tax Dollars:
                             State Aid: 50%
$73,240   Federal Aid: 50%
(must match resolution)   Other _____

SCHEDULE "A"

Premium Support Services

The premium support services provide enhanced user assistance and navigation help as well as monitoring and reporting for higher security assurance. This software also provides support for analysis of trends in Medical Assistance payments and use of Medical Assistance services. The reports obtained through the use of this software provide the basis for selecting providers to be audited for the demonstration project on Medicaid Fraud, Waste and Abuse. The system also supports the identification of recipients who may be referred for services under Supplemental Security or Social Security.

Description of functions:

a.   Data Interface Management:
      Closely monitoring all data downloads (daily, weekly and monthly) for accurate and timely data updates
      Initial and ongoing data validation reporting
      Limiting down time during working hours
      Troubleshooting and debugging all error logs and providing best efforts to fix data problems
      Managing connection stability of the source data
      Staying abreast of source data changes and making design adjustments to the interface when necessary
b.   Data Enhancements:
      Designing changes to the interface based on new data source availability and user needs
      Supplying change documentation and overview to users of interface enhancements
c.   Installation of updates to the Software that are provided pursuant to maintenance and support services
d.   Basic County User Assistance and Navigation help
e.   Maintaining compressed back-ups for off-site storage