



Robert P. Astorino
County Executive

Department of Social Services

Kevin McGuire
Commissioner

23701

Date: November 18, 2011

To: The Board of Acquisition and Contract

From: Kevin M. McGuire, Commissioner, Department of Social Services
Marguerite Beirne, Chief Information Officer, Department of Information Technology

Re: Resolution to authorize an Agreement with Salient Corporation for the provision of software as well as training, support services and maintenance to reveal Medicaid fraud, waste and abuse in an amount not to exceed \$45,920 payable pursuant to an approved budget and subject to an appropriation for the term commencing January 1, 2012 and ending December 31, 2012 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

Authority is hereby requested for Westchester County to enter into an agreement with Salient Corporation for the provision of software as well as training, support and maintenance to reveal Medicaid fraud, waste and abuse in an amount not-to-exceed \$45,920 payable pursuant to an approved budget and subject to appropriation for the term commencing January 1, 2012 and ending December 31, 2012 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 2012.

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.

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 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 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 wellbeing.

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, validation reports, user assistance and navigation help.

In 2011 net recoveries for this project totaled \$413,235 of which the local share was \$66,143.

Authority to exempt this Agreement from the requirements of the Westchester County Procurement Policy and Procedures pursuant to Section 3(a) xxi has been requested through a separate resolution.

Accordingly, I recommend approval of the annexed Resolution.

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 enter into an agreement with Salient Corporation for the provision of software as well as training, support and maintenance, to reveal Medicaid fraud, waste and abuse, in an amount not to exceed \$45,920 payable pursuant to an approved budget for the term commencing January 1, 2012 and ending December 31, 2012 and be it further

RESOLVED, that the County, at its sole option, may extend the term of the Agreement for up to two (2) additional one (1) year periods for amounts to be negotiated. Any such extension shall be subject to this Board's approval; and be it further

RESOLVED, that this Agreement 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 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
2012	101	22	8900	5650	----	\$45,920

Budget Funding Year(s) 2012 Start Date: 1/01/12 End Date: 12/31/12

Funding Source

Tax Dollars:

State Aid: 50%

Federal Aid: 50%

Other _____

\$45,920
(must match resolution)

APPROVED BOARD OF ACQUISITION & CONTRACT - 01/12/2012 - JOMARY VEIRA, SECRETARY