



**VIA EMAIL**

DATE: June 18, 2014  
TO: Prospective Proposers  
FROM: Maureen Crystal  
Director of Contracts  
RE: Invitation for Bid (IFB) No. Q14-36  
Type of Service: Debt Collection Services

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**Addendum No. 1**

IFB Q14-36 is hereby amended. The IFB is amended only as set forth in this Addendum No. 1:

- Consisting of Pages Five(5) pages including this cover page.
- Due Date has been changed to **June 26, 2014**

All other terms and conditions of the IFB dated June 10, 2014 remain in full force and effect.

Immediately upon receiving this Addendum No. 1, please acknowledge such receipt by providing the information requested below and returning this page only via email to [lisandra.reid@downstate.edu](mailto:lisandra.reid@downstate.edu) or fax at 718-270-3342

\_\_\_\_\_  
Vendor's Name

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Date

DMC Materials Management webpage: [www.downstate.edu/materials](http://www.downstate.edu/materials)

# IFB Q14-36 IFB

## Questions and Answers:

1. Please confirm the due date for this procurement is **6/25/2014**? **No. The Due Date has been extended until June 26, 2014**
2. When is the anticipated contract start date? **The anticipated start date is 3<sup>rd</sup> Quarter 2014**
3. What is the term of the contract? **The contract is a 5 year term**
4. Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen? **Vendors will be chosen based on fulfilling all of SUNY-DMC's vendor requirements and by cost**
5. Please describe your level of satisfaction with your current vendor(s), if applicable. **This is not applicable to the current IFB**
6. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also? **Yes Vendors should propose fees for primary and secondary placements.**
7. What collection attempts are performed or will be performed internally prior to placement? **Accounts will be turned over at generally 120 days from discharge date. Accounts will have been billed with standard follow-up procedures administered.**
8. What is the total dollar value of accounts available for placement now by category, including any backlog? **Volume of collection outsource is currently undetermined.**
9. What is the total number of accounts available for placement now by category, including any backlog? **The selected agencies will be receiving new placement, therefore no backlog.**
10. What is the average balance of accounts by category? **In patient Average account balance is approximately \$31,600 per account; outpatient average is approximately \$528.00 per account.**
11. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **Both inpatient and outpatient accounts approximate age at placement is 120 days.**
12. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? **Inpatient volume: approximately 80 accounts per month; outpatient volume approximately 2400 accounts per month**
13. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up. **Historical collection return rate, blended for both in and out is approximately 22%**

14. I am unclear as to what services you are looking for? The services listed in the IFB section do not correlate with the services on the Cost Proposal Grid. In the IFB section it specifically states that you are looking for Outpatient Commercial insurance over 120 days, yet on the cost proposal its listing third party payers at day 120. Is that all payers at day 120, both Inpatient AND Outpatient? **Yes all self-pay and third party payor accounts are at day 120 for both Inpatient and Outpatient accounts.**
15. Also listed is Carve out's and small balance accounts, which are not mention on Lot 1 or Lot 2 of the IFB section of the proposal. **SUNY Downstate has a small percentage of plans that pay carve out prices for some implantable. Small balance accounts are defined as \$2000 or less.**
16. What is also unclear on the cost proposal grid is the referencing of 1<sup>st</sup> placement services and 2<sup>nd</sup> Placements services. Is there any clarification for the distinction between 1<sup>st</sup> and 2<sup>nd</sup> placement services? **Second placements are defined as an account having been already worked by a previous collection agency. SUNY Downstate will be placing "second placement accounts with our new venders.**
17. Please provide the recovery rate, average balance, monthly placement amount and number of accounts for the last 2 years. **Two year data not available, one year recovery rate provided**
18. Who is currently performing collection services for SUNYDMC? **This information is not relevant to this IFB.**
19. What are the fees current collection agencies are charging for these services? **This information is not relevant to this IFB.**
20. What is SUNY-DMC's recovery rate goal for each? **Blended recovery rate expectations are 15- 18%.**
21. What would SUNY-DMC like to improve through this RFP? **SUNY-DMC would like to improve its collection process and recovery rate.**
22. Please define the types of services SUNY-DMC considers to be subcontractors. For instance, do you consider letter vendors or skip tracing vendors to be subcontractors? **Skip tracing can be subcontracting, letters or statements primarily vendors.**
23. Section II, p.1 Sample Contract—Does the bidding agency need to fill out all highlighted fields and/or sign this document to submit with proposal? **No. Bidders do not have to fill out and submit this Sample contract with the proposal. This is a Sample Contract that has SUNY-DMC terms and conditions that are in all of its Vendor Contracts**
24. Section II, BAA—Does the bidding agency need to return a completed and signed BAA agreement with its proposal submission? **No. This is a sample of SUNY-DMC's current BAA agreement. It does not have to be filled out and returned with the proposal.**

25. Please specify how confidential/proprietary information should be submitted. Information can be submitted via email to [lisandra.reid@downstate.edu](mailto:lisandra.reid@downstate.edu) or [Maureen.crystal@downstate.edu](mailto:Maureen.crystal@downstate.edu); or by mailing to: Contracts Dept, MSC 63; 450 Clarkson Ave, Brooklyn NY 11203-2098.
26. Will SUNY-DMC be requiring Early-Out services? Yes, we reserve the right to place accounts early (i.e. special project).
27. The IFB states that agencies will recommend litigable accounts to SUNY-DMC and that the NYSAG will perform litigation. However, the IFB provides a listing of law firms that qualify for the WMBE requirements. Please clarify that 1) bidding agencies will not be providing litigation services for SUNY-DMC and 2) whether or not WMBE services listed on the forms must be utilized in working SUNY-DMC's accounts. Yes MWBE services must be utilized in servicing SUNY-DMC's accounts.
28. PAGE 1 –Introduction and Background
- a. 3<sup>rd</sup> paragraph Selection Criteria –in addition to Cost what other attributes will SUNY DMC deem as their critical success factors? Customer services feedback, quality of reporting and timeliness of reporting.
  - b. 4<sup>th</sup> Paragraph “Information Systems” – will the vendor be granted remote access to the Hospital AHS Eagle 2000 system and Physician Virtual Manager system? Access will be granted for Eagle System. The Physician systems are proprietary, Suny Downstate will work with vendor to acquire this access.
29. Page 2 – Specific Requirements
- a. #2 – is the intention of SUNY DMC to include MVA, Workmen's Comp, TPL, <\$2,500 Low balance accounts and Underpayment services as part of this bad Debt IFB: Yes
  - b. If so, are any of these payers currently outsourced: Yes , each of the stated payers are currently outsourced.
30. Page 3 - # 5
- a. Is SUNY DMC able to receive and download Note File / Activities Notes from vendor system into AHS Eagle 2000 and Virtual Manager: Yes, specific's can be provided.
31. Page 6 #25
- a. Referrals – will referrals be made electronically or via hardcopy: Electronically
32. Page 6 #26
- a. Will SUNY DMC allow vendor to have remote printing capabilities: Can be explored.
33. Page 8 #39
- a. Will the initial referral encompass a one-time backlog referral: No.

34. Page 8 # 40 – LOTS 1 & 2

- a. Are these scopes of work currently outsourced: **No.**
- b. If so, to whom and how long: **Not Relevant.**

35. Page 8 #41 - **LOT 2**

- a. LOT 1 A) PHYSICIAN ACCOUNTS
  - i. What payers would be included in this Scope of Work: **All payers.**

36. 2<sup>nd</sup> PLACEMENT SERVICES

- a. Can SUNY DMC provide historical recovery data for each payer segment above?: **Only a blended recovery rate.**

37. OPTIMAL EARLY PLACEMENT - CASH ACCELERATION PROJECT

- a. Can you quantify the projected monthly referral totals ( # of accounts and \$ value) for the following payers:
  - i. Third-party Payers at Day 30: **No accounts will be placed at thirty days, unless its consider a special project.**

38. Lot 1 and Lot 2 include different categories of placements vs. the Cost Proposal grid. For which categories are you requesting pricing? **Requesting pricing for categories of placement listed on the cost proposal grid.**

39. What is the expected date of placement for small balance insurance accounts? **Within 30 days of contract awarded**

40. What is the length of the protocol for first placements for each financial class? **180 days placement with no activity.**

41. What placement categories does the ten day grace period apply to? **All categories.**

42. Interviewing patients regarding Medicaid applications is included in the Lot 1, but not included in the Cost Proposal Grid. Do you want bidders to propose on this service? **Yes, bidders should propose a cost for this service.**

43. Do you plan to place inpatient and outpatient accounts for each financial class placed? **Yes we plan to place both inpatient and outpatient accounts for financial class listed.**

44. If a vendor is not either a MBE or a WBE, does the vendor need to identify and select a vendor to subcontract services for 21% of the total revenue? **Yes, vendor needs to identify and select a MBE/WBE vendor to subcontract services for 21% of the total revenue.**

45. When do you anticipate commencing placements with the successful bidders? **Within 30 days from award.**

End