

TECHNICAL PROPOSAL

1 - TABLE OF CONTENTS

1 - Table Of Contents.....	1
2 - Transmittal Letter.....	5
3 - Bid Proposal Mandatory Requirements Checklist.....	9
4 - Executive Summary.....	11
4.2.4 Executive Summary / Introduction.....	11
NAS Introduction.....	11
Project Approach.....	12
Project Management.....	14
5 – Project Understanding.....	15
4.2.5 Understanding of the Iowa Medicaid Enterprise Procurement Project	15
6 - Services Overview.....	19
4.2.6 Services Overview.....	19
Added Value Services.....	19
A) Computer Output to Laser Disk (COLD) Technology.....	20
B) Critical Systems Operations Center.....	20
C) Production Mail Integrity Systems.....	20
D) Böwe Bell & Howell Criterion II Mail Sorter.....	21
E) Physical Security Controls.....	21
F) Accommodate Other IME Contractors Print and Mail Needs ...	22
7 – General Requirements.....	23
4.2.7 General Requirements.....	23
8 - Start-Up Activities.....	27
4.2.8 Start-Up Activities.....	27
9 – Operational Requirements.....	29
4.2.9 Operational Requirements.....	29
Check Stock (3.2.1).....	29
A) Maintaining and Securing Check Stock.....	29
B) Corporate Security Training.....	31
C) Providing DHS With Check Stock.....	31

Paper Stock (3.2.2).....	32
Operational Processes/Procedures (3.2.3).....	33
Testing (3.2.4).....	34
Mailing/Postage (3.2.5).....	36
Payment Cycle Preparation (3.2.6).....	38
Remittance Advice (3.2.7).....	41
RCF Letters (3.2.8).....	44
Mailing (3.2.9).....	44
Reporting (3.2.10).....	46
10 – Project Management Planning.....	49
4.2.10 Project Management Planning.....	49
4.2.10.1 Subcontractors.....	49
4.2.10.2 Draft Project Plan.....	49
11 – Corporate Organization, Experience, and Qualifications.....	51
4.2.11 Corporate Organization, Experience and Qualifications.....	51
Organization Chart.....	51
Authorized Executive.....	51
Legal Structure.....	52
Iowa Business License.....	52
Organization History.....	52
Organization Structure.....	53
Executives, Management & Technical Staff.....	54
Established Partnerships.....	55
Similar Projects/Services.....	55
Other Contracts/Projects.....	56
4.2.11.1 Contractor Experience Levels.....	56
4.2.11.1.1 Systems Units.....	56
4.2.11.2 Letters of Reference.....	62
4.2.11.3 Disclosure of Felony Convictions.....	63
12 – Certifications and Guarantees by the Bidder.....	65
4.2.12 Certifications and Guarantees by the Bidder.....	65
4.2.12.1 Authorization to Release Information.....	65

4.2.12.2 Certification Regarding Debarment, Suspension, Ineligibility
And Voluntary Exclusion--Lower Tier Covered Transactions.....66

4.2.12.3 Certification Of Independence And No Conflict Of Interest68

4.2.12.4 Proposal Certifications And Declarations69

4.2.12.5 Certification Of Available Resources70

4.2.12.6 Acceptance Of Terms And Conditions71

4.2.12.7 Firm Bid Proposal Terms.....72

ATTACHMENTS.....73

- 1 – Draft Project Plan
- 2 - Check Stock
- 3 - CSOC Building Features
- 4 - Check Handling Procedures
- 5 - Print Operations Manual
- 6 - NAS Organization Chart
- 7 - Iowa Business License
- 8 - Letters of Reference

This page left intentionally blank

2 - TRANSMITTAL LETTER

March 9, 2005

Joanne Rockey
Issuing Officer, RFP# MED-04-085
Iowa Department of Human Services
100 Army Post Road
Des Moines, Iowa 50315

Re: Transmittal Letter

Dear Ms. Rockey:

Noridian Administrative Services, LLC (Noridian) is submitting a bid in response to the above RFP.

1.) The mailing address of Noridian Administrative Services is:

Noridian Administrative Services, LLC
4305 13th Avenue S.W.
Fargo, ND 58103-3373

2.) The person authorized to bind Noridian Administrative Services is:

Jay Martinson
Executive Vice President & COO
jay.martinson@noridian.com
701.282.1439
Fax: 701.277.5150

The point of contact for Noridian Administrative Services on this bid is:

Jeff Harmon
Manager, Operations
Jeff.harmon@noridian.com
701.282.1261
Fax: 701.277.5150

- 3.) Noridian Administrative Services is a limited liability company. Noridian Administrative Services does not plan to use subcontractors in this proposal. Noridian Administrative Services will perform 100% of the work under this contract.
- 4.) Noridian Administrative Services, LLC is registered with Iowa Secretary of State to do business in Iowa. The registration number is 490FLC-000269119.
- 5.) Noridian Administrative Services' Federal Tax Identification Number is: 450173185.
- 6.) Noridian Administrative Services will comply with all Contract Terms and Conditions as indicated by Section 6 of this RFP.
- 7.) Noridian Administrative Services affirms that no attempt has been made or will be made by Noridian Administrative Services to induce any other person or firm to submit or not to submit a proposal.
- 8.) Noridian Administrative Services is an affirmative action employer. Noridian Administrative Services does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or handicap.
- 9.) No cost or pricing information has been included in this letter or in the Technical Proposal.
- 10.) Amendment 1 to this RFP has been received by Noridian Administrative Services.
- 11.) Noridian Administrative Services certifies in connection with this procurement that:
 - a.) The prices proposed have been arrived at independently, without consultation, communication, or agreement, as to any matter relating to such prices with any other bidder or with any competitor for the purpose of restricting competition; and
 - b.) Unless otherwise required by law, the prices quoted have not been knowingly disclosed by the bidder to award, directly or indirectly, to any other bidder or to any competitor.
- 12.) Noridian Administrative Services requests Department consider the audited financial statements contained in this proposal considered confidential. Noridian Administrative Services' audited financial statements are proprietary and confidential and would give advantage to competitors if released and is thus not in best interests of the public. The Noridian Administrative Services audited financial statements meets the definition of a confidential record according to Iowa Code Section 22.7. Contact Noridian General Counsel, Greg Gullickson, at 701-282-1375 to respond to the Department about the confidential nature of the information.
- 13.) I certify that I am the person in Noridian Administrative Services organization responsible for, or authorized to make, decisions regarding the prices quoted and that I have not participated, and will not participate, in any action contrary to item 11 above.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Martinson". The signature is written in a cursive, flowing style.

Jay Martinson
Executive Vice President & COO

This page left intentionally blank

3 - BID PROPOSAL MANDATORY REQUIREMENTS CHECKLIST

BIDDER NAME: NORIDIAN ADMINISTRATIVE SERVICES, LLC		
BIDDER	DHS	REQUIREMENT
Yes		1. Was the Letter of Intent submitted on time as specified in section 2.6 of the RFP?
Yes		2. Did the Issuing Officer receive the bid proposal before 4:00 p.m. Central Time on March 10, 2005?
Yes		3. Was the proposal submitted with the correct number of copies, and in the correct format as specified in section 4.1 of the RFP? <ul style="list-style-type: none"> • Submitted in spiral, comb or similar binder (no loose leaf binders) <ul style="list-style-type: none"> • Divided in two parts: (1) Technical Proposal; (2) Cost Proposal. • Original and six (6) copies properly labeled • Two (2) electronic copies in Word 2000 or Adobe PDF file format on CD ROM • One copy of bid proposal from which confidential information has been redacted, if any claim of confidential information is made. • Bid proposal must respond to RFP requirements by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
Yes		4. Does the proposal include a signed copy of Attachment B: Proposal Certification?
Yes		5. Does the proposal include a signed copy of Attachment C: Certification of Independence and No Conflict of Interest?
Yes		6. Does the proposal include a signed copy of Attachment D: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions?
Yes		7. Does the proposal include a signed copy of Attachment E: Authorization to Release Information?
Yes		8. Does the proposal include a transmittal letter as specified in section 4.2.2 of the RFP?
Yes		9. Does the proposal include three (3) letters of reference as specified in section 4.2.11.2 of the RFP?
Yes		10. Does the proposal include a bid bond, payable to the State of Iowa, in the amount of \$5,000?

This page left intentionally blank

4 - EXECUTIVE SUMMARY

4.2.4 EXECUTIVE SUMMARY / INTRODUCTION

The bidder shall submit an Executive Summary / Introduction that provides a summary of the contents of the entire Bid Proposal. The Executive Summary / Introduction should briefly summarize the strengths of the bidder and the key features of its proposed approach to meet the requirements of the RFP toward which the individual Bid Proposal is targeted. This section shall also include a summary of the bidder's Project Management Plans for all phases of the resulting contract.

NAS INTRODUCTION

Noridian Administrative Services, LLC (NAS) is extremely excited about the opportunity to respond to the Iowa Medicaid Enterprise's (IME) request for Medicaid Claims Payment Support Services for the Iowa Medicaid program. With established print and mail equipment and procedures for our Medicare business that enable us to readily incorporate the print and mail requirements of the IME into our current operations, we believe NAS is well-suited to perform the requirements requested in the Iowa Medicaid Enterprise Medicaid Claims Payment Support Services RFP.

NAS is a wholly owned subsidiary of Noridian Mutual Insurance Company (Noridian), headquartered in Fargo, North Dakota. Noridian successfully administers the Medicare Title XVIII program for the Department of Health and Human Services of the Federal government. Noridian has been a Medicare Part A Intermediary and Part B Carrier since 1966. Within the past 15 years, Noridian has grown from one of the smallest Medicare contractors to one of the largest. With a workforce of over 1000 employees and offices in eleven cities throughout the central and western United States, NAS administers the Medicare Part B program for eleven states - Alaska, Arizona, Colorado, Hawaii (including the US territories of Guam, American Samoa and the Northern Mariana Islands), Iowa, Nevada, North Dakota, Oregon, South Dakota, Washington and Wyoming, and NAS administers the Medicare Part A program for the states of Alaska, North Dakota, Minnesota and Washington.

NAS is currently performing Noridian's Medicare fiscal intermediary and carrier contracts under a Special Power of Attorney form Noridian while CMS is considering Noridian's request to assign the Medicare contracts to NAS. In addition to the above Medicare contracts, NAS is the Core Medicaid Management Information System (MMIS) Unit contractor for the state of Iowa's Medicaid MMIS claim processing system under the Iowa Department of Human Services (DHS). Most recently, CMS announced FOX Systems, Inc. and NAS have been awarded the National Provider Identifier (NPI) Enumerator contract. FOX Systems is the prime contractor of this contract, with NAS performing as the subcontractor.

NAS employs over 1,000 individuals in administration of the Medicare Part A and Part B contracts. NAS serves more than 120,000 health care providers, 850 facilities and over

4 million program beneficiaries. NAS annually processes nearly 70 million claims with benefit payments over \$8 billion.

NAS maintains key Medicare processing operations in Fargo, Grand Forks and Jamestown, North Dakota; Golden, Colorado; Des Moines and Prairie City, Iowa; Kent, Washington and Eagan, Minnesota. Additionally, carrier medical directors and provider education services are provided in our offices in Portland, Oregon, Phoenix, Arizona and Honolulu, Hawaii.

Our Print and Mail Center, located in our state-of-the-art Critical Systems Operations Center (CSOC) in Fargo, operates 24 hours a day, 6 days a week. Our Print and Mail Center currently performs print and mail functions for 12 Medicare states, Blue Cross Blue Shield of North Dakota and Gate City Bank.

In 2004, the Noridian Print Center processed 148,527,059 print images with a peak daily volume of over 700,000 images. We use several high-speed/high quality Xerox printing systems and Böwe Bell & Howell automated mail systems to consistently meet our customer demands.

Our Mail Center produced 30,215,320 pieces of mail in 2004. On average, we produce 2.4 million pieces of mail per month. With five Mailstar 500's, we have the capacity to insert 3.7 million mail pieces per month; therefore, our infrastructure has room for growth.

NAS has multiple experiences with print and mail transitions; all of these transitions have been very successful. Should NAS be awarded the Medicaid Claims Payment Support Services contract for IME, NAS will apply its past transition experience to ensure a successful transition of the print and mail workload to NAS.

PROJECT APPROACH

Print and Mail

We propose using NAS' Print and Mail Center for the print and mail requirements of the IME Medicaid Claims Payment Support Services workload. Centralizing the print and mail operation within our Print and Mail Center will allow the Department to realize cost savings from increased efficiencies, consistency, and economies of scale.

The Print and Mail Center is a modern facility that prints and distributes materials in an accurate, efficient, cost-effective manner. Within well-defined and enforced security parameters, we produce many different types of documents, including over three million checks annually. Our Print and Mail Center is a fully integrated facility, making it easy to track each document from print, through insertion, and to mailing while retaining a complete history of the process. Redundant print and mail equipment and on-site vendor technicians guarantee minimal downtime of all hardware.

Print Center

NAS' state of the art facility and professional staff, along with five high-speed, high-volume printers, provide quality output and quick turnaround while maintaining strict quality control on all documents.

Equipped with the latest printing technology, the Print Center has extensive experience in printing all types of documents including checks, forms, informational letters, simplex, duplex, single page, multiple-page documents, identification (ID) cards, and more. NAS has several Programmers/Analysts specially trained to design forms and develop print applications based on user-specific requirements. These Programmers/Analysts are on call 24 hours a day, 7 days a week.

One of the greatest strengths of our Print and Mail Center is our check processing area. NAS prints a high volume of checks each year. In 2004, we printed over 3 million checks. Our years of experience in check processing have resulted in thoroughly documented procedures and exceptional quality results. NAS' print quality complies with all Magnetic Ink Character Recognition (MICR) specifications for check documents mandated by the American National Standards Institute (ANSI) / American Banking Association (ABA). Our Xerox vendor guarantees the MICR readability of documents printed on our Xerox MICR printers. We have never had a bank reject one of our check documents.

NAS processes all production output from batch jobs, downloaded files, and mailed output, according to established and documented due out times. Our current service level agreement timelines state all mail will be delivered 98% on time to the United States Postal Service (USPS). The Print and Mail Center monitors, records and reports on the actual delivery of all scheduled production. A daily report on the status of all production output is prepared at 8:00 am, central time. Our current methods and procedures have enabled us to exceed the 98% on time standard. We will utilize the same methods and procedures to meet Iowa's on time production schedule.

Because of the sensitivity of print and mail documents, NAS incorporates strong security policies in compliance with CMS requirements and the Health Insurance Portability and Accountability Act (HIPAA). NAS employees are routinely trained on these security policies to ensure understanding. Enforcement of these policies are upheld with disciplinary action, up to and including termination of employment if an employee violates these policies.

Mail Center

Our Mail Center uses a Böwe Bell & Howell Criterion II sorter capable of sorting over 17,000 pieces of mail per hour. By using Multi Line Optical Character Recognition technology (MLOCR), the sorter scans the address of each mail piece and compares the address with the latest information from the USPS' address database. This system ensures that each piece has a valid address – even if the recipient has recently moved. Using the address data scanned by the MLOCR, the sorter applies an eleven-digit delivery point barcode to each piece of mail. This barcode allows the item to bypass several processing steps normally required by the USPS and ensures that each piece of mail is processed as efficiently as possible at the lowest price.

The Böwe Bell & Howell inserters and sorters, along with the use of barcode readers, enable every piece of mail to be tracked through every step of the process. The inserting machines are capable of determining if the incorrect amount of pages were placed in an envelope and will stop the process if this occurs.

Our secure Print and Mail Center, with its cutting-edge technology and dedicated, well-trained staff, presents the opportunity for DHS to consolidate print and mail operations.

PROJECT MANAGEMENT

Immediately following the contract award, NAS will work with the DHS and Core MMIS staff to transition the current print and mail workload to NAS.

Understanding the timeframe from award date to production is tight, NAS will assign dedicated resources to the transition to guarantee that all project timelines are met; thereby ensuring print and mail operations are uninterrupted.

NAS will assign a transition project manager the responsibility of ensuring that tasks within critical paths are completed according to schedule. On-site at the IME complex, NAS COBOL programmer(s) and a forms analyst will immediately start to develop the specification requirements and test requirements and identify the development and test environments. We anticipate the COBOL programmer(s) to have workstation(s) and connectivity to the MMIS development and test environments at the new IME complex. The forms analyst will return to NAS after developing the required specifications to perform the development and testing of the forms.

NAS has completed a Draft Project Plan (Attachment 1), which meets the requirements in Attachment F of the RFP.

NAS will use existing personnel, processes and procedures for managing this project. NAS will propose any new technology and procedures that allow us to reduce costs and pass benefits to the IME. The use of dedicated, well-trained staff, and a secure facility will allow us to provide the best service to our customers at the lowest possible cost. Throughout this proposal, we will expand upon our understanding of the required IME Medicaid Claims Payment Support Services, the services we propose to provide, our approach to all operational requirements, our project management plan, and our corporate experience.

5 – PROJECT UNDERSTANDING

4.2.5 UNDERSTANDING OF THE IOWA MEDICAID ENTERPRISE PROCUREMENT PROJECT

DHS requests that the bidders provide a written description telling how your services integrate with the operation of the Iowa Medicaid Enterprise. It is expected that bidders will identify the risks inherent on the overall Iowa Medicaid Enterprise implementation and identify the strategies that the bidder will use to mitigate each risk.

The Medicaid Management Information System (MMIS) will generate all required reports during the bi-monthly production batch payment cycles. NAS will send a programmer to Iowa to thoroughly review the MMIS sub-systems to identify code requirements necessary to generate the following reports:

- Check register by check number,
- Check register by remittance advice (RA) number,
- Report of account of check number ranges used,
- Bank file with summaries of check and remittance advice totals on CD-ROM,
- Check galley (electronic file in check number order) and
- Remittance Advice galley (electronic file in RA number order).

NAS will completely test these code requirements to ensure these reports are created accurately.

NAS will transmit the reports by means of the existing T1 connection between Iowa and Fargo to our IBM mainframe Job Entry Sub-system (JES) spool. From the JES spool, the reports will then be transferred to a print server, where the print operators control all print jobs.

NAS recognizes the following risks during implementation and has identified strategies to mitigate these risks:

Figure 1: Implementation Risk Mitigation

Number	Identified Risk	Plan of Action
1	Insufficient time for program development	If program development is not on target by May 1, we will allocate additional IBM programming staff to meet deadline of May 15
2	Check stock unavailable for testing in May	Order check stock well in advance of testing
3	Workstation(s) not available for programmer(s) at the IME complex	Use workstations offsite at NAS office and send changes to the Core Unit for testing
4	Existing T1 line capacity is reached	Add an additional T1 line

As illustrated above, we believe that our current print and mail operations practices and experience mitigate potential risks during the implementation period. We have an established infrastructure with established hardware/software on-site maintenance agreements with Xerox and Böwe Bell & Howell. We will ensure check stock is ordered well in advance of testing deadlines. We propose using electronic forms flash for all pre-printed forms. We warehouse 10 pallets or 40 rolls of paper on-site and store 2 million envelopes ensure print and mail operations are not impeded by supply of pre-printed forms.

NAS recognizes the following risks during cutover and has identified strategies to mitigate these risks:

Figure 2: Cutover Risk Mitigation

Number	Identified Risk	Plan of Action
1	Provider EFT transactions are not ready at cutover.	Issue manual checks to providers.
2	Checks not being produced at cutover.	Issue manual checks to providers.

An element of risk inherent in any business operation is the risk of operational shutdown due to disaster. NAS' Business Contingency and Continuity Plan (BCCP) encompasses all aspects of disaster recovery. The plan helps guarantee:

- 1.) Business unit priorities are properly identified,
- 2.) Processes are in place to sustain operations while systems are unavailable and resume operations when systems are ready,
- 3.) IT system recovery processes are properly documented and can be executed without delay.

NAS uses Strohl Systems' disaster recovery planning tools to develop and maintain the BCCP.

NAS has completed disaster recovery tests each year for the last five years. These tests include retrieval of system documentation and backups from our offsite storage facility and system restoration at an IBM disaster recovery facility in Sterling Forest, New York and at a second hot-site located in NAS facilities.

This page left intentionally blank

6 - SERVICES OVERVIEW

4.2.6 SERVICES OVERVIEW

In the Services Overview section, DHS expects bidders to provide a Comprehensive overview of the services that they are proposing to provide to the State. Bidders may also reference other "added value" services that are relevant to the Scope of Services for the submitted Bid Proposal.

NAS is uniquely prepared to provide the Medicaid claims payment support services to the IME in the form of printing, inserting and mailing all documents created from the twice-monthly payment cycles. This includes checks, Remittance Advices (RA), and Residential Care Facility (RCF) letters. The Pharmacy Point of Sales (POS) payments are included in each payment cycle. NAS will create all required reports supplied with every payment cycle on the required media.

Transfer of print files between the MMIS data center in Des Moines to the Fargo NAS print mail facility will be over the existing T1 line between NAS and the Iowa Communication Network (ICN). NAS network staff will work with ICN staff to make any needed configuration changes to facilitate this data transfer.

As the IME print and mail is estimated to add a 2% increase to the current NAS volume, no additional equipment or system software will need to be purchased. No additional staffing is planned.

In fulfilling the requirements of this contract, NAS will utilize electronic forms in place of many pre-printed forms. This is accomplished by programming the form to be dynamically "flashed" onto blank paper. Blank check stock is used instead of pre-printed check stock. Attachment 2 is an example of NAS' current check stock. As an example, the check numbers will not be pre-printed on the check stock. Instead, the check number generated on the print file will be printed dynamically on the check form. This eliminates the need to rerun a batch payment cycle due to the pre-printed check numbers getting out of synchronization with the check numbers from the print file.

NAS programmers will enhance the payment modules of the MMIS system to merge files such as RA's and checks so they are printed together. Bar codes will be added to identify all documents needing to be inserted in the same envelope.

NAS is confident we can deliver the quality and timeliness expected by DHS and at the same time obtain the best possible postage rate for IME.

ADDED VALUE SERVICES

Although NAS will use the current personnel, processes and procedures for managing this project, we always strive to implement any new technology and procedures that allow us to reduce costs. As we continuously look for ways to improve our current applications, we will apply all technological and procedural advances to the Iowa

Medicaid print/mail workload as well. We feel the use of cutting-edge technology, dedicated well trained staff, and a secure state-of-the art facility will allow us to provide the best service to our customers at the lowest possible cost.

A) COMPUTER OUTPUT TO LASER DISK (COLD) TECHNOLOGY

The use of COLD for reports is one of the value added services being proposed by NAS for DHS' consideration. Since the IME has acquired the OnBase license for COLD, NAS could electronically load generated payment reports for immediate access by the DHS and other component contractors as needed. If approved by the Department, NAS would utilize the COLD technology solution as an online alternative or supplement to printing many reports. Rather than rely on an overnight shipment of hardcopy reports, the COLD system will be able to provide IME with electronically accessible reports. Printed reports will be made available where necessary; however, the speed and convenience of having report information within minutes of their creation will add user satisfaction and allow the report data to be viewed by a wider range of authorized personnel simultaneously. NAS has long been a proponent of technology that improves timeliness, end-user productivity, and accuracy. The use of COLD technology allows for a reduction in paper and a streamlined efficiency in the delivery of reports to end-users.

NAS has been using COLD technology since 1996 in an effort to replace our microfiche reports. Valuable insight and experience has been gained since then, allowing for timely implementation of new reports and a greater understanding of our users' needs. Our current system archives 306 unique reports on a daily, monthly, quarterly and annual basis. There are currently more than 116,000 reports available in our COLD system, accessed by more than 500 users on a daily basis. The retention of these reports ranges from one month to forever.

B) CRITICAL SYSTEMS OPERATIONS CENTER

The Critical Systems Operation Center (CSOC) contains Noridian's mainframes, open systems, telecommunications, network infrastructure, production print operations and production mail operations. Completed in 2001, the 28,000 square foot facility was designed to maintain secure operation of critical systems during extreme conditions, including 150 mile-per-hour winds. Other advantages of the facility include raised floors, comprehensive water and fire/heat detection, independent heating and cooling systems and two UPS systems that provide complete redundancy for electrical backup.

The CSOC was conceived after a June 2000 flood caused considerable damage to the first floor of the existing office building. Reliability features for the Critical Systems Operations Center are shown in Attachment 3.

C) PRODUCTION MAIL INTEGRITY SYSTEMS

Because of the protected health information (PHI) inherent in our mailings and our desire to provide the best service for our customers and mail recipients, we take additional steps to ensure the integrity and accuracy of our mailings. Currently, we use the Böwe Bell & Howell IntellaSert and Transformer systems to manage and verify the integrity of our production mail processing.

IntellaSert is a software suite that converts existing mail piece data into IntellaSerts's Data File (IDF) format, or converts completed mail piece data into a format for higher-level auditing or accounting systems. The Transformer system extracts specific data fields during print file creation and uses this data to generate 2-D matrix barcodes.

The 2-D matrix barcode contains data unique to each printed page and is the basis for the system. Cameras mounted on our inserters scan each barcode during the insertion process. The system converts this information back into a digital record and matches this record with a corresponding IDF generated during the creation of the original print file.

When insertion of all documents in a file is complete, our mail coordinators reconcile the updated data with the original IDF print file data. This allows them to resolve any mail piece integrity issues before approving mailings for delivery to the USPS. The IntellaSert Transformer systems, and the tracking information they provide, also allow us to research and verify the correct processing of specific mail pieces for up to a year.

D) BÖWE BELL & HOWELL CRITERION II MAIL SORTER

The USPS offers substantial discounts to large-volume mailers that sort their outgoing mail by zip code before delivery to the USPS. Since 1996, NAS has taken advantage of these discounts by combining several mail runs into larger runs and sorting the mail pieces by zip code. The first-class postage per piece is reduced because we do the USPS work for them in-house. In 2004, NAS saved almost 2.5 million dollars on postage by presorting outgoing mail.

To take advantage of this savings, NAS uses a Böwe Bell & Howell Criterion II sorter capable of sorting over 15,000 pieces per hour. By using Multi Line Optical Character Recognition technology (MLOCR), the sorter scans the address of each mail piece and compares the address with the latest information from the USPS address database. This system ensures that each piece has a valid address – even if the recipient has recently moved. Using the address data scanned by the MLOCR, the sorter applies an eleven-digit delivery point barcode to each mail piece. The barcode allows the mail piece to bypass several processing steps normally required by the USPS, and ensures that each mail piece is processed as efficiently as possible at the lowest price.

E) PHYSICAL SECURITY CONTROLS

Print and mail security is of high importance to us. NAS has physical security controls that were put in place to comply with HIPAA. NAS has two security departments, Corporate Security and Information Services (IS). The corporate security department is responsible for development of corporate wide security policies and procedures. IS has developed a security committee to create security policies for the IS division. The print and mail department is part of the IS division. The IS security department is responsible for all aspects of the IS computer security, including the print and mail department. The Security committee is made up of IS security staff, IS management and a corporate compliance security director. This committee has developed policies to ensure IS conforms to the corporate security policy and protects IS assets.

The corporate building access is controlled by the minimum access criteria (employee code, job code minimum access levels) and a person's security badge. A service work

order is submitted to change routine access rights and to track changes for audit proposes. Non-routine access for business purposes can be gained by signing in with the guards or by prior arrangement for temporary projects. For example, Disaster Recovery Plan (DRP) tests, large building projects (rewiring, deployments, etc.), covering for another workers absence, etc. All requests require a service work order.

The IS Department follows the corporate security policies. Additional security procedures are in effect for the CSOC, where the print and mail center is located. Entrance doors for print and mail center have signs stating the room is for authorized personnel only and are monitored by video surveillance.

Security badge access secures the CSOC Print Mail Center. Personnel are assigned access by employee job code and cost center. Xerox and Böwe Bell & Howell field engineers have access to perform corrective and preventive maintenance.

Other personnel are only allowed access if accompanied by personnel with secure area access and are logged into the CSOC Access Log. Systems Development (SD) and Management Information System (MIS) personnel are not allowed access unless requested by authorized personnel to troubleshoot a problem that could not be resolved outside the Print and Mail center.

Each month IS Security collects secured area access logs and routes them to management. Access logs are reviewed and signed off monthly by all IS Management and filed in data management documentation area for one year.

Any personnel found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

F) ACCOMMODATE OTHER IME CONTRACTORS PRINT AND MAIL NEEDS

NAS is in a position to assist other IME contractors in their print and mail needs. For example, 1) Provider Services could take advantage of our resources and equipment allowing DHS to receive the postage savings created by our volumes and other technologies, and 2) we could print special bulletins from other IME contractors and insert those with RAs, RCF letters and check mailings.

7 – GENERAL REQUIREMENTS

4.2.7 GENERAL REQUIREMENTS

In the General Requirements section, bidders will explain their approach to all General Requirements identified in Section 3.2

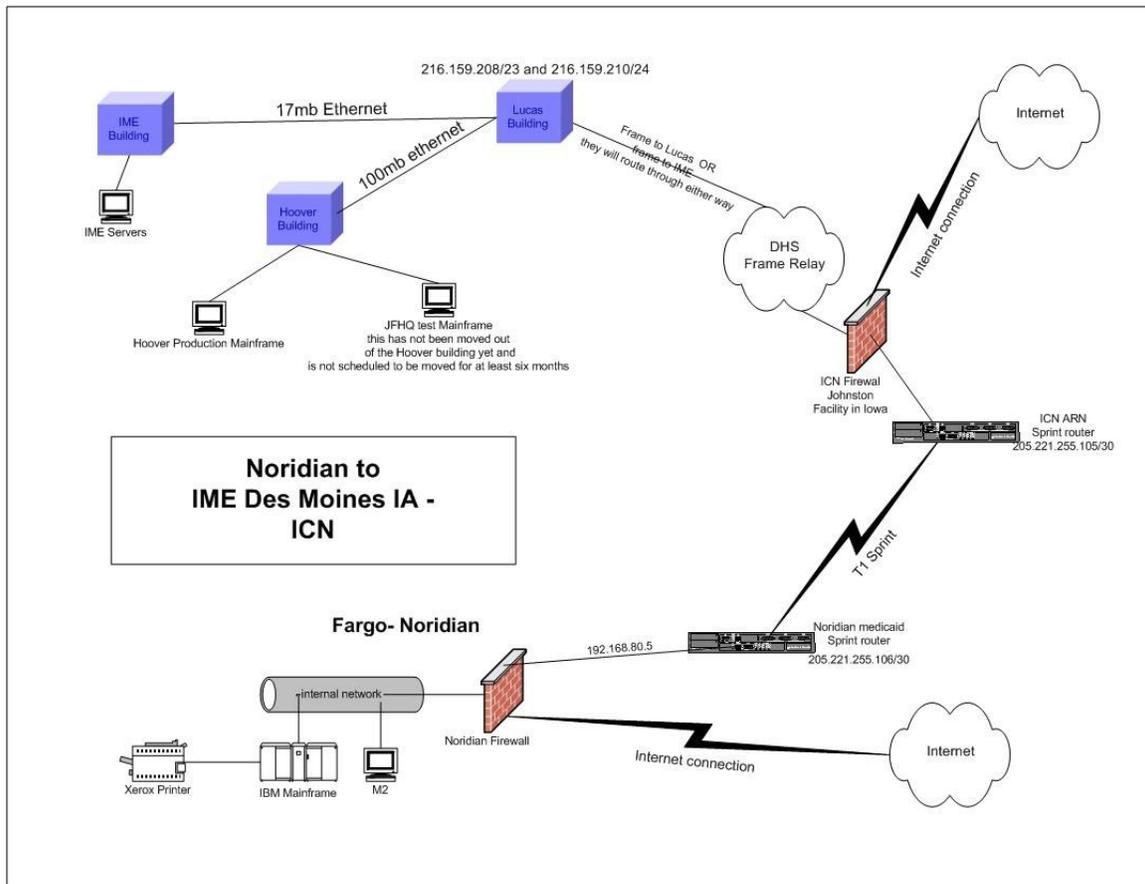
Within this section of our proposal, we address a high-level view of our approach for all operational requirements identified in Section 3.2 of the RFP. For more detailed information on our approach for each operational requirement, please refer to Tab 9 of this proposal.

With the DHS approval, NAS will have its programming staff change the Iowa MMIS for the application programs to generate the required reports for staff, process the files (for example, RAs & checks) and merge them together prior to print. The NAS Lead Analyst will work to finalize all report formats and expected outputs as required by the Department. The Analyst will also identify subtasks and design the applications to complete each program and process.

During the file merging process, the applications programs will generate a barcode that will be printed on the left side of each sheet of paper. The barcode contains information used by our intelligent mail inserting equipment. These changes to the MMIS will enhance the print process to provide a more secure check printing and balancing process, allow for intelligent mail inserting, and provide 100% accurate, mail-ready documents.

NAS will exchange print files from the Iowa mainframe using the current T1 line established for the Core MMIS contract over a JES-to-JES connection. We will implement a Physical Unit Type 4 (PU4) connection between our IBM mainframes, which will give us the capability to setup a JES, Connect Direct or any type of System Network Architecture (SNA) application. NAS has this type of connectivity in place today with several other data centers and it works very well. Since the T1 line is already in place, only minor configuration changes would be needed to install this connection at both the NAS and Iowa data centers. We will have our data network personnel work together to provide the SNA connectivity between sites, and our system programmers will coordinate the mainframe changes. With this easy setup, we will be able to use this connection to send our test print files to the NAS print center.

The following diagram illustrates the process:

Figure 3: Noridian to IME Des Moines IA - ICN

All reports will be printed on NAS' Xerox printers. NAS currently has five Xerox High Speed Laser printers with capacities up to 180 pages per minute. All printers are MICR enabled to allow for efficient processing of check applications. The NAS print facility is staffed 24 hours a day 6 days a week where staff follow documented procedures for printing, balancing and delivering all output. The operators maintain high print quality on all equipment for optimal printed output.

NAS will stock the appropriate check stock for IME check production. NAS has working knowledge of a variety of check stock types. Currently we maintain eight different cut-sheet check stocks that meet all auditing and banking requirements. All of our check stock is 24# safety paper with colored background, VOID pantograph, visible and invisible fibers and a horizontal laser perforation. A clear 5/8" band at the very bottom of the check is left uncolored for the MICR line. During the printing process, an electronic form unique to the specific application will be printed along with the variable data. The variable data will include the check number, check date, payee name and address, check amount – in words and numbers, and the MICR line, which contains the check number and banking information. The MICR line could also contain the check amount, but this is usually not required by the banks.

The same stringent check printing and balancing procedures that NAS has had in place for over ten years will be followed for the printing and balancing of the Iowa Medicaid

checks. These procedures are expanded upon within Tab 9, Operational Requirements, of this proposal.

Special cameras on NAS' Böwe Bell & Howell intelligent mail inserters will read the system-generated barcode. The barcode contains consecutive page numbers and specific information to indicate the last document of a mail piece. If any documents are missing or duplicated, the inserter stops and flags an error condition to the operator. The operator is directed to the set containing the error and then follows specific procedures for correcting the situation. If the equipment damages a document, the operators follow procedures for getting the document recreated. Documents are inserted into #10 business envelopes, sealed, metered with the lowest possible postage rate, and placed in trays for sorting.

Once the Iowa Medicaid documents have been inserted for the day, they will be taken to the Böwe Bell & Howell Criterion II mail sorter. This piece of equipment reads the address of each mail piece and sprays an eleven-digit barcode on the envelope for the USPS. By processing mail pieces in this manner, the USPS allows NAS to take advantage of their lowest possible postage rates.

At the end of each run, the sorter produces the required Coding Accuracy Support System (CASS) report and postage statements that must be presented to the USPS upon delivery. All trays of mail are covered with a cardboard "sleeve" and then strapped to secure the mail pieces in the trays. Special tags indicating the zip code range are attached to the trays. The trays are placed in a cage and loaded onto NAS's delivery truck. The cages are secured inside the truck box; the back door of the truck is shut, latched and secured in place. A qualified NAS Information Processing Center employee must accompany mail at all times during preparation, delivery, and transit. The truck box must remain locked during mail transit. The delivery truck driver unloads the mail and presents it to the Bulk Mail Acceptance Officer for verification and acceptance. The USPS allows NAS to bring mail to the Bulk Mail Entry Unit (BMEU) during the hours of 8 am and 6 pm Monday through Friday, with the exception of holidays. When the BMEU is closed on Federal holidays, all mail must go at full rate or wait until the next day. A schedule will be worked out with the Department in these holiday situations to make sure the Department's mailing deadlines are met.

This page left intentionally blank

8 - START-UP ACTIVITIES

4.2.8 START-UP ACTIVITIES

In the Start-up Activities Section, bidders will explain their approach as it relates to services the bidder is providing.

If NAS is awarded the contract, NAS will meet with the DHS to make final changes to the Draft Project Plan to ensure all dates meet the DHS' requirements.

NAS Technical Support staff will begin work immediately to ensure all connectivity implementations are in place and successful transmissions between Iowa and NAS are completed by April 12.

The NAS Systems Development programming staff will begin programming the applications to handle all data files defined in Attachment H of the RFP by researching the layouts of the current data files. These applications will be programmed to generate the required checks with remittance advices (RA), checks with Residential Care Facilities (RCF) letters, and hand-typed checks, using the Check Extract Layout in Attachment I of the RFP and by adding a dynamic MICR line to be printed along with a Xerox form flash. Electronic Funds Transfer (EFT) files will be generated for delivery to the bank using the EFT Layout in Attachment J of the RFP. Check registers will be generated in formats required by the Department, as well as a CD-ROM containing a bank file summary of checks and RA totals. The Department will approve all output reports.

The NAS Office Service Manager will order check stock to meet the Department's check stock specifications as listed in Attachment G of the RFP and schedule a delivery date to meet the testing and bank approval deadlines documented in the final project plan.

NAS Systems Development and Production and Print and Mail teams will provide written processes and procedures required in section 3.2.3 of the RFP to the Department. NAS Print and Mail programmers will begin the necessary programming for all Xerox electronic forms. NAS will request the Department to provide a sample of all required reports to be used as a guide in setting up the Xerox electronic forms and report layouts. Along with sample reports, NAS will need all mandatory logos such as a Medicaid logo, bank logo and a signature for checks to be converted into Xerox format. The programmers will also create a Xerox Library containing all needed Job Description Entry (JDEs) to produce the Iowa Medicaid reports. Sample forms of all checks, RAs, and RCF letters, will be provided to the Department for final approval. Once approved, the forms and library will be loaded to all five NAS printers and made available for testing.

NAS will thoroughly test all Systems Development applications by generating reports with Department supplied test data files to create all subsequent reports. The Print Center staff will test all check printing and balancing procedures and make adjustments if necessary. Final test material will be sent to the Department for approval. Following

the Departments approval, a test of all check applications will be sent to the issuing bank(s) for further testing and approval. All other printed reports will be scrutinized by NAS Print Center and programming staff to verify the content and data placement matches the test samples obtained from the Department.

NAS Mail Center staff will load all appropriate accounting and job information to the machines for proper chargeback of postage. They will run tests of all applications being mailed to insure proper placement of the barcode as well as correct insertion of all documents into the correct envelopes. Test runs will be run on the sorter to verify correct address formats and placement.

The Data Management department at NAS will set up a new region for the Iowa Medicaid business. This region will contain information for each report generated for Iowa Medicaid. Each report will have an ID number, a name, descriptions of what it is used for, when it is generated, when it is due out and special information necessary for processing it correctly such as "Deliver by 10:00 am Thursday by overnight courier."

Timelines for these activities have been detailed in the Draft Project Plan (Attachment 1).

9 – OPERATIONAL REQUIREMENTS

4.2.9 OPERATIONAL REQUIREMENTS

CHECK STOCK (3.2.1)

3.2.1 Key Activity: *Provide the materials necessary to sufficiently produce and mail checks and remittance advices (RA) for each payment cycle determined necessary by the Department. The current payment cycles occur each second and fourth Monday of each month.*

Contractor Responsibilities:

- *Provide check stock, to specifications (see Attachment G), sufficient to produce the necessary number of checks required each payment cycle.*
- *Provide check stock in sufficient quantity and quality to meet the production requirements each payment cycle.*
- *Secure check stock so as to prevent inappropriate use of such stock.*
- *Provide the Department with small quantities of such check stock for use in manual issuance of checks as needed.*

Performance Measures:

- *Provide check stock at 100% accuracy to specifications.*
- *Provide 100% of quantity needed for each payment cycle*
- *Secure check stock so as to never have an incident of inappropriate use of stock.*
- *Respond to the Department's need for check stock within sixty (60) minutes of request.*

A) MAINTAINING AND SECURING CHECK STOCK

NAS staff operate within tight security controls for check handling to eliminate security risks associated with check processing.

The Manager of Office Services is responsible for acquiring all purchasing contacts with stock vendors, ensuring that the best quality stock is purchased at the most desirable cost. We will meet the specifications for IME check stock as defined in Attachment G of the RFP.

When we receive a shipment of check stock from a vendor, the shipment contains a register of shipped items. The register lists the number of cartons in the order and the beginning and ending document number in each carton. The stockroom personnel use the register to monitor issuance of document numbers and to verify correct sequence.

Check stock, envelopes and paper supplies are secured on-site in a caged area monitored by security cameras within our CSOC stock warehouse. The check stock cage adheres to CMS Medicare requirements. Access to the check cage is controlled by minimum access criteria (employee code, job code minimum access levels) and a person's security badge. Only authorized personnel are allowed to access the locked check stock cage to fill a CSOC Print Center check stock order.

The stock room uses the Purchasing Management eXtra (PMX) inventory system to monitor all transactions. Within the PMX system, all stock issues, receipts and adjustments to inventory are tracked. Each stock item is assigned an inventory number, a reorder point (based on usage) and an economic reorder quantity (to get the best price). Re-order reports are run several times a week to monitor stock inventory and ensure supplies are at desired quantity.

The secured CSOC Print Center maintains a controlled quantity of stock. The print center orders items from the stock room by 10:30am each day using the PMX system. When the stock room receives an order from the Print Center, the check stock is transferred from the check stock cage to the secured Print Center.

When the Print Center receives check stock from the stock room, the print operators follow specific procedures to account for all documents. After opening each box, the beginning and ending document numbers within each box are compared to the box label to make sure they match. Print operators re-label each box according to its check type and sequential box number. The print operators then log the following information on the log sheet posted on the inside of the door to the locked check stock cabinet located in the CSOC print area:

- Sequential box number,
- Beginning document number,
- Ending document number,
- Acknowledgement that the sequence numbers are in the correct order and follow the previously inventoried items,
- The current date, and
- The employee's ID number.

To ensure further security of check documents, balancing procedures are followed from the time of print to the mail insertion in envelopes. The print operator balances and accounts for all documents. The supervisor or mail coordinator then duplicates this process. A finance clerk rebalances the check run in the secured CSOC area and logs all documents. Automated technology intelligently inserts checks into envelopes by reading the bar code on each check. After the check processing is complete, the checks are delivered to the USPS by locked vehicle. The mail delivery driver follows procedures mandated by CMS for Medicare checks and never leaves the vehicle unattended.

B) CORPORATE SECURITY TRAINING

All NAS employees receive Security Awareness and Training. The purpose of our Security Awareness and Training is to ensure that all employees receive appropriate security awareness and training regarding policies and procedures for creating, receiving, maintaining and transmitting confidential information. Security Awareness and Training applies to all employees, contractors and subcontractors.

Security Awareness and Training provides staff with direction on how to protect confidential information. The Systems Security and Privacy Department ensures the training and awareness are provided upon employment and on an annual basis. In addition, the Systems Security and Privacy Department provides periodic reminders on how to handle confidential information. Our security-training document for employees who handle checks is included as Attachment 4 – Check Handling Procedures.

The Print and Mail Center is responsible for ensuring its staff understand the policies and procedures that address confidential information. The Print and Mail Center develops written customized training for its own operations. Customized Print and Mail Center training is offered annually and upon hire.

The System Security & Privacy Officer monitors customized Print and Mail Center training and operational procedures to ensure compliance with corporate Security Awareness and Training. Our customized training policy for Print and Mail Center staff addresses the following print and mail functions that pose access situations. We have detailed documentation on the procedures for each of these functions within our Desk Manual:

1. Checking in check stock
2. Setting up printer for check printing
3. Printing checks
4. Printing Payroll checks
5. Balancing completed checks
6. Reprints and voids
7. Destruction of check images
8. Missing Checks
9. Inserting a check run
10. Hand stuffing individual checks
11. Delivery of checks to USPS

C) PROVIDING DHS WITH CHECK STOCK

NAS will provide hand-typed checks for Iowa Medicaid using the same method we currently use to provide our Finance Services Department with “on-demand” check stock, referred to as “hand-typed checks.” Our current system generates a range of hand-typed checks that are logged and stored in a vault and ready for use. They contain

the appropriate form, bank logo, MICR line information, Pay to, Date, and amount fields similar to a check in a checkbook. The specific information (payee, date, amount, signature) for each check must be entered manually.

Upon notification from the Department that their supply of hand typed checks is getting low, NAS will generate the requested number of hand-typed checks, following all of the same printing and balancing procedures used for production checks. The checks will be sent to a contact person, designated by the Department, via certified mail with return receipt. This will allow for tracking of the package and a signature upon delivery.

PAPER STOCK (3.2.2)

3.2.2 Key Activity: *The Contractor shall provide all paper stock for letters and remittance advices sufficient to produce the necessary documents required each payment cycle.*

Contractor Responsibilities:

- *Procure, to State standards (Attachment N), sufficient quantities and sizes of envelopes to mail all checks and remittance advices each payment cycle.*
- *Maintain sufficient quantities of stock to produce remittance advices for each payment cycle.*
- *Maintain sufficient quantities of stock to produce RCF letters for each payment cycle.*

Performance Measures:

- *Provide envelopes in sizes needed for mailing so 100% of all checks, remittance advices and letters are mailed on time each payment cycle.*
- *Provide stock for remittance advices so that 100% of remittance advices are mailed on time each payment cycle.*
- *Provide stock to produce 100% of RCF letters to be mailed on time each payment cycle.*

Per RFP section 3.2.1, NAS will be able to provide the required envelopes and stock necessary for producing and mailing the RAs and RCF letters for each payment cycle.

With the Department's approval, NAS will create electronic forms for all print applications. The use of electronic forms will increase efficiency, improve print quality, reduce costs and reduce storage space for pre-printed stock. Another feature of electronic forms is the capability to make changes to these forms without wasting pre-printed stock. Specially trained NAS programmer analysts in Fargo will implement the required changes to take advantage of the benefits that electronic forms offer.

OPERATIONAL PROCESSES/PROCEDURES (3.2.3)

3.2.3 Key Activity: *Prior to operational processes July 1, 2005, test with the Department to confirm all processes are operational and ready for production.*

Contractor Responsibilities:

- *Provide written processes to the Department's Fiscal Management Division no later than May 1, 2005 on all operations of the Contract.*
- *Provide written procedures to the Department's Fiscal Management Division of all processes related to this Contract for approval.*
- *Receive final approval of processes no later than May 15, 2005.*

Performance Measures:

- *All written processes presented to the Department by June 01, 2005.*

NAS will submit written process documentation to the Department's Fiscal Management Division by May 1, 2005. NAS has written process documentation, procedure standards, and production performance measures currently in practice that is applicable to the requirements as defined in Section 3 of the RFP.

The requirements of external entities drive the majority of our current operational processes, and our contractual obligations often necessitate the provision of comprehensive documentation. The nature of our business requires us to maintain consistent operational philosophies throughout the organization, which in turn help facilitate the transition and implementation of other new contracts.

We have written procedures for the following operational processes that are applicable to the IME Medicaid Claims Payment Support Services function:

- Mainframe batch cycle processing,
- Production processing, distribution and verification of printed reports,
- Check file processing and security,
- Check file reconciliation, accuracy verification and logging,
- Check file troubleshooting,
- MICR quality controls and alignment testing,
- Transferring files,
- Print server operation,
- Xerox controller operation,
- Xerox backup and restore,
- Xerox LPS operation,
- Due-out times and late production,
- Disposal of documents containing protected health information,

- Off-site print file processing,
- Inventory and supply,
- Problem logging and follow-up,
- Stock testing,
- Training checklists,
- Orientation checklists,
- Vault procedures,
- Mailstar 500 inserter operation,
- ASCOM postage meter operation and maintenance,
- Mailstar 500 operation and maintenance,
- Preparing mailings for USPS acceptance,
- Criterion II sorter operation and maintenance,
- Creating sort schemes,
- IntellaCtr mail piece tracking system,
- Monitoring IntellaMgr and exception codes,
- Secure delivery of printed matter,
- Environmental safety and fire, and
- Building security requirements and access logging.

Attachment 5 is an excerpt from our Print Operations Manual that documents the initial preparation for printing a check file.

Because the procedures, processes, and process documentation defined throughout the RFP are similar to the requirements of NAS' existing contracts, extensive revision of current process documentation will not be necessary to meet the requirements of the Contract and should facilitate both the submission and approval processes.

To meet the Department's requirements of having all written processes finalized by May 15, 2005, appointed NAS staff members will use our project tracking and methodology systems explained below in Testing (3.2.4) of this proposal to facilitate collaboration with the Department. For prompt approval of written processes, the NAS Transition Project Manager will allocate the necessary NAS staff and resources as necessary. The Transition Project Manager and assigned staff will be responsible to resolve any outstanding issues or concerns related to the testing, transition, or operational readiness of production by May 15, 2005. The Transition Project Manager will present all final written processes to the Department by June 01, 2005.

TESTING (3.2.4)

3.2.4 *Key Activity:* *The Contractor shall test all processes no later than May 15, 2005 on all interfaces and all operations of the contract's requirements.*

Contractor Responsibilities:

- *Interface with the Core MMIS Unit and test all processes to successfully distribute checks, letters, and remittance advices and return reporting to the Department and the bank.*
- *Provide documentation from the tests that show all processes work.*
- *Modify and resubmit processes to Department's Fiscal Management Division if the processes do not operate as designed.*

Performance Measures:

- *Test all business and technical processes by June 01, 2005.*
- *Revise processes within twenty-four (24) hours as needed.*
- *Provide documentation of all processes within fifteen (15) days of final testing.*

NAS' Information Services division, which includes the functional areas of systems development, print and mail, uses project tracking and methodology systems to initiate, document and follow a project's progress. If NAS is selected as the contractor for the IME Medicaid Claims Payment Support Services, upon award of the contract we will initiate a corporate project with milestones and tasks clearly identified.

The Transition Project Manager is responsible for implementation activities and holding meetings as necessary with other staff to monitor project progress. To meet the software development requirements for the IME Medicaid Claims Payment Support Services function, NAS will follow well-defined software development methodology. The methodology follows the four critical phases identified below:

- Determining standard written requirements,
- Defining specification,
- Developing code with a code walk through, and
- Unit testing.

Within the specification phase, tasks are generated. Staff time spent on project tasks is tracked using our time reporting system.

Documentation is generated throughout each item in our methodology process. We will make this documentation available for the Department upon request. In addition, we will ensure that a project task is designated for creation of documentation for operational procedures as needed by the Department.

The Manager of Systems Development will assign and dedicate a Lead Analyst and a Programmer, who will follow the NAS IS Methodology to implement the necessary operational changes for the Iowa Medicaid Claims Payment Support Services. The Lead Analyst will identify the scope of the project and all major inputs, outputs and deliverables. The Lead Analyst will review IME process requirements and determine whether technology enhancements can simplify or add value to the project. The Lead

Analyst will also be responsible for detailing tasks for the Programmer. The Programmer will use the detailed task list to program the process from beginning to end, including unit testing, system testing and obtaining sign-offs specified within the performance measures of this RFP.

NAS will test all system development programs thoroughly until the final outcome meets all IME specifications. Programming staff will use test files and test reports supplied by the Department to ensure that all critical and non-critical information is processed correctly. NAS will conduct EFT process testing until the required results are achieved.

Our test reports will be printed on the Xerox printers, using all the required Xerox resources including flash forms and logos. We will print test reports on colored paper to set them apart from other production reports. NAS staff will scrutinize the test documents and make any needed adjustments. We will test the intelligent mail inserters to verify they are correctly reading the barcode, documents are delivered to the correct envelopes and the displayed name and address meet the USPS regulations. We will discard test documents in special recycle bins for shredding to ensure test documents are not mistakenly delivered or mailed. Upon completion of testing, NAS will send reports to the Department for approval using an overnight courier.

When we test check applications, we use a test form in place of the production form. The test form includes the word "VOID" over the signature. We log all documents in the appropriate logbook for document tracking purposes. We test check-balancing procedures to verify the system-generated balance report matches the documents that are printed. Our testing includes sending sample checks to the issuing bank to make sure that all of the MICR line information meets their requirements and quality standards. We correct any encountered problems and repeat test submissions until the sample checks meet the approval of the bank.

Documentation on all procedures associated with programming, printing, balancing, inserting, sorting, mailing and delivery will be provided to the Department by June 1, as specified in the RFP.

MAILING/POSTAGE (3.2.5)

3.2.5 Key Activity: *The Contractor shall provide the means necessary to prepare for mailing all checks, remittance advices, and letters in the most economical methods for the Department.*

Contractor Responsibilities:

- *Be knowledgeable of United States Postal Services (USPS) regulations and rules so as to determine the best methods for mailing each payment cycle.*
- *Have the capability to apply postage to all mail in preparation for mailing.*
- *Have the capability to sort mail in the most economical method and prepare for distribution by the USPS.*

- *Deliver mail to the USPS once the Department has approved the payments for release.*
- *Produce mailing labels, if necessary.*

Performance Measures:

- *Provide postage to all mail each payment cycle so all mail is mailed accurately and on time 100% of the time.*
- *Deliver mail to the USPS within sixty (60) minutes of Department's approval for release.*
- *Produce mailing labels within one hundred twenty (120) minutes of request or as needed for each payment cycle to release mail on time 100% of time.*

NAS' five Böwe Bell & Howell intelligent mail inserters are operated 10 hours a day, 5 days a week. Special cameras on the mail inserters read the barcode placed on each IME document. The barcode contains consecutive page numbers and a unique character in a specific location to indicate the last document of a mail piece. If any documents are missing or duplicated, the inserter stops and flags an error condition to the operator. The error directs the operator to the set containing the error, and follows detailed procedures for correcting the situation.

All documents for a mail piece will be folded together and inserted into a #10 window envelope, displaying the name and address. The envelopes will be metered with the lowest possible postage rate and placed in trays to await the sorting process. If the equipment damages any mail pieces, the operators follow documented procedures to reproduce the document.

After the daily Iowa Medicaid documents have been inserted, they will be taken to the Böwe Bell & Howell Criterion II mail sorter. NAS plans to co-mingle the Iowa Medicaid mail with the Iowa Medicare Part B mail whenever possible to achieve postage savings for the Department. Using Multi Line Optical Character Recognition technology (MLOCR), the sorter scans the address of each mail piece and compares it with the latest information from the USPS' address database to ensure each piece has a valid address and is deliverable by the USPS. Using the address data scanned by the MLOCR, the sorter applies an eleven-digit barcode on the envelope at a rate of 17,000 envelopes per hour. The USPS offers substantial discounts to large volume mailers who sort their outgoing mail by zip code before delivery to the USPS. Since 1996, NAS has taken advantage of these discounts by combining mail runs and sorting the mail pieces to meet postal regulations. NAS saves over two million dollars, annually, on postage by presorting its outgoing mail. In 2004, NAS sorted 13,215,605 mail pieces.

In order to qualify for the reduced postage rates, NAS must certify the MLOCR's accuracy by passing an annual certification test performed by the USPS. NAS must also comply with the USPS' Move Update requirement by having name and address files cleansed or by printing an authorized ancillary endorsement on each mail piece. The cleansing procedure standardizes and/or updates address information according to the USPS ZIP+4 master file. The ancillary endorsement makes sure an undeliverable mail piece is returned to the sender for correction. NAS currently uses both of these methods on different mailings to meet the USPS requirement.

At the end of each run, the sorter produces the required Coding Accuracy Support System (CASS) report and postage statements required by USPS. All trays of mail are covered with cardboard sleeves and secured. Special tags indicating the zip code range are attached to the trays before the trays are placed in a cage and loaded onto NAS' delivery truck. The cages are secured inside the truck box, and the back door of the truck is shut, latched and secured in place.

A qualified NAS employee accompanies mail at all times during preparation, delivery, and transit. Mail never leaves CSOC until it is ready to be delivered to the USPS. The truck box remains locked during mail transit and the delivery truck driver unloads the mail for presentation to the USPS Bulk Mail Acceptance Officer. The Acceptance Officer randomly selects ten trays of mail from each mailing for verification and acceptance on their Mailing Evaluation Readability Lookup Instrument (MERLIN). MERLIN simultaneously verifies barcode readability, address accuracy, mail piece characteristics, presort makeup, piece count, tray label accuracy, short paid mail, value added refund and can identify individual mail pieces. If the sampling of mail pieces does not meet MERLIN's specifications, the mailing is rejected. If a mailing is rejected, we can take the mailing back to our office for correction or pay additional postage to bring it up to the full rate mail.

The USPS allows NAS to bring mail to the Bulk Mail Entry Unit (BMEU) during the hours of 8 am and 6 pm, Monday through Friday, with the exception of Federal holidays. When the BMEU is closed on Federal holidays, all mail must go at full rate or wait until the next day. A schedule will be worked out with the Department ensure holidays do not prevent us from meeting the Departments mailing deadlines.

NAS also uses national courier services that are reliable, efficient, and meet delivery deadlines on a daily basis. NAS would use a courier to overnight hardcopy reports to the department after each cycle. We are confident that we can meet the needs of the Department in providing delivery deadlines of 10:00 am.

PAYMENT CYCLE PREPARATION (3.2.6)

3.2.6 Key Activity: *Produce and prepare all documents including checks, remittance advices, and letters as required for each payment cycle.*

Contractor Responsibilities:

- *Produce checks each payment cycle for each individual provider as directed by the Core MMIS Unit.*
- *Print checks in the format approved by the Department.*
- *Secure checks until such time as the Department approves release and mailing of checks.*
- *Print check number on check to correspond with the preprinted number of each check.*

Performance Measures:

- *Maintain 100% accuracy in production of checks based generated from files provided by Core MMIS Unit each payment cycle (Attachment H).*
- *Achieve 100% accuracy in formatting of checks, remittance advices, letters, and mailing labels 100% of the time.*
- *Secure printed checks so that there is never an instance of inappropriate use of checks.*

With the Department's approval, NAS will have the checks merged with the correct RA or RCF letter prior to print. All references to checks below include the associated RA or RCF letter required to be merged with the checks.

NAS' print staff are responsible to print, balance, document and mail complex output for several large, diverse processing systems. We currently print checks for Blue Cross Blue Shield of North Dakota, four states of Medicare Part A and eleven states of Medicare Part B. Our team members follow the comprehensive controls and audit procedures for all check runs by following up-to-date documentation and procedures. Each team member is thoroughly trained and possesses the experience to account for all output. The Print and Mail Center consistently meets service level agreements required by all customers.

Print operators perform visual print quality checks on all printed output. Operators manually fan through all output to check for any critical deviations from the set print quality standards. Any output that does not meet our established threshold will be reprinted. If the print quality problem is caused by a hardware problem or failure, operations staff contact support personnel for correction. All hardware-related problems are documented and tracked, using Heat logging software. Print operators formally communicate any observance of problem patterns to supervisors. NAS has a 24-hour 5-day a week maintenance contract with Xerox to insure machine uptime. Xerox is also available for weekend coverage on an as-needed basis.

NAS prints over 3 million checks annually. All printed checks remain in CSOC until they are loaded on a truck for delivery to the USPS.

All of NAS' check printing applications follows these stringent procedures:

- 1.) Check documents are ordered from a reliable vendor on safety paper and contain a pre-printed document number on the back. The document number allows for tracking of each check document.
- 2.) Check stock is stored in locked storage areas.
 - We store bulk volumes of checks in our on-site warehouse in a locked cage. The locked cage meets all HIPPA regulations and requirements.
 - A daily volume of check stock is stored in the secured Print and Mail Center facility at CSOC in locked cabinets. The print staff maintains daily check stock supply levels to insure proper stock availability and appropriate climate

control levels. Each box of daily check stock is opened upon arrival for document number verification. Document numbers are written on the log sheet and balanced against the last entry on the sheet. If a document number discrepancy occurs, a supervisor, the purchasing agent, and the Finance department are notified, and proper steps are taken to document the discrepancy. After all boxes of check are logged, they are placed in locked cabinets.

- 3.) Just prior to printing checks, the print operator prepares the printer by sampling test documents and verifying toner quality and printer alignment for accurate check processing. NAS has used Xerox printers since 1987 and currently has three Xerox DP180 MICR printers and two MX4635 MICR printers. The reliability and print quality on these machines is outstanding - Xerox guarantees their products and MICR quality by stating that they will pay for any checks that cannot be read by bank equipment. NAS has never had a check returned.
- 4.) The print operator obtains the correct check stock and verifies the first document number in the box with the last document number logged in the check logbook.
- 5.) When printing checks, the print operators log into the printer with a password used only for check applications.
- 6.) The check job is sent to the printer from the print server.
- 7.) The operator visually checks the first document printed for barcode and MICR line quality. The MICR line alignment is verified through a MICR Positioning Gauge. The MICR quality/readability is verified on the Xytec machine.
- 8.) The check job is allowed to print when all of the alignment/quality criteria have been met.
- 9.) The print operators continue to monitor the print quality and alignment of the checks throughout the run.
- 10.) When printing has completed, the print operator is responsible to balance the run by:
 - a.) Logging beginning and ending MICR numbers in the appropriate log book,
 - b.) Logging beginning, ending, and voided document numbers in the appropriate logbook, and
 - c.) Balancing the MICR numbers and document numbers on the system generated balance report.
- 11.) When the print operator has completed the balancing procedures, a supervisor, operations analyst, or production mail coordinator "re-balance" the entire run, verifying the balance sheet is correct and all numbers have been logged in the correct spots. This person signs their name on the balance sheet, showing that the run is in balance and complete.

- 12.) A member of the Finance Services department comes to the CSOC area each morning to balance each check run again. The same balancing procedures (described above) are followed again to make sure all documents are accounted for and logged correctly. Each run is balanced three times by three different people before being released to the mail staff. The Finance Service person also signs the balance sheet showing completion. Finance Services maintains their own set of logbooks for MICR numbers, document numbers and for the daily balance sheets. They are also responsible for destroying any voided documents. Voided documents are kept in the vault until the scheduled monthly shredding process.
- 13.) Finance Services releases the check runs to the production mail area in CSOC.
- 14.) The check runs are processed on Böwe Bell & Howell Mailstar 500 inserters. The inserters read each barcode and intelligently verify the contents of each envelope. Envelopes are inserted, metered with proper postage, and sealed.
- 15.) When checks have been successfully inserted, they are processed with other mail pieces on the Böwe Bell & Howell Criterion II Sorter. The process mixes mail pieces from various runs together, sorting them by zip code. This sorting process allows us to benefit from the lowest possible postage rates. The sorter produces specific reports that must accompany the prepared mail to the USPS.
- 16.) Mail pieces are put in trays with cardboard "sleeves" and strapped prior to transport.
- 17.) Cages of mail are loaded on a delivery truck and taken to the local USPS Bulk Mail Unit acceptance office.
- 18.) All mail to be delivered to the USPS by NAS, remains in the CSOC building until it is inserted, metered, sorted, balanced, sleeved, strapped, and caged to meet the USPS acceptance requirements.
- 19.) Mail must never be left unattended during loading, unloading, or transit. A qualified NAS Information Processing Center employee must accompany mail at all times during delivery preparation and transit. The truck box must remain locked during mail transit.
- 20.) All pre-sorted and sorted mail meeting the above criteria is loaded onto the NAS Mail Truck and secured into place.
- 21.) The back door of the truck is shut, latched and secured in place.
- 22.) Mail is delivered to the USPS loading dock at 657 2nd Ave. N – Fargo
- 23.) Mail is unloaded and presented to the USPS Bulk Mail Acceptance Officer for verification and acceptance.

REMITTANCE ADVICE (3.2.7)

3.2.7 Key Activity: *The Contractor shall produce all remittance advices as directed by the Core MMIS Unit.*

Contractor Responsibilities:

- *Produce all remittance advices in a format approved by the Department. Remittance advices will be produced for all providers being issued a check as well as all providers receiving EFT payments.*
- *Match all checks with corresponding remittance advices.*

Performance Measures:

- *Produce 100% of remittance advices generated by the Core MMIS Unit each payment cycle with 100% accuracy (Attachment H).*
- *Match checks to remittance advices for mailing with a 100% accuracy rate for on time mailing 100% of the time.*

Using the methodology described in our response to section 3.2.3 of the RFP, our systems development staff will program a process to merge the RA and their associated checks together in the print file. When the print file is sent to the Xerox printers, it will pass command lines that indicate which form flash should be applied. The programs will also include logic for printing a barcode on each document, which will be used to ensure 100% accuracy in matching checks to the appropriate RA. As mentioned in our response to section 3.2.4 of the RFP, NAS will follow current, established testing procedures to make sure that all output meets the specifications set by the Department.

At implementation time, all documents mailed will contain a 3 of 9 barcode on the left side of the page to assure we can account for all documents. Following implementation each Iowa Medicaid mail piece, NAS will use Transformer. Transformer is a Böwe Bell & Howell programming language that NAS uses to convert the 3 of 9 barcode to a 2D barcode. The 2D barcode is a small square on the left edge of the page that contains information from the 3 of 9 barcode plus document tracking information that is used by IntellaCtr. Due to the implementation timeframe, this feature would not be in place right away, but programming would begin as soon as the project implementation-testing phase is complete.

NAS maintains the integrity of its mail by using Böwe Bell & Howell's IntellaCtr Mail piece Tracking (MPT) tracking software to provide reliable, effective mail processing. IntellaCtr allows us to track and control the handling of individual mail pieces throughout the Böwe Bell & Howell inserter operations and the 2D barcode located on each document. Missing or damaged pieces are automatically detected and reprints from the print area are generated accordingly. The IntellaCtr software combines the IntellaCtr Data File (IDF) technology with the database-driven inserting and mail piece tracking. The IDF contains instructions for the handling of each mail piece and is stored in a database on the server. By utilizing this software, NAS accomplishes the following objectives:

- 1.) Ensures that all sheets of a set are inserted into envelopes for each addressee.
- 2.) Tracks mail pieces for automatic reprints, reconciliation and duplicate detection.
- 3.) Produces reports on all inserter activity on a job by job basis indicating the count of all sheets which were

- a.) Successfully inserted into envelopes,
- b.) Removed by the operator during the run,
- c.) Diverted,
- d.) Overweight,
- e.) Not processed,
- f.) Rejected, and
- g.) Duplicated.

Each report contains the inserter name/number, the operator name/number, the postage and weight of each mail piece and the date and time.

- 4.) Produces a report on a job by job basis which indicates the IDF and physical page number of all sheets which were
 - a.) Successfully inserted into envelopes,
 - b.) Removed by the operator during the run,
 - c.) Diverted,
 - d.) Overweight,
 - e.) Not processed,
 - f.) Rejected, and
 - g.) Duplicated.

Each report contains the inserter name/number, the operator name/number, and the date and time.

- 5.) Provides desktop real-time production monitoring of the entire inserting operation, reporting on all jobs on the inserters, mail pieces completed and sets waiting to be inserted.
- 6.) Ensures that the inserter stops and notifies the operator if a break in the page sequence occurs at the main feed station during all insert operations.
- 7.) Tracks one job with the same job level IDF running on two separate inserters.
- 8.) Displays to operator all associated sheets to a mail piece, which must be removed from the inserter when any one associated sheet is missing from the mail piece.
- 9.) Stops the inserter and displays to the operator any sequential page break in all inserter operations.

- 10.) Logs all error conditions, inserter-stopping conditions, and operator responses including overrides to check digit mismatch and sequential page break overrides.

The shift supervisor can monitor the workload by running various reports from the console such as a production statistics report, maintenance stops report, extended fault time stops report, operator stops report, inserts distribution report, and a shift report.

RCF LETTERS (3.2.8)

3.2.8 Key Activity: *The Contractor shall produce Residential Care Facility (RCF) letters as directed by the Core MMIS Unit.*

Contractor Responsibilities:

- *Produce all letters for RCF guardians each payment cycle.*
- *Print all letters for RCF guardians each payment cycle with corresponding check numbers.*
- *Prepare all letters for mailing to RCF guardians.*
- *Match each check with its corresponding RCF letter to prepare for mailing.*

Performance Measures:

- *Produce RCF letters with 100% accuracy from the files generated by the Core MMIS Unit (Attach H).*
- *Maintain 100% accuracy rate in matching and printing RCF letters with corresponding checks.*
- *Maintain 100% accuracy rate in matching RCF letters and corresponding checks in preparation for mailing.*

Using the methodology described in our response to section 3.2.3 of the RFP, NAS systems development staff will program a process to merge the RCF letters and their associated checks together in the print file. The print file contains Xerox command lines to apply the correct form flash. The programs include logic for printing a barcode on each document, which will be used to achieve 100% accuracy in matching RCF letters and corresponding checks.

As mentioned in our response to section 3.2.4 of the RFP, NAS will follow testing procedures to make sure that all output meets the specifications set by the Department.

Again, using the Transformer processing, we will uphold the integrity of RCF letters.

MAILING (3.2.9)

3.2.9 Key Activity: *The Contractor shall prepare all documents for mailing each payment cycle.*

Contractor Responsibilities:

- *Prepare all documents to be mailed on the Wednesday of each payment cycle.*
- *Use methods that will gain the Department optimal postage rates.*
- *Prepare labels, as necessary.*
- *Apply all postage to the envelopes.*
- *Handle and insert multiple pages of remittance advice with each check.*
- *Match all checks with the correct remittance advices so that the check and the remittance advice are mailed together.*
- *Submit all mailings to the USPS for immediate distribution, upon the Department's approval.*

Performance Measures:

- *All work must always be ready to mail each payment cycle on time 100% of the time with 100% accuracy.*
- *All checks, RAs, and letters must be release to USPS within sixty (60) minutes of a telephone approval from the Department.*

NAS will implement the use of electronic forms and a merged print file containing checks and their associated documents.

File processing will automatically separate pieces weighing two ounces or less from pieces that require insertion into flat envelopes or boxes. The system predetermines the weight of each piece according to the number of documents assigned to a set and splits the file into two or more files. The weight of each set of documents dictates the sorting, splitting, and creation of new files, and makes the metering process much more efficient. This process automatically generates labels for the flat envelopes or boxes.

All print jobs have a "due out time" documented in our Data Management system to assist the print operators in timely and efficient delivery of all output. Print operators schedule the print jobs on the five Xerox printers simultaneously for efficient and continuous throughput. All printed reports are checked out and delivered daily according to their due out times.

All documents will be printed with a barcode on the left edge of the paper for intelligent mail insertion. The barcode contains information that is read by the Böwe Bell & Howell inserters, insuring 100% accurate document inserting. A character in a unique position tells the inserters when the final document for an envelope has been read. All documents are folded together and inserted into an envelope, sealed, metered with postage and prepared for sorting. Depending on the weight of the documents being inserted, NAS is able to insert up to 10 sheets of paper into a standard #10 window envelope and meter it for the two-ounce postage rate.

The NAS Help Desk is available via phone and e-mail Monday through Sunday, 24 hours per day, and will facilitate the Department's approval of the release of checks,

RAs, and letters for delivery to the USPS. Upon receiving approval from the Department, Help Desk staff will contact NAS Mail Coordinators to provide approval notification. Within the hour, the Help Desk will contact the Mail Coordinators to verify the release of the documents to the USPS. After verification, the Help Desk will document the process, using standard logging procedures, and notify the Department and appropriate NAS staff via e-mail with confirmation the process is complete.

Following the approval and release of all documents by the Department, the Iowa Medicaid mail will be taken to the Criterion II sorter and co-mingled with other NAS mail going to the same region. NAS can reduce meter postage for each piece and obtain significant postage discounts by mixing mail into larger runs.

NAS' delivery truck driver is allowed to deliver mail to the USPS Bulk Mail Entry Unit (BMEU) during the hours of 8 a.m. and 6 p.m., Monday through Friday. The USPS BMEU is closed on federal holidays, but mail bearing the full rate of postage is accepted before noon on these holidays. NAS will work with the Department to create a schedule during these federal holiday closings.

REPORTING (3.2.10)

3.2.10 Key Activity: *Provide documentation as required by the Department in all required formats and media.*

Contractor Responsibilities:

- *Prepare the reports specified below in a format and medium to be approved by the Department by April 15, 2005.*
- *Provide the following reports for each payment cycle:*
 - A. *Check register by check number.*
 - B. *Check register by RA number.*
 - C. *Accounts of checks destroyed/replaced.*
 - D. *Account of check number ranges used.*
 - E. *Bank file with summaries of check and remittance advice totals on CD-ROM.*
 - F. *Security compliance history, including incident reports and remedial action taken in the event of any breach.*
 - G. *Mailing activity including postage totals, number and size of envelopes mailed.*
 - H. *Check Galley (electronic file in check number order).*
 - I. *Remittance Advices Galley (electronic file in RA number order).*

Performance Measures:

- *All reports and files shall be produced and delivered to the Department by 10:00 A.M. each Thursday following the release of the payment cycle on Wednesday.*

Iowa Medicaid reports will be processed and handled with the same established procedures we use for our current reporting requirements.

NAS' programming staff will develop programs to produce the following reports:

- A check register by check number,
- A check register by RA number, and
- An electronic bank file with summary of check and item totals on a CD-ROM.

NAS staff will provide an account of all checks destroyed/replaced by sending a copy of the completed balance sheet by overnight courier or fax to the Department. Each check run is balanced, as detailed in our response to section 3.2.6 of the RFP, before it is released for inserting. The balance sheets contain a system printed range of check numbers used for the run and a hand written verification of those numbers. It also contains a section that is used to record and balance the pre-printed document numbers and any damaged and voided checks.

The balance sheet and the system-generated check registers will list check number ranges.

NAS will custom design a report for the Iowa Medicaid mail showing how many pieces were mailed and associated postage incurred. If requested, NAS could provide the Department a copy of the postage statements required by the USPS for each mailing.

NAS maintains thorough documentation surrounding security incident definition, detection and remediation. This documentation includes detailed procedures for handling any security incident, along with Incident Identification and Incident Containment reports. In addition, NAS has numerous policies and procedures in place for Incident Response and reporting that will be incorporated into the IME Print Mail workload. NAS has defined a Computer Incident Response Team with specific duties and responsibilities identified prior to, during and after an incident. NAS also maintains specific Information Services Security Policies and Procedures that describe the methods for NAS' Information Services Department response to Computer Related Security Incidents. All the documentation, policies and procedures will be shared with the Department upon award of the contract. The format of the Incident Identification and Incident Containment reports will be modified if necessary to meet Department requirements for incident reporting.

To control distribution of reports, a job will be run each day to produce batch cover sheet for Iowa Medicaid reports. Print operators will use the report name, number of copies, and distribution information on the batch cover sheet to verify that all expected reports were printed. The batch cover sheet will be bundled with its corresponding reports and hand delivered to the appropriate delivery point. A cover sheet will contain a check box

and a sign-off line that is filled in by the print operator to indicate all reports are accounted for and the job is complete. Delivery information on the batch cover sheet for Iowa Medicaid operations will specify overnight courier is required for delivery by 10:00 am on Thursday.

NAS currently maintains service level agreements with all its customers and generates monthly reports reflecting on-time statistics. NAS will use its Data Management system, with over 8,000 unique reports for its current workload, for the IME Medicaid Claims Payment Support Services business. We will apply the same high standards for processing, printing and mailing the Iowa Medicaid output as we do for our current contracts.

NAS has the capability to provide alternative methods for delivery of hardcopy reports. Instead of the standard method of printing and delivering via an overnight courier, we are able to offer the following two methods that may improve the turnaround time of these reports:

1. NAS can route print to a network-attached printer with a valid IP address. This printer would be physically located at the Iowa Medicaid office and would be an ideal solution for small volume reports that need immediate attention. NAS currently routes large volumes of print to a high-speed printer in Wyoming and has tested small volume reports to remote desktop printers.
2. A Computer Output to Laser Disk (COLD) system could be implemented if approved by the Department. as an online alternative to printing reports. The COLD system provides electronically accessible reports rather than rely on an overnight shipment of hardcopy reports. Printed reports are available where necessary. The speed and convenience of having report information within minutes of their creation will add user satisfaction and allow report data to be viewed by a wider range of authorized personnel simultaneously. NAS is a proponent of technology that improves timeliness, end-user productivity, and accuracy. COLD technology allows for a reduction in paper and a streamlined efficiency in delivery of reports to end-users. Please reference the Added Value Services section of Tab 6 of this proposal for more information on COLD technology.

10 – PROJECT MANAGEMENT PLANNING

4.2.10 PROJECT MANAGEMENT PLANNING

4.2.10.1 SUBCONTRACTORS

The bidder shall disclose the planned use of corporate subcontractors (i.e., another company) or individual subcontractors (i.e., a contracted staff member) to perform the services described in this RFP.

NAS will not be using any subcontractors for this workload.

4.2.10.2 DRAFT PROJECT PLAN

The Department requires that bidders produce a Draft Project Plan. In addition to the task lists and corresponding start and end dates, the draft project plan will include identification of resource allocations.

NAS has completed a Draft Project Plan for the IME Medicaid Claims Payment Support Services workload (Attachment 1). The plan consists of tasks and subtasks necessary for timely completion of the transition of the IME Medicaid Claims Payment Support Services workload. The Draft Project Plan also includes start and end dates, milestones and identification of resources.

Following are tables illustrating the key dates and activities for this project:

Figure 4: Key Dates

KEY DATES	
DATE	DESCRIPTION
March 31, 2005	Execution of Contract
April 15, 2005	Deliver Reports for DHS Approval
May 1, 2005	Deliver Written Operations Processes for DHS Approval
May 15, 2005	Begin Acceptance Testing
July 1, 2005	Start of Full Production

Figure 5: Key Activities

KEY ACTIVITIES	
ACTIVITY	# OF DAYS WITHIN AWARD OF CONTRACT
Kick-off Meeting	5 Days
Detailed Specifications	14 Days
Completion of Development	20 Days
Receipt of Check Stock and Envelopes	35 Days

11 – CORPORATE ORGANIZATION, EXPERIENCE, AND QUALIFICATIONS

4.2.11 **CORPORATE ORGANIZATION, EXPERIENCE AND QUALIFICATIONS**

The bidder must provide a corporate organization chart of the firm that is submitting the proposal. If the firm is a subsidiary of a parent company, the organization chart should be that of the subsidiary firm. The chart should display the firm's structure and the organizational placement of the oversight for the Iowa Medicaid Enterprise project. The bidder must identify the name of the person who will be responsible for signing the contract and indicate the signing person's relationship with the firm. The bidder must:

- *Disclose the legal structure of your organization and the state in which the organization is registered;*
- *Provide evidence of an Iowa business license and any necessary applicable professional license required by law;*
- *Describe the history of your organization;*
- *Provide a table of the structure of your organization, including the names and credentials of the owners and executives;*
- *Describe the executive, management and technical staff assigned to this project. Include the number of staff, their roles on this project, their expertise and experience in providing the services described in the RFP, and their tenure with your organization;*
- *Identify any established partnership relationships with the community;*
- *Identify other projects in which the bidder is currently providing or has provided services similar to the services described in this RFP. Identify whether or not the prior projects were completed on time and within budget;*
- *Describe other contracts or projects currently undertaken by the bidder; and*
- *Provide an audited financial statement for the preceding three (3) year period. Include the financial statements with the cost proposal.*

ORGANIZATION CHART

Attachment 6 contains the NAS Organization Chart, which illustrates our corporate structure as it pertains to the IME Medicaid Claims Payment Support Services contract.

AUTHORIZED EXECUTIVE

Jay Martinson, Executive Vice President and Chief Operation Officer, is authorized to bind Noridian Administrative Services.

LEGAL STRUCTURE

Noridian Administrative Services was formed in the state of Delaware as a limited liability company on January 2, 2002.

Noridian Administrative Services is a wholly owned subsidiary of Noridian Mutual Insurance Company. NAS is currently performing Noridian's Medicare fiscal intermediary and carrier contracts under a Special Power of Attorney form Noridian while CMS is considering Noridian's request to assign the Medicare contracts to NAS. Under the Special Power of Attorney, NAS has been processing Medicare claims since October 1, 2002.

IOWA BUSINESS LICENSE

Noridian Administrative Services, LLC is registered with the Iowa Secretary of State to do business in Iowa. The registration number is 490FLC-000269119. See Attachment 7 for a copy of the license.

ORGANIZATION HISTORY

More than 60 years ago, Blue Cross Blue Shield of North Dakota (BCBSND) began as two separate pre-paid health care plans for hospital and physician services. The two companies merged in 1986 and converted to a nonprofit mutual insurance company in 1998. At that time, the official corporate name became Noridian Mutual Insurance Company, although the company continues to do business in North Dakota as Blue Cross Blue Shield of North Dakota.

Noridian Administrative Services, LLC (NAS) was formed in 2002. NAS is a wholly owned subsidiary of Noridian Mutual Insurance Company. NAS, pursuant to a special power of attorney from Noridian, performs as a Medicare contractor processing and paying Part A and Part B claims under Fiscal Intermediary and Carrier contracts that are entered into with the Centers for Medicare and Medicaid Services (CMS).

ORGANIZATION STRUCTURE**Executive Credentials**

The following are the executives of NAS and a brief description of their related credentials:

Title	Years of Relevant Industry Experience	Years Employed by Noridian	Education
Michael B. Unhjem			
Chairman President/Chief Executive Officer Noridian Mutual Insurance Company	18	18	Law Degree University of North Dakota Grand Forks, ND
Michael F. Hamerlik			
President/Chief Executive Officer Noridian Administrative Services, LLC	14	14	Law Degree University of North Dakota Grand Forks, ND
Jay Martinson			
Executive Vice President & Chief Operating Officer Noridian Administrative Services, LLC	24	24	Bachelors Degree Moorhead State University Moorhead, MN Double Major: Business Admin. & Accounting
Darrell Vanyo			
Senior Vice President/Corporate Information Officer Information Services Noridian Mutual Insurance Company	33	27	Bachelors Degree North Dakota State University Fargo, ND Double Major: Mathematics & Computer Science
Craig Campbell			
Vice President and Chief Administrative Officer Noridian Administrative Services, LLC	0	.5	Law Degree and Bachelors Degree University of North Dakota Grand Forks, ND Major: Public Administration
Martha Rust			
Vice President, Chief Financial Officer Noridian Administrative Services, LLC	21	4	Bachelors Degree St. Francis University Loretto, PA Major: Accounting
Anna Frissell			
Vice President, Compliance Officer Noridian Mutual Insurance Co.	9	9	Law Degree University of North Dakota Grand Forks, ND

EXECUTIVES, MANAGEMENT & TECHNICAL STAFF

Executive Management:

Jay Martinson will be the executive overseeing the IME Medicaid Claims Payment Support Services project. Mr. Martinson has been an employee of Noridian Mutual Insurance Company, the parent company of Noridian, for over 23 years. He has worked in the corporate accounting department, Blue Shield claims department and for the past 16 years in Medicare. For the past 10 years, he has served as the senior Medicare executive. During the past ten years, Mr. Martinson has been either the Project Manager and/or the executive overseeing nine Medicare workload transitions and four Medicare system conversions.

Noridian's Corporate Information Officer (CIO), Darrell Vanyo, manages the Information Services Division. Darrell has been in this role for over 12 years and has 27 years of experience with Noridian and over 30 years of experience in the information services field. Mr. Martinson's role on this project will be to provide executive oversight to the Information Services Division's management and their respective staff. Executive oversight will ensure proper staffing throughout all phases, clear understanding of DHS expectations, a collaborative approach with all other components and provide suggestions for potential enhancements.

Troy Aswege will serve as the Project Manager. Mr. Aswege currently oversees all Technical Support, Security, Data Management, Operations, and Production Print and Mail activities, and he has 15 years of experience with Noridian.

Management and Technical Staff

The Noridian Information Services Division (IS Division) has 225 employees, providing all information technology systems for the Noridian Enterprise (including, but not limited to, Noridian Administrative Services, LLC). This includes development and support of all applications, plus support and installation of all hardware and other infrastructure. Additionally, the IS Division provides staff for the 6X24 Operation, which includes nightly batch processing, production print and mail.

Two Assistant Vice Presidents (AVP) in the IS Division report to the CIO, Darrell Vanyo. Joe Bruzelius oversees all of the Application Development staff and has 26 years of experience with Noridian. Troy Aswege oversees all Technical Support, Security, Data Management, Operations, and Production Print and Mail activities, and he has 15 years of experience with Noridian.

The workload for this contract will be added into the existing Print and Mail Center production schedule. There are 27 FTEs dedicated to Noridian's print and mail operation. The average years of service for our print and mail staff is 8 years. Within the 27 FTE count, two Shift Supervisors handle the daily scheduled workload. The two Shift Supervisors are Steve Hetland, who has 7 years of service with Noridian and 17 years in the industry, and Greg Marquart, who has 26 years of service in the industry.

The Shift Supervisors report to the Manager of the Print and Mail Center, who in turn reports to the AVP. Ms. Wilcox has over 20 years of experience in print and mail.

The IS Division has 109 development staff, with three managers and eight project leaders. NAS will assign two senior programmers to develop the needed reports, printed documents and files to be transmitted for the IME Medicaid Claims Payment Support Services workload. Mason Mehring is the manager of the development staff working this project. He has 16 years of service with Noridian and 22 years of service in the industry. The project leader is Lois Broste, who has 17 years of service with Noridian.

ESTABLISHED PARTNERSHIPS

Since 1998, Noridian has been the Medicare Part B contractor for Iowa. Noridian has successfully worked with the Iowa provider community through a workload transition (transferring the Part B contract from Wellmark to Noridian), Y2K and most recently, HIPAA. As a testimony to Noridian's working relationship with the Iowa provider community, Iowa has had one of the highest percentages in the country of Part B claims submitted in the HIPAA format and the percentage of providers capable of submitting HIPAA compliant claims.

Noridian has worked with the Iowa Medical Society, Iowa Hospital Association and nearly all of the specialty associations. We work with the medical community to develop medical policies through the Contractor Advisory Committee; many, if not all of the medical policies are used by DHS.

Noridian is also an active participant of the Partners Group whose members are the SHIP, Medicaid, Department of Elders and Medicare Part A (Cahaba). As a whole, Noridian has truly enjoyed being involved with the Iowa community and feel that Noridian has made positive contributions as well.

SIMILAR PROJECTS/SERVICES

Noridian has a long history of successful workload transitions, all of which were completed on time, within budget, and without interruption to the customers. Our successes are due largely to our staff, the structure of our organization and our approach.

Over the past five years, Noridian has been through several projects that are similar in nature to this effort. Every one of the projects listed below was completed on time and within budget.

- 1.) In 2001, Noridian transitioned the print and mail of six states of Medicare work from Moore Business Systems to internal systems in Fargo. The transition went very smoothly without interruption. The size of this effort increased our print and mail volume by more than 75%. It includes the acquisition of two additional printers and two mail inserters, as well as hiring additional staff.
- 2.) As part of our transition to doing the Iowa Medicare processing in 1998, the print and mail for this state was transitioned into our production processing. The efforts were a task of the Iowa Part B transition. This amounted to 20% increase to the volume we were doing during the time prior to the transition.

- 3.) A similar effort was realized for the work on our transition for the Minnesota Part A workload in 1999. This print/mail volume was approximately 5% of the total volume we were doing at that time.
- 4.) Finally, the most recent example is our transition of the Washington and Alaska Part A workload in 2004. This equated to 4% of our total print/mail volume at the time.

OTHER CONTRACTS/PROJECTS

NAS is current and has no material projects underway at this time. Nearly all of NAS's manpower is currently dedicated to the administration of the Part A contracts (Minnesota and North Dakota; Washington and Alaska) and Part B contracts (Alaska, Arizona, Colorado, Hawaii, Iowa, Nevada, North Dakota, Oregon, South Dakota, Washington, and Wyoming).

4.2.11.1 CONTRACTOR EXPERIENCE LEVELS

4.2.11.1.1 SYSTEMS UNITS

Bidders will identify all relevant contracts for similar services including all Medicaid contracts, within the last five (5) years. As appropriate, bidders shall also list prime contractors or subcontractors to the bidder for each contract. Bidders will include projects that demonstrate, at a minimum:

1. *Relevant governmental experience for similar services;*
2. *Relevant non-governmental experience for similar services;*
3. *Other experience with large-scale, claims payment support; and*
4. *Other experience with governmental healthcare programs for similar services.*

For up to five (5) projects referenced above, the bidder shall provide the following items in the Project Summaries:

1. *Title of the Project;*
2. *Name of Client Organization;*
3. *Client Reference, Title, and Current Telephone Number. (The state reserves the right to contact other references on the project.);*
4. *Start and End Dates of the original Contract;*
5. *Total Contract Value (to the bidder's organization; e.g., if bidder was a subcontractor, specify subcontract dollar amount);*
6. *Average staff hours in FTEs during operations;*
7. *Brief Description of Scope of Work related to similar services.*

NAS is submitting four project summaries for the following contracts we currently have:

- Medicare Part B Carrier for Eleven States,
- Medicare Part A Intermediary for North Dakota and Minnesota,
- Medicare Part A Intermediary for Washington and Alaska, and
- Fiscal Agent and System Maintainer for Iowa Medicaid.

These project summaries are provided in table format on the following pages of this proposal.

MEDICARE PART B CARRIER FOR ELEVEN STATES	
Name of Client Organization	Department of Health & Human Services Centers for Medicare & Medicaid Services 7500 Security Boulevard Baltimore, Maryland 21244-1850
Contract Number	00821
Client Reference	Kathy Markman Contracting Officer 410-786-8916
Start and End Dates of Original Contract	Contract Award: 1966 Contract Completion Date: Automatic annual renewal upon consistent, repeated, satisfactory performance
Total Contract Value During Last Complete Government Fiscal Year	\$75,150,091
Average Staff Hours in FTEs During Operations of Last Complete Government Fiscal Year	1,542,580 hours
Brief Description of Scope of Work	<p>Noridian was awarded the Medicare Part B carrier contract for the state of North Dakota in 1966 by the Centers for Medicare and Medicaid Services (CMS). Noridian has since expanded this award for administration of the Medicare program into ten additional states (SD, WY, CO, IA, WA, OR, AZ, NV, AK, HI). Under this contract, Noridian performs all aspects of claim processing, including mailroom activities for processing Medicare paperwork, scanning activities for converting Medicare paperwork to an electronic format, OCR activities for converting paper claims to electronic claims, front-end and back-end Electronic Data Interchange (EDI) activities, claim review, and customer service support.</p> <p>Noridian processes Medicare claims and corresponding paperwork for the largest geographic area in the country and is among the five largest volume carriers in the nation. Noridian's growth from a one state contractor to an eleven state contractor for Medicare Part B demonstrates CMS' confidence in Noridian's ability to transition workload and process large volumes of claims and correspondence.</p> <p><u>Place(s) of performance:</u> North Dakota - Fargo, Jamestown, and Grand Forks; Colorado – Golden; Washington – Kent; Iowa – Des Moines and Prairie City; Oregon – Portland; Arizona – Phoenix; Hawaii – Honolulu</p>

MEDICARE PART A INTERMEDIARY FOR NORTH DAKOTA AND MINNESOTA	
Name of Client Organization	<p>Department of Health & Human Services Centers for Medicare & Medicaid Services 7500 Security Boulevard Baltimore, Maryland 21244-1850</p> <p>Blue Cross Blue Shield Association Government Business Services 225 North Michigan Avenue Chicago, Illinois 60601-7680</p>
Contract Number	00320
Client Reference, Title, and Current Telephone Number	<p>Kathy Markman, Contracting Officer (410-786-8916) Wilson Leong, BCBSA (312-297-5869)</p>
Start and End Dates of Original Contract	<p>Date of Award: 1966 Contract Completion Date: Automatic annual renewal upon consistent, repeated, satisfactory performance</p>
Total Contract Value During Last Complete Government Fiscal Year	\$11,978,945
Average Staff Hours in FTEs During Operations of Last Complete Government Fiscal Year	258,260 hours
Contract Description	<p>Noridian was awarded the Medicare Part A fiscal intermediary contract for the state of North Dakota in 1966 by the Centers for Medicare and Medicaid Services (CMS). Noridian has since expanded this award for administration of the Medicare program in MN. Under this contract, Noridian performs all aspects of claim processing, including mailroom activities for processing Medicare paperwork, scanning activities for converting Medicare paperwork to an electronic format, OCR activities for converting paper claims to electronic claims, front-end and back-end Electronic Data Interchange (EDI) activities, claim review, and customer service support.</p> <p><u>Place(s) of performance</u> North Dakota – Fargo Minnesota – Eagan</p>

MEDICARE PART A INTERMEDIARY FOR WASHINGTON AND ALASKA	
Name of Client Organization	Department of Health & Human Services Centers for Medicare & Medicaid Services 7500 Security Boulevard Baltimore, Maryland 21244-1850
Contract Number	00322
Client Reference, Title, and Current Telephone Number	Kathy Markman Contracting Officer 410-786-8916
Start and End Dates of Original Contract	Contract Award: 1994 Contract Completion Date: Automatic annual renewal upon consistent, repeated, satisfactory performance
Total Contract Value During Last Complete Government Fiscal Year	Budget for FY 2005 is \$8,460,200
Average Staff Hours in FTEs During Operations of Last Complete Government Fiscal Year	111,680 hours
Contract Description	<p>Noridian was awarded the Medicare Part A fiscal intermediary contract for the states of Washington and Alaska in 1994 by the Centers for Medicare and Medicaid Services (CMS). Under this contact, Noridian performs all aspects of claim processing, including mailroom activities for processing Medicare paperwork, scanning activities for converting Medicare paperwork to an electronic format, OCR activities for converting paper claims to electronic claims, front-end and back-end Electronic Data Interchange (EDI) activities, claim review, and customer service support.</p> <p><u>Place(s) of performance</u> Washington – Kent</p>

FISCAL AGENT AND SYSTEM MAINTAINER FOR IOWA MEDICAID	
Name of Client Organization	Iowa Department of Human Services Hoover State Office Building 1305 E. Walnut Street Des Moines, IA 50319
Contract Number	MED-04-015-A
Client Reference, Title, and Current Telephone Number	Mary Tavegia Contract Administrator 515-281-6555
Start and End Dates of Original Contract	Contract Award: 2004 Contract Completion Date: 5 Base Years with 3 Option Years
Total Contract Value During Last Complete Government Fiscal Year	\$7,153,200
Average Staff Hours in FTEs During Operations of Last Complete Government Fiscal Year	N/A – We have not yet had complete fiscal year of operations.
Contract Description	Noridian is the Core MMIS Unit contractor for the state of Iowa's Medicaid MMIS claim processing system under the Iowa Department of Human Services (DHS). <u>Place(s) of performance</u> Iowa – Des Moines

4.2.11.2 LETTERS OF REFERENCE

The bidder shall provide Letters of Reference, on that company's letterhead, from three (3) previous clients knowledgeable of the bidder's performance in providing services similar to the services described in this RFP and a contact person and telephone number for each reference.

Attachment 8 contains three letters of reference from the following:

- 1.) Blue Cross Blue Shield Association
- 2.) Gate City Bank
- 3.) Blue Cross Blue Shield of North Dakota

4.2.11.3 DISCLOSURE OF FELONY CONVICTIONS

DISCLOSURE OF FELONY CONVICTIONS

I certify that none of Noridian Administrative Services' Officers or Directors has ever been convicted of a felony.



Jay Martinson
Executive VP & COO
Noridian Administrative Services, LLC

March 9, 2005
Date

This page left intentionally blank

12 – CERTIFICATIONS AND GUARANTEES BY THE BIDDER

4.2.12 CERTIFICATIONS AND GUARANTEES BY THE BIDDER

4.2.12.1 AUTHORIZATION TO RELEASE INFORMATION

AUTHORIZATION TO RELEASE INFORMATION

Noridian Administrative Services, LLC (name of bidder) hereby authorizes any person or entity, public or private, having any information concerning the bidder's background, including but not limited to its performance history regarding its prior rendering of services similar to those detailed in this RFP, to release such information to the Department.

The bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the Department or may otherwise hurt its reputation or operations. The bidder is willing to take that risk. The bidder agrees to release all persons, entities, the Department, and the Department of Iowa from any liability whatsoever that may be incurred in releasing this information or using this information.

Noridian Administrative Services, LLC
Printed Name of Bidder Organization



Signature of Authorized Representative

March 9, 2005
Date

4.2.12.2 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS

By signing and submitting this Proposal, the bidder is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the bidder knowingly rendered an erroneous certification, in addition to other remedies available to the federal government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
2. The bidder shall provide immediate written notice to the person to which this Proposal is submitted if at any time the bidder learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this Proposal is submitted for assistance in obtaining a copy of those regulations.
4. The bidder agrees by submitting this Proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
5. The bidder further agrees by submitting this Proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the

certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, INELIGIBILITY AN VOLUNTARY
EXCLUSION--LOWER TIER COVERED TRANSACTIONS**

- 1.) The bidder certifies, by submission of this Proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- 2.) Where the bidder is unable to certify to any of the statements in this certification, such bidder shall attach an explanation to this Proposal.



Jay Martinson
Executive Vice President and Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005

Date

4.2.12.3 CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST

CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST

By submission of a bid proposal, the bidder certifies (and in the case of a joint proposal, each party thereto certifies) that:

- The bid proposal has been developed independently, without consultation, communication or agreement with any employee or consultant of the Department who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee;
- The bid proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition;
- Unless otherwise required by law, the information in the bid proposal has not been knowingly disclosed by the bidder and will not knowingly be disclosed prior to the award of the contract, directly or indirectly, to any other bidder;
- No attempt has been made or will be made by the bidder to induce any other bidder to submit or not to submit a bid proposal for the purpose of restricting competition;
- No relationship exists or will exist during the contract period between the bidder and the Department that interferes with fair competition or is a conflict of interest.



Jay Martinson
Executive Vice President & Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005
Date

4.2.12.4 PROPOSAL CERTIFICATIONS AND DECLARATIONS

PROPOSAL CERTIFICATION

I certify that I have the authority to bind the bidder indicated below to the specific terms, conditions and technical specifications required in the Department's Request for Proposals (RFP) and offered in the bidder's proposal. I understand that by submitting this bid proposal, the bidder indicated below agrees to provide Iowa Medicaid Enterprise Medicaid Claims Payment Support Services which meet or exceed the requirements of the Department's RFP unless noted in the bid proposal and at the prices quoted by the bidder.

I certify that the contents of the bid proposal are true and accurate and that the bidder has not made any knowingly false statements in the bid proposal.



Jay Martinson
Executive Vice President and Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005
Date

4.2.12.5 CERTIFICATION OF AVAILABLE RESOURCES

PROPOSAL CERTIFICATION OF AVAILABLE RESOURCES

I certify that the bidder organization indicated below has sufficient personnel resources available to provide all services proposed by this Bid Proposal. I duly certify that these personnel resources for the contract awarded will be available on and after March 31, 2005.

In the event that we, the bidder, have bid more than one component contract specified by this RFP, my signature below also certifies that the personnel bid for this component Bid Proposal are not personnel for any other component Bid Proposal. If my organization is awarded more than one component, I understand that the State may agree to shared resource allocation if the bidder can prove feasibility of shared resource.



Jay Martinson
Executive Vice President and Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005
Date

4.2.12.6 ACCEPTANCE OF TERMS AND CONDITIONS

ACCEPTANCE OF TERMS AND CONDITIONS

I certify that Noridian Administrative Services, LLC acknowledges the acceptance of all terms and conditions stated in the RFP.



Jay Martinson
Executive Vice President and Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005

Date

4.2.12.7 FIRM BID PROPOSAL TERMS

FIRM BID PROPOSAL TERMS

By submission of this Bid, Noridian Administrative Services, LLC certifies and guarantees the availability of services offered and that all Bid Proposal terms, including the price that is specified in the Cost Proposal, will remain firm for at least 120 days after the date set for completion of contract negotiations and execution of the contract.



Jay Martinson
Executive Vice President and Chief Operating Officer
Noridian Administrative Services, LLC

March 9, 2005

Date

ATTACHMENTS

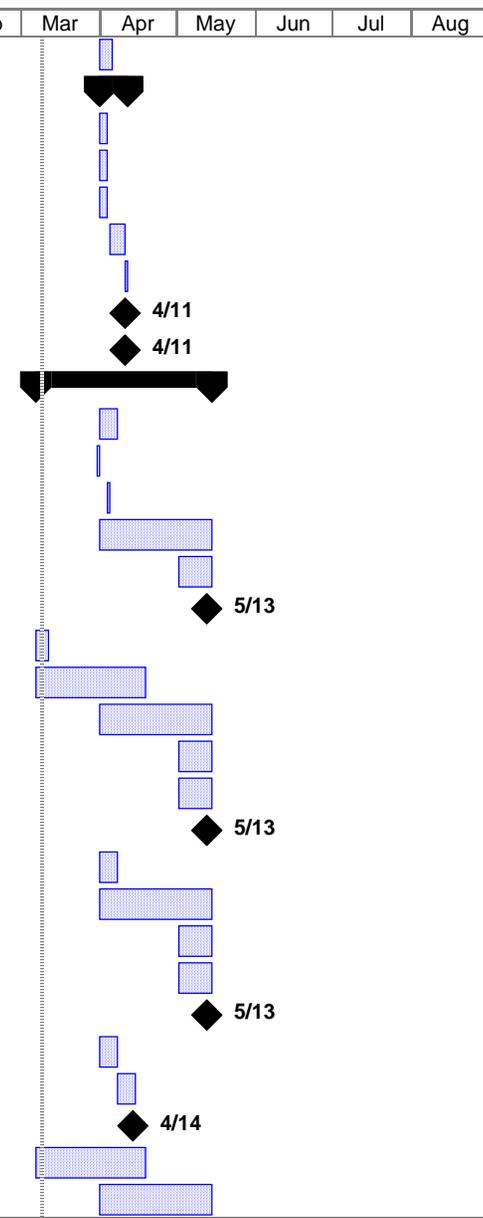
- 1 – DRAFT PROJECT PLAN**
- 2 - CHECK STOCK**
- 3 - CSOC BUILDING FEATURES**
- 4 - CHECK HANDLING PROCEDURES**
- 5 - PRINT OPERATIONS MANUAL**
- 6 - NAS ORGANIZATION CHART**
- 7 - IOWA BUSINESS LICENSE**
- 8 - LETTERS OF REFERENCE**

ATTACHMENT 1 – NAS DRAFT WORK PLAN

Following is NAS' Draft Work Plan for the IME Medicaid Claims Payment Support Services project:

Noridian Administrative Services Draft Work Plan IME Medicaid Claims Payment and Support Services

ID	Outline Nun	Task Name	Start	Finish	Resources	Feb	Mar	Apr	May	Jun	Jul	Aug
1	1	Attend Kickoff Meeting	Fri 4/1/05	Tue 4/5/05								
2	2	Data communications	Fri 4/1/05	Tue 4/12/05	D. Mastre							
3	2.1	Determine what network changes are needed at both ends	Fri 4/1/05	Mon 4/4/05	D. Mastre							
4	2.2	Determine what mainframe changes are needed at both ends	Fri 4/1/05	Mon 4/4/05	D. Mastre							
5	2.3	Data network technicians implement changes needed for SNA traf	Fri 4/1/05	Mon 4/4/05	D. Mastre							
6	2.4	Mainframe system programmers implement VTAM and JES chang	Tue 4/5/05	Mon 4/11/05	D. Mastre							
7	2.5	Test JES-to-JES connection by sending a print file from IA to NAS	Mon 4/11/05	Tue 4/12/05	D. Mastre							
8	2.6	Milestone - Print file sent successful to NAS.	Mon 4/11/05	Tue 4/12/05	DHS							
9	2.7	Milestone - Print file sent successful to IA State.	Mon 4/11/05	Tue 4/12/05	DHS							
10	3	Programming	Mon 3/7/05	Sun 5/15/05	M Mehring							
11	3.1	Determine requirements to create hand-typed checks	Fri 4/1/05	Fri 4/8/05	M.Mehring							
12	3.2	Submit prototype check for Department approval	Thu 3/31/05	Fri 4/1/05	M. Mehring							
13	3.3	Receive Departmental approval for check prototype	Mon 4/4/05	Tue 4/5/05	M. Mehring							
14	3.4	Program a new process to create hand-typed checks for the Depa	Fri 4/1/05	Sun 5/15/05	M. Mehring							
15	3.5	Test new program/process for hand-typed checks with the Depart	Mon 5/2/05	Sun 5/15/05	M.Mehring							
16	3.6	Milestone - Departmental approval for hand-typed checks	Fri 5/13/05	Sun 5/15/05	DHS							
17	3.7	Determine requirements to print checks and remittance advice	Mon 3/7/05	Fri 3/11/05	M.Mehring							
18	3.8	Program new process to print checks and remittance advices. Use	Mon 3/7/05	Mon 4/18/05	M Mehring							
19	3.9	Request from the Department a data file in the Check Extract Layc	Fri 4/1/05	Sun 5/15/05	M.Mehring							
20	3.10	Test new program/process to print checks and RA and associate v	Mon 5/2/05	Sun 5/15/05	M.Mehring							
21	3.11	Test new program/processes to print check balancing forms with t	Mon 5/2/05	Sun 5/15/05	M Mehring							
22	3.12	Milestone - Departmental approval for Ras and checks	Fri 5/13/05	Sun 5/15/05	DHS							
23	3.13	Determine requirements to print RCF letters and checks	Fri 4/1/05	Fri 4/8/05	M.Mehring							
24	3.14	Program new process to print RCF forms and checks together. Us	Fri 4/1/05	Sun 5/15/05	M.Mehring							
25	3.15	Test new program/process to print checks and RCF together, assc	Mon 5/2/05	Sun 5/15/05	M Mehring							
26	3.16	Test new program/processes to print check balancing forms with t	Mon 5/2/05	Sun 5/15/05	M Mehring							
27	3.17	Milestone - Departmental approval for RCF letters and checks	Fri 5/13/05	Sun 5/15/05	DHS							
28	3.18	Determine requirements to track check and EFT transactions. Ger	Fri 4/1/05	Fri 4/8/05	M.Mehring							
29	3.19	Submit prototype reports for Departmental review - 3.2.10	Fri 4/8/05	Fri 4/15/05	M.Mehring							
30	3.20	Milestone - Departmental approval for prototype reports - 3.2.	Thu 4/14/05	Fri 4/15/05	DHS							
31	3.21	Program new process to track check and EFT processes. Create p	Mon 3/7/05	Mon 4/18/05	M.Mehring							
32	3.22	Request from the Department a data file in the EFT Layout, attach	Fri 4/1/05	Sun 5/15/05	M.Mehring							



Attachment 1

Noridian Administrative Services Draft Work Plan IME Medicaid Claims Payment and Support Services

ID	Outline Nun	Task Name	Start	Finish	Resources	Feb	Mar	Apr	May	Jun	Jul	Aug
33	3.23	Test EFT transactions and electronic registers with the Departmer	Mon 5/2/05	Sun 5/15/05	M Mehring							
34	3.24	Milestone - Fianl approval from DHS and Bank	Fri 5/13/05	Sun 5/15/05	M Mehring							
35	4	Print	Thu 3/31/05	Tue 5/31/05	A. Wilcox							
36	4.1	Order check stock and envelopes	Thu 3/31/05	Fri 4/1/05	A. Willcox							
37	4.2	Receive check stock and envelopes	Thu 5/5/05	Fri 5/6/05	A. Willcox							
38	4.3	Ask host site to mail a printed sample of each printed report	Fri 4/1/05	Tue 4/5/05	A. Wilcox							
39	4.4	Submit prototype reports for Departmental review - 3.2.10	Fri 4/8/05	Fri 4/15/05	A. Wilcox							
40	4.5	Milestone - Departmental approval for reports - 3.2.10	Thu 4/14/05	Fri 4/15/05	DHS							
41	4.6	Develop Xerox fonts, logos, forms and libraries at Noridian	Thu 3/31/05	Tue 5/31/05	A. Wilcox							
42	4.6.1	Request required logos and signature fonts from the Departrr	Thu 3/31/05	Fri 4/1/05	A. Wilcox							
43	4.6.2	Receive logos and signature fonts from the Department	Tue 4/5/05	Fri 4/15/05	A. Wilcox							
44	4.6.3	Create all Xerox forms specific to the Department	Tue 4/5/05	Sun 5/1/05	A. Wilcox							
45	4.6.4	Test all Xerox forms specific to the Department	Tue 4/5/05	Sun 5/1/05	A. Wilcox							
46	4.6.5	Milestone - Departmental approval of Xerox Forms	Fri 4/29/05	Sun 5/1/05	DHS							
47	4.6.6	Add all JDE's to library specific to the Department	Tue 4/5/05	Sun 5/1/05	A. Wilcox							
48	4.6.7	Load forms to all printers	Mon 5/2/05	Wed 5/4/05	A. Wilcox							
49	4.6.8	Load library(s) to all printers	Mon 5/2/05	Wed 5/4/05	A. Wilcox							
50	4.6.9	Receive test reports from the Department	Mon 5/2/05	Sun 5/15/05	A. Wilcox							
51	4.6.10	Print and verify the test material	Mon 5/2/05	Sun 5/15/05	A. Wilcox							
52	4.6.11	Milestone - Departmental approval printed test material	Fri 5/13/05	Sun 5/15/05	DHS							
53	4.6.12	Make any changes as requested by the Department	Mon 5/16/05	Tue 5/31/05	A. Wilcox							
54	4.6.13	Milestone - Departmental approval of all printed documer	Mon 5/30/05	Tue 5/31/05	DHS							
55	4.6.14	Update all accounting information for all printers	Mon 4/4/05	Tue 4/5/05	A. Willcox							
56	4.6.15	Verify check tests with Bank	Mon 5/9/05	Fri 5/13/05	A. Willcox							
57	4.6.15.1	Hand-typed Checks	Mon 5/9/05	Fri 5/13/05	A. Willcox							
58	4.6.15.2	Check and RA	Mon 5/9/05	Fri 5/13/05	A. Willcox							
59	4.6.15.3	Check and RCF Letter	Mon 5/9/05	Fri 5/13/05	A. Willcox							
60	4.6.16	Milestone - Verify check test is successful with Bank	Thu 5/12/05	Fri 5/13/05	A. Willcox							
61	5	Mail	Mon 5/2/05	Fri 7/1/05	A. Wilcox							
62	5.1	Load all appropriate accounting information to meters	Mon 5/2/05	Fri 5/6/05	A. Willcox							
63	5.2	Load all job information to AUI's	Mon 5/2/05	Fri 5/6/05	A. Willcox							
64	5.3	Test bar code imprints on inserters	Mon 5/2/05	Fri 5/6/05	A. Willcox							

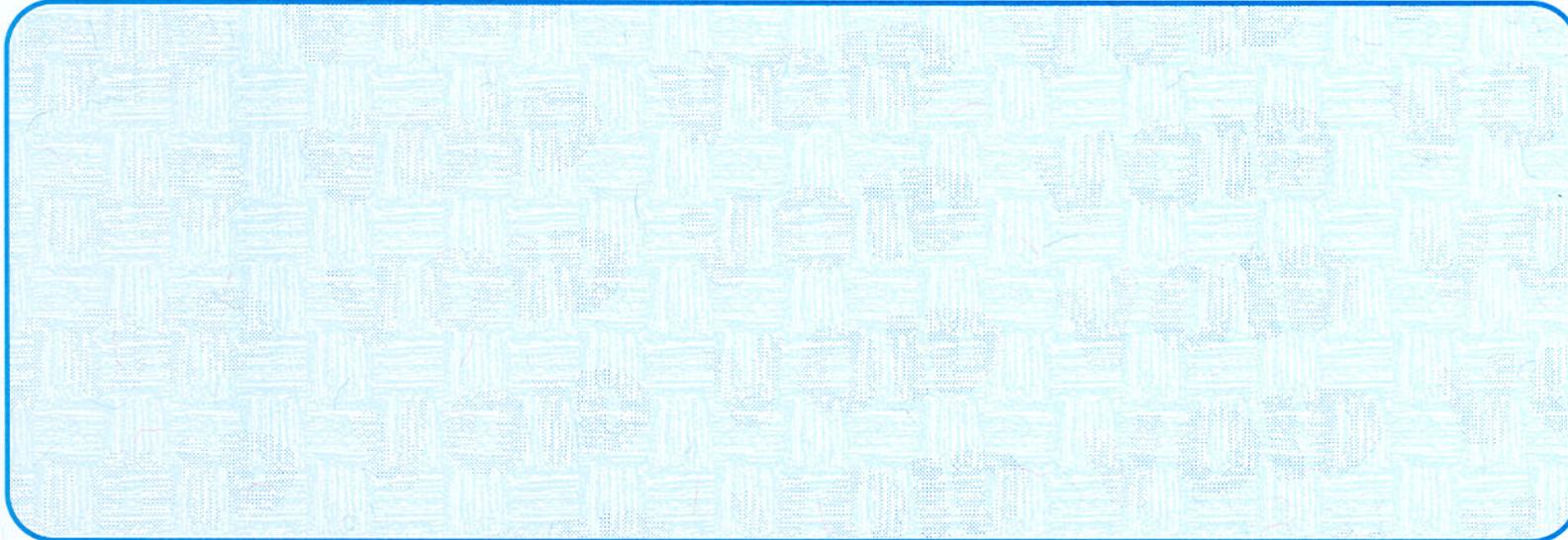
Attachment 1

Noridian Administrative Services Draft Work Plan IME Medicaid Claims Payment and Support Services

ID	Outline Nun	Task Name	Start	Finish	Resources	Timeline											
						Feb	Mar	Apr	May	Jun	Jul	Aug					
65	5.4	Milestone - Verify Information is loaded successful	Thu 5/5/05	Fri 5/6/05	A. Wilcox				◆ 5/5								
66	5.5	Create a sort scheme on sorter	Mon 5/2/05	Thu 5/5/05	A. Wilcox				▮								
67	5.6	Run a test run on sorter	Thu 5/5/05	Tue 5/10/05	A. Wilcox				▮								
68	5.7	Milestone - Verify run on sorter of IA mail	Mon 5/9/05	Tue 5/10/05	A. Wilcox				◆ 5/9								
69	5.8	Send sample mail runs to Department for review	Mon 5/9/05	Tue 5/10/05	P. Stumpf				▮								
70	5.9	Milestone - Departmental approval of sample mail runs	Fri 5/13/05	Sun 5/15/05	DHS				◆ 5/13								
71	5.10	Update sort scheme on sorter based on production zip codes	Thu 6/30/05	Fri 7/1/05	A. Wilcox										▮		
72	6	Data Management	Mon 3/7/05	Mon 8/1/05	A. Wilcox	▬											
73	6.1	Develop written processes and procedures for all Contractor Resp	Mon 3/7/05	Mon 4/4/05	A. Wilcox/Mas	▮											
74	6.2	Submit processes and procedures to Department for approval	Fri 4/29/05	Sun 5/1/05	A. Wilcox/Mas				▮								
75	6.3	Milestone - Receive final approval of written processes from t	Fri 5/13/05	Sun 5/15/05	A. Wilcox/Mas				◆ 5/13								
76	6.4	Develop list of reports & distribution	Fri 4/1/05	Wed 4/6/05	A. Wilcox				▮								
77	6.5	Determine print / mail due out times for data management	Fri 4/1/05	Tue 4/5/05	A. Wilcox				▮								
78	6.6	Complete Data management for all programming, forms, and files	Fri 4/1/05	Sun 5/15/05	P. Stumpf				▮								
79	6.7	Create a new lowa region in data management	Mon 5/2/05	Tue 5/10/05	P. Stumpf				▮								
80	6.8	Load report distribution information into new lowa region	Mon 5/2/05	Tue 5/10/05	P. Stumpf				▮								
81	6.9	Test report distribution information for into new lowa region	Mon 3/7/05	Thu 3/10/05	P. Stumpf	▮											
82	6.10	Verification of reports against cover sheets and adjust if necessary	Fri 7/1/05	Mon 8/1/05	A. Wilcox										▮		

ATTACHMENT 2 – CHECK STOCK

Following is an example of our current check stock:



ATTACHMENT 3 – CRITICAL SYSTEMS OPERATION CENTER FEATURES

STRUCTURE

Building Elevation: The Critical Systems Operation Center has a primary floor elevation of 906.8 feet, USGS Standard. The elevation of the raised access floor is 908.3 feet. The existing floor elevation of the Office Building is 901.7 feet. The flood of June 2000 reached approximately 902.6 feet on this site. The raised building elevation permits loading dock height receiving/shipping without a sunken truck/trailer parking area.

Structural System: The building is constructed of structural pre-cast concrete wall and roof panels, and pre-cast concrete column and beam system. The structural design load capacity of the roof is 30 pounds per square foot, plus drift design. The structure is designed to withstand winds of up to 150 miles per hour. Code-required wind load design is 90 miles per hour for this geographic location.

BUILDING ENVELOPE

Walls: The pre-cast wall panels are internally insulated with 2 inches of rigid insulation. The primary wall weather seal is accomplished at the pre-cast wall panel. Panel joints are sealed at both interior and exterior faces. The wall is sheathed at the exterior with insulated stainless steel panels, matching the existing building. These too are weather sealed. The insulating value of the entire wall system is approximately R-25.

Windows: Windows provide views, and modest day lighting in the production and data center portions of the building. The windows are in bands, emulating the design of the original office building. Every third window in the band is an actual window, with the remaining 2 of three, insulated spandrel glazing installed in front of the pre-cast wall panels. The actual window openings consist of two window systems. The exterior window system consists of insulating glass (two panes of ¼" heat-strengthened glazing with a ½" air space) in an aluminum frame. A second window system installed immediately inside the exterior system consist of ¾" security glazing in an aluminum frame. The security glazing provides protection against ballistic attack from a weapon up to 9 millimeter (HP White Level B) and a 30-minute physical attack (HP White Level II).

UTILITY AND CONTROL SYSTEM RELIABILITY

The Critical Systems Operation Center operates in conjunction with the existing office building. Heat rejected from the Center is the primary heat source for the entire complex. Should a catastrophic event disable the office building, the Critical Systems Operations Center can operate independently.

Heating Ventilating and Air Conditioning Systems: Heat rejected from the data center equipment is the primary heat source for the Office Building and the CSOC. Heat is rejected via computer room air conditioning units to a hydronic loop tied to the Office Building. Excess heat is rejected via closed-loop cooling towers. Three cooling towers are located in the Office Building and a fourth tower is located at the new CSOC. Full

redundancy is provided by the rejection system, allowing for service or replacement of one of the towers while the facility remains in full operation. The CSOC can be operated independently of the Office Building. The loop connections to the Office Building are valved such that the CSOC loop will operate through the CSOC cooling tower only.

Computer room air conditioning units cool both the data center and production areas with internal compressor and control redundancy. There is a fifty percent design redundancy provided by the hydronic air conditioning - six units are in place while only four are required to meet the cooling loads. Further redundancy is provided by two direct expansion (DX) computer room air conditioning units with roof-mounted dry-coolers that are fully independent of the hydronic loop system. Critical data center operations can continue operation upon complete failure of the hydronic system. Cooling in the electrical and UPS room is provided by fully redundant heat pumps.

The fire protection system in the CSOC is independent of the system in the office building. Fire protection is provided by a two-zone dry pipe sprinkler system. The data center and supporting electrical and telecom rooms are on one zone with the remainder of the building on a second zone. Each zone is controlled by a pre-action system requiring two events to charge the system. A smoke or heat detector activation and a head deployment (fuseable link) must both occur before any water enters the sprinkler system. This pre-action system provides necessary fire protection with protection from accidental water discharge.

Electrical Utility: An independent electrical utility feed is brought to the Critical Systems Operations Center. While fed from the same electrical substation as the Office Building, the power is from a different source and has a separate path from the substation to the Noridian site. In the event of failure of either utility feed to the site, the other feed is capable of serving the entire complex.

Electrical Service: Similar parallel redundancy is in place throughout the electrical service. The new utility serves the CSOC through two transformers. Main switchgear is fully redundant. Power to critical data processing and production equipment is fed through two UPS systems, providing battery backup and power quality enhancement. Final distribution through two Power Distribution Units with static transfer switching provides redundancy to the final point of equipment connection.

Generator Back-Up: Onsite electrical generation from two 850KW generators provide backup from failure of the utility feeds. The generators are located on the second level of the Office Building. Flooding of the first floor of the Office would not affect the ability of the generators to supply power to the Center.

Electrical Monitoring Systems: A water detection system monitors the space below the raised access floor for moisture. An air sampling system monitors Smoke/Fire detection in the data center and production areas.

Communications: The site has fiber optic feeds from two sources brought independently onto the site to the telecom room in the CSOC. The new secondary fiber feed is brought onto the site through a concrete encased conduit duct bank. The duct bank has capacity for future communication feeds.

Checks – Level 2

This Grade Level Has: Access to Checks and/or Check Images

Your job functions require you to work with live checks and/or check images.

1. Live checks are beneficiary, provider, undeliverable, voided or stop payment checks that are received by NAS.
 - A. Check images are created when mailroom personnel scan live checks into OnBase or the Dakota Imaging System.
 - B. Checks received by NAS may be subject to dual custody as an internal control for processing checks.
2. Dual custody means that when a check is discovered in mail received by NAS, two people are responsible for the check until it has been scanned.
 - A. If you are grade level 12 or under, you must follow the dual custody procedures when handling checks.
 - B. When opening mail, Noridian maintains a zero tolerance policy for employees who do not follow dual custody procedures.
3. If you print a check image, you are responsible for controlling access to the print.
 - C. Check prints are sensitive and not all employees are allowed access to them.
 - D. If you need to dispose of a check print, you must place it in the locked recycle bins.
4. NAS uses security cameras to monitor areas where mail is opened.
5. If you are only assigned to work with check images and you come across a live check (e.g. a check is included in correspondence you receive), you need to notify your Management immediately.
6. Individuals assigned to work with checks but not associated with the mailroom, and Management not associated with the mailroom must do the following:
 - E. Overnight or hand-deliver the check to the Fargo mailroom at MOC (4305 13th Ave S Fargo ND 58103 Attn: Pre-Process Team Leader) any single party check received by mail or in person and any multiple party check received by mail.

- F. If a multiple party check is received in person, ask for the person's signature (if a payee) and overnight the check to Fargo. If the person is not a payee, accept the check and overnight to Fargo.
- G. If a payee refuses to sign and give us possession of the check, contact the MSP Manager in Fargo for instruction.
- H. Never endorse a single or multiple party check. Medicare regulations prohibit endorsement.
- I. Do not copy checks.
- J. Except as described in these procedures, no one is authorized to handle, process or endorse live checks.

Examples include:

- K. A person (e.g. beneficiary, provider, attorney, or friend) hand-delivers a single party check to your office. The check should be sent overnight to Fargo.
- L. An attorney presents a multiple party check to the beneficiary walk-in representative asking for Medicare's endorsement. The representative should contact their management immediately. Management must never endorse the check. Ask for the attorney's signature if a payee and overnight the check to Fargo.

7. Overnight mailing instructions:

- M. Grade level 12 or under must contact another individual and ask for their presence to process a check for overnight mailing. Both individuals work together (dual custody) until given to a grade 13 or above. If the check is received in person, the second individual must arrive before the delivery person leaves. If the check is received by mail, the second person must be present before the envelope is opened or as soon as a check is found.
- N. Open the envelope, stamp the check with the "Received" stamp for your site, and initial (both individuals must initial if dual-custody).
- O. Log the check into the Offsite Check Custody Log.
- P. Place the check into an overnight envelope and seal.
- Q. Place the sealed envelope into the designated locked cabinet for live checks. Retain the key until the overnight mail carrier arrives for the envelope.

2.10 CHECK PROCESSING

2.10.1 CHECK PRINTING

Note: DO NOT use “white out” on balance sheet errors. Draw one line through the error.

1. Refer to the Check File List to determine the which mainframe created the file:
 1. Unisys
 - a. If it is a Unisys-generated check file, continue with Procedure 2.10.1.B.
 2. IBM
 - a. If it is an IBM-generated check file that originated from a host, go to Procedure 4.10.1 to transfer it from the IBM mainframe to DPServer.
 - b. After the transfer from the IBM mainframe to DPServer, continue with the next step – 2.10.1.B
- B. Take printer “*offline.*”
- C. Test the Printer for print quality.
 1. Run a “*WMTEST*”(which will produce one test sheet in the purge tray).
 - a. **SYNTAX:**
SAM WMTEST.FRM
 2. **Test the MICR print quality** - see Procedure 2.40.1 & 2.40.2
 3. **Verify the Barcode quality** - see Procedure 2.40.3
 4. **Record the date, time and which checks you are printing** on the WMTEST sample form and put it in the “Xerox MICR Quality Manual”.
- D. Bring the printer “*on-line*”. **Initiate a level 5 logon** – see procedure 1.20.1. For file security purposes, check files will not print correctly if the correct logon procedures are not followed. See procedure 1.20 for more information.
- E. Obtain the correct balance form for the check you are printing.

- a. For **Medicare B check regions** (each report contains both Bene and Provider balance sheets):
 - i. ND – MSP9DD37
 - ii. CO – MSP9DDM3
 - iii. IA – MSP5DD37
 - iv. NW regions – PMNWDD37
 - v. SW regions – PMSWDD37

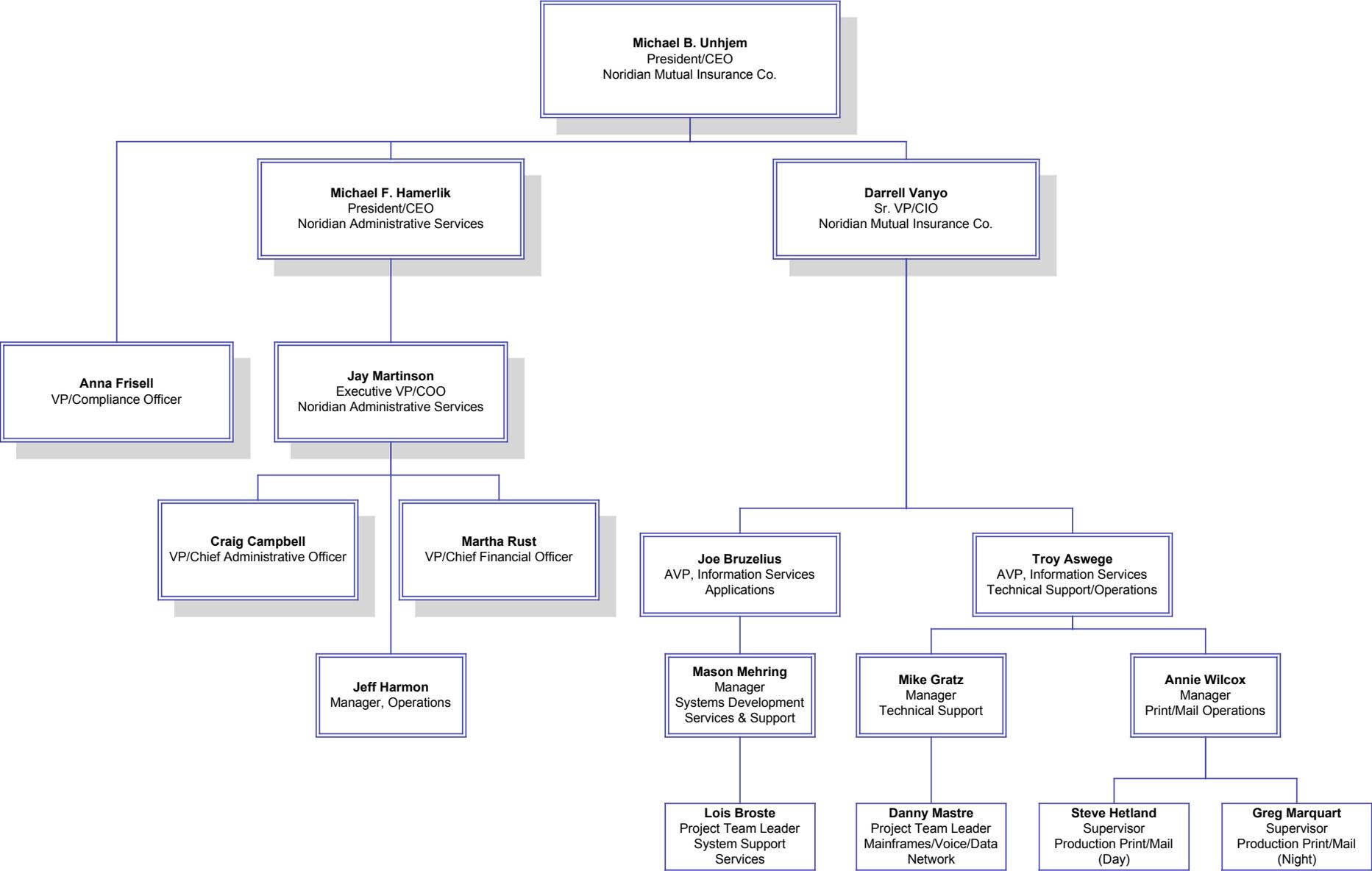
- b. For **Private business checks** (BCBSND, Dental, Vision, FEP, IBEW, etc.):
 - i. CP4360I
 - ii. CP4360J
 - iii. CP360K

- c. For **Medicare A checks** (MN, ND, WA/AK):
 - i. CP4360I
 - ii. CP4360J
 - iii. CP360K . . .

ATTACHMENT 6 – NAS ORGANIZATION CHART

Following is the NAS Organization Chart, which illustrates our corporate structure as it pertains to the IME Medicaid Claims Payment Support Services contract.

Noridian Administrative Services Organization Chart



ATTACHMENT 7 - CERTIFICATE TO CONDUCT BUSINESS IN IOWA

IOWA

No. W00325762
Date: 08/29/2002

SECRETARY OF STATE

490FLC-000269119
NORIDIAN ADMINISTRATIVE SERVICES, LLC

ACKNOWLEDGEMENT OF DOCUMENT FILED

The Secretary of State acknowledges receipt of the following document:

Certificate of Authority

The document was filed on August 26, 2002, at 12:02 PM, to be effective as of August 26, 2002, at 12:02 PM.

The amount of \$100.00 was received in full payment of the filing fee.



Chester J. Culver

CHESTER J. CULVER SECRETARY OF STATE



ATTACHMENT 8 – LETTERS OF REFERENCE

Following are Letters of Reference:



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

March 7, 2005

Joanna Rockey
Issuing Officer, RFP# MED-04-085
Iowa Department of Human Services
100 Army Post Road
Des Moines, IA 50315

Wilson C. Leong, Esq., CPA
Executive Director

225 North Michigan Avenue
Chicago, Illinois 60601-7680
312.297.5869
Fax 312.297.6227
wilson.leong@bcbsa.com

Re: Noridian Letter of Recommendation

Dear Ms. Rockey:

Noridian has been the Medicare Part A contractor for administration and workload processing of the Medicare Part A workload for the states of ND and MN, and was recently selected by the government's Medicare agency (the Centers for Medicare & Medicaid Services [CMS]) also to be the Medicare Part A contractor for the states of WA and AK. By virtue of its outstanding performance as a Medicare contractor since the inception of the Medicare Program in 1966, Noridian has shown its dedication to providing the best, most timely and most responsive services possible. As the Prime Contractor for Medicare, we (The Blue Cross and Blue Shield Association) have found Noridian to be an excellent subcontractor, and we have been presented with testimonials by Noridian customers on customer satisfaction – testimonials that declared that Noridian was an exceptional contractor, and was very responsive to their questions and needs.

As an example of the technical expertise provided by Noridian: The final Contractor Performance Evaluation (CPE) Report, which summarizes CMS' findings of the review of Claims Processing Criterion in the area of claims processing timeliness on clean electronic and paper non-PIP bills for the review period October 1, 2003 through September 30, 2004, found that Noridian satisfied the Medicare program requirements for the areas reviewed. The standards: 95% of clean electronically submitted non-Periodic Interim Payment (PIP) bills paid within statutorily specified timeframes; and 95% of clean paper non-PIP bills paid within specified timeframes.

Noridian has proven itself extremely capable of addressing any directives requiring modifications, as evidenced by its outstanding performance as a Medicare contractor, and by its participation and leadership in CMS pilot and demonstration programs.

In all dealings, Noridian has shown itself to be a responsive, responsible, innovative and excellent contractor and partner, extremely capable of handling any required changes, and possessing a great ability to work with anyone to solve potential problems.

Throughout its long and successful tenure as a Medicare subcontractor, Noridian has proven itself to be an excellent and innovative contractor. I am confident that the State of Iowa will be extremely satisfied with its work.

Sincerely,

A handwritten signature in red ink that reads "Wilson Leong". The signature is written in a cursive style with a long, sweeping tail on the letter "g".

Wilson Leong, Esq., CPA
Executive Director
Strategic Government Initiatives
225 N. Michigan Ave.
Chicago, Illinois 60601-7680
312.297.585869
(FAX) 312.297.6227
wilson.leong@bcbsa.com



March 3, 2005

Troy Aswege
Assistant Vice President
Blue Cross Blue Shield
4510 13th Ave SW
Fargo, ND 58121-0001

Dear Troy:

As we approach the second anniversary of our business agreement, I felt I should take this opportunity to express my appreciation for the excellent service and support from everyone at Noridian Mutual Insurance Company. Two million successfully rendered bank statements, efficiently and quickly mailed, is an impressive number.

The Bank had high expectations when the Service Level Agreement was signed. Your state-of-the-art equipment and technology allows the Bank to provide superior service to our valuable customers. We are also able to take advantage of additional presort postage savings, which has allowed for a mailing and handling expense reduction. You have certainly surpassed our expectations.

Gate City Bank, the largest mutual bank in North Dakota, takes pride in our service to our customers and our communities. Noridian Mutual Insurance assists us in providing "Make it Happen" service across all of North Dakota. Thank you again.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Krabbenhoft", written over a faint circular stamp.

Jay Krabbenhoft
Assistant Vice President
Office Services Assistant Manager

ll

BlueCross BlueShield of North Dakota

*An independent licensee of the
Blue Cross & Blue Shield Association.*



4510 13th Avenue S.W.
Fargo, North Dakota 58121-0001

MIKE BERGH
Vice President
Claims Administration

(701) 282-1223
FAX (701) 282-1866
mike.bergh@noridian.com

March 4, 2005

To Whom It May Concern:

My name is Mike Bergh, and I am Vice President of Claims Administration at Blue Cross Blue Shield of North Dakota (BCBSND). I have served as Vice President of Claims Administration since 1992. Prior to that I was Vice President of Provider Contracting and Reimbursement at BCBSND.

BCBSND is one of the major customers of the Noridian Print Mail Service. On a daily basis, the Noridian Print Mail Service provides our Claims division with a multitude of large volume reports. These reports are consistently delivered on time with high print quality. Our staff has noted no problems with the effectiveness or performance of the Noridian Print Mail Service.

Additionally the BCBSND Claims area is responsible for the mailing of all Explanation of Benefits (EOBs) for BCBSND business along with development letters and provider payment listings. This outgoing mail has consistently been sent on time and has always been of professional appearance with no problems being observed by our staff.

Further questions may be directed to my office at (701) 282-1223.

Sincerely,

A handwritten signature in blue ink that reads "Mike Bergh".

MIKE BERGH, Vice President
Claims Administration

kl