



October 12, 2010

The following (Q&A) will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Claims Payment and Accounting System Solution, #2010-14-ITS. Material in this Amendment supersedes any contradictory material in the RFP.

Please note that the due date for the submission of bids **has been extended**.

All bids are due Friday, October 22, 2010, by 2:00 p.m.(eastern).

Sincerely,

A handwritten signature in black ink that reads "Michelle Gilchrist". The signature is written in a cursive style.

Michelle Gilchrist
Chief Clerk

RFP 2010-18-INV

Amendment #1

Claims Payment and Accounting System Solution

| # | Question Received | NYSIF's Responses |
|---|---|---|
| 1 | Although the RFP has very specific and elaborate technical requirements, during the discovery process additional business requirement may emerge. This may require development of additional modules. What will be the process to add them to the scope of the RFP? | The process will be done using the awardee's change request process. We will work with the awardee during the contract process that adds to the scope of the RFP. |
| 2 | Company X is a medical bill review software company and going to respond potentially partnering with a software vendor. Would we still be recommended separately from any other software vendor we might partner with? If we do submit a response strictly for medical bill review/Medical Bill Payment Calculation Engine, what other sections do we need to respond to? (referring to page 14. number 4 with options) | A vendor should only be a party to one bid. |
| 3 | Are the business rules related to Section 3.1 and 3.2 documented (listed)? | Rules are documented but are proprietary, they will be shared with the awardee of the RFP. |
| 4 | As it pertains to Section 3.0 Functional Requirements and all subsections, is there a way to identify the existing functions versus new/enhanced functions within each subsection under section 3.0? | Yes, this information will be shared with the awardee of the RFP. |
| 5 | As it pertains to Section 3.0 Functional Requirements and all subsections, what percentage of the business rules within the current legacy mainframe systems are expected to be preserved within the replacement systems? | All business rules which apply to statutory requirements will be preserved. |
| 6 | As it pertains to Section 3.0 Functional Requirements and all subsections, what percentage of the business rules within the current legacy mainframe systems are expected to be reengineered within the replacement systems? | All non-statutory business rules will be re-engineered. |
| 7 | As it pertains to Section 3.0 Functional Requirements and all subsections, what percentage of the functional requirements defined under section 3.0 are currently met by the existing legacy mainframe systems and what percent are considered new or enhanced functionality? | At least ninety percent is based on the legacy mainframe code. Depending on the solution there is an opportunity to re-engineer and/or consolidate processes. The percentage may depend on the proposed solution. |
| 8 | As it pertains to Section 3.0 Functional Requirements and all subsections, would a response proposing a two phased approach whereby the first phase would convert all functional requirements that currently exists on the legacy mainframe to the target modern server and browser based platform and the second phase would involve the performing the reengineering required to meet any new or enhanced functionality requirements, be considered | Yes, delivering the proposed solution in a "phased" approach would be considered, provided it is part of the comprehensive proposal. |

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| 9 | Can the application development be done at an off-site location (not in NYSIF Facilities)? If this is permissible, does NYSIF have any restrictions on the location where the development can be done? For example is off-shore development allowed? | Some work can be done off-site within the United States, but bidder must have an on-site presence. |
| 10 | Could there be an opportunity to have an all-vendor conference call next week to get answers to our questions and pose follow up questions? Appendix B, Bid Submission, Page 60, refers to possibility of posing questions | No, as stated in the RFP, questions may only be submitted in writing. See page 6, clause B of the RFP. |
| 11 | Do the components referred to as the Claim Payment and Accounting System, as described in the General Information section, subsection C, paragraph 1 - Purpose of This RFP, comprise all of the systems targeted to be replaced from the legacy mainframe? | Yes. |
| 12 | Does the requirements gathering phase entail interviewing Subject Matter Experts, analyzing systems and/or code or all of the above? | All of the above. |
| 13 | Is the Oracle requirement across all platforms and systems? In other words, could we offer a browser-based solution built on Microsoft .NET, utilizing a SQL database structure, if we could ultimately feed to their Oracle database(s)? (Section 2.0 Technical Requirements, also 2.1 Browser based solution and 2.2 Integrations with Existing NYSIF Applications) | Yes, the Oracle database is mandatory. |
| 14 | For the benefit of all respondents of this RFP, will answers to questions be posted on the website as they are received throughout the Question and Answer Period, or only once on October 10th as indicated in the RFP Calendar? | Questions will be posted only on/after the date and time indicated in the RFP calendar, as an amendment to the RFP. |
| 15 | If the proposed application must be browser-based, what is needed to integrate with the SIF framework end user dashboard? | Web services, HTML, XML, XSLT, JSON are needed to integrate with the SIF Framework. |
| 16 | For the purpose of integrating with NYSIF systems, are there licenses that will need to be acquired? | Yes, if the solution requires licenses or support that are not part of the base product and/or the solution cannot run on our platform without additional software. |
| 17 | For this project are Vendor resources required on site at NYSIF full time? If so, will NYSIF provide hardware, software, etc. to Vendor resources? Further, what is included in the core load of a typical work station? | Vendor resources are not 100% mandatory on site, but must have an on-site presence. We will provide hardware and software that NYSIF is licensed to use, only for on-site use. A standard workstation will include a desktop with at least 2GB of memory, dual core 1.8GHz and 80Gb hard drive. |

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| 18 | Have these services been previously contracted? If yes, which vendor was previously contracted and what was the previous/incumbent contract value and duration? | No, these services have not been previously contracted. |
| 19 | In Appendix Z, we need to provide a table of products and prices. Does this apply to bidders who are proposing a custom built solution for NYSIF? If the custom solution requires standard third party software packages (like a third party Framework, or Weblogic etc.), can the bidder expect NYSIF to purchase the software using NYS contracting channels? | Yes this does apply to bidders proposing a custom built solution. No, as part of your bid, you should include all pricing for necessary hardware and software licenses. NYSIF reserves the right to procure software off state contract. |
| 20 | In Section 1.2 it states, “that the proposed solution has a proven design based on a modern framework and will integrate with existing applications built with the SIF framework”. Please share details about the SIF framework so we can better respond about the integrations. | <p>Back end integration is achieved by calling a well defined API on oracle packages (example of some integration points: Diary, Memo/Notes, eFile, eForms, Work Assignment), additionally the proposed solution has to integrate with iPAM (Integrated Policy Administration Management System), iPCA (Integrated Premium Calculation and Adjustment System), iPRS (Integrated Policy Renewal System), it is also possible to expose those API as Web Services if needed.</p> <p>Client side/browser based Front-end integration is achieved through SIFFramework plug-ins (basically an Ajax based control which communicate with the middle tier using XML messages and exposes API and event to its container, which can be another SIFFramework control/plug-in or application), please see diagram for high-level overview of the SIFFramework architecture).</p> |
| 21 | In Section 1.3, it states “Role-based security using MTS Roles and Domain Groups” – please explain what MTS is being referred to and how the roles and domain groups are maintained. Is there a Single Sign-On (SSO) deployed within NYSIF? | MTS is Microsoft Transaction Server. No Single Sign-On (SSO) at this time. NYSIF has plans to implement RSA's access manager and federated identity manager together with Courion. |
| 22 | In Section 1.3, it states “Uses messages to communicate with the Client by relying on a custom developed Oracle process to invoke and execute Oracle stored procedures. This custom developed process is referred to as the SIF Oracle Filter”. Please explain this process in more detail. What are these messages and what are they primarily used for? Does client refer to users or client applications? | Refer to answer 20. |

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| 23 | In Section 1.5 and in the drawing in Section 3.0, there is reference to Oracle Fusion Middleware. Is this product a required component of the solution or will NYSIF consider bids that offer one of the many alternative products available instead of Oracle Fusion Middleware? | No it is not a required component, we would consider alternatives. |
| 24 | In the General Information section, subsection C, paragraph 1 - Purpose of This RFP, it is stated that “the primary objective of this project being the re-engineering of all legacy mainframe systems and replacement of those systems with modern server and browser based applications...” Approximately how many lines of legacy code make up the current legacy Mainframe systems to be re-engineered and replaced? | 4.8 million lines of code. |
| 25 | In the General Information section, subsection C, paragraph 1 - Purpose of This RFP, it is stated that “the primary objective of this project being the re-engineering of all legacy mainframe systems and replacement of those systems with modern server and browser based applications...” Excluding the goal of modernization of the legacy mainframe systems platform to an open systems server/browser/relational database architecture, what percentage of the current legacy systems screen and report layouts are expected to re-engineered and/or modernized by the proposed replacement system? | Exact number is yet to be determined, it will be based on the selected solution. |
| 26 | Is NYSIF looking for a actual claims administration system, with functionality such as claim intake, reserve establishment, payment issuance, reporting, etc. Section 3.5, page 32, refers to Claims Payment Management, Claims Accounting and General Ledger, not Claims Administrations System | No, NYSIF is not looking for an actual claims administration system. We will consider products that include a claims administration system . We would need information on whether the claims administration portion is coupled/de-coupled with the functionality specified in the RFP. |
| 27 | Is the Oracle requirement across all platforms and systems? In other words, could we offer a browser-based solution built on Microsoft .NET, utilizing a SQL database structure, if we could ultimately feed to their Oracle database(s)? Section 2.0 Technical Requirements, also 2.1 Browser based solution and 2.2 Integrations with Existing NYSIF Applications | Refer to answer 20. |
| 28 | Is there a not-to-exceed cost for this project? | Not at this time. |

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| 29 | On Page 13, Section 3-c, you require “Proof of Bidder's authority to conduct business in New York State.”. Can you please clarify what kind of proof is required? | A firm can document its authority to do business in New York by providing copies of certifications or registrations with appropriate New York State regulatory bodies. In order to be awarded a contract, firm must be legally authorized to conduct business in NYS. It is the responsibility of the vendor to ensure compliance with all NYS laws and regulations. |
| 30 | On Page 14, #7 the bidder is supposed to complete a “Statement of non-Collusion, Appendix C”. This appendix does not seem to have this document. Can you please clarify? | Please disregard the requirement for Appendix C - Statement of Non-collusion. This should have been omitted from the RFP, as non-collusion certification is obtained via the Bidder Certification form. |
| 31 | On Page 22, section 2.3.4.3 there is reference to “single sign-on”. Does NYSIF use a industry standard single-sign-on technology? If not, is the bidder supposed to implement a SSO technology for the “Claims Payment and Accounting System” which will handle SSO with other NYSIF applications? | No Single Sign-On (SSO) at this time. NYSIF has plans to implement RSA's access manager and federated identity manager together with Courion. We expect bidder to implement it as part of "Claims Payment and Accounting System". |
| 32 | On Page 46, Section 4.4.3.1, it is mentioned that the “The Bidder is also responsible for updating existing documentation and training materials to agree with the accepted software.” Is the reference to “existing” documentation limited to the documentation created as a part of this engagement? | All relevant system documentation must be updated. |
| 33 | Please provide further information on “Initial voluntary payment (C-6)” (Section 3.2.2) | C-6 is Initial voluntary payment for wage replacement benefits to injured workers. See NYS WCB web site for further information at http://www.wcb.state.ny.us/ |
| 34 | Please refer to Page 20, Section 2.2. What is the expected level of integration with existing NYSIF applications? Is the SIF Framework based on .NET? Do we have the option of building the application using the industry standard technologies like J2EE etc. or does NYSIF expect the application to be built using .NET technology? | Refer to answer 20. Our preference is .Net technology. |
| 35 | Section 3.0 - What system is currently in use for Forms and Document Management? | Adobe LifeCycle ES 2, StreamServe Persuasion SP4, Unisys A-series spool using custom development and crystal reports, NYSIF document management system using an indexes with storage in an Oracle database. |
| 36 | Section 3.0 - What tools are currently being used for Business Intelligence (BI) and data warehouse (DW)? | Information Builders Incorporated's (IBI) product Insurance Reporting Foundation and Web Focus. |

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| 37 | Section 3.1.7, "The data for the flagged medical bills must be prepared using a standardized format and transmitted to NYSIF's re-pricing partner(s) for bill review, application of appropriate fee schedules and application of any additional network discounts". What standardized format is being referred to? Is it possible to get a sample of this formatted data? | Standardized text file format, based on NSF billing format. Awardee will be given access to this information. |
| 38 | Section 3.2.3 notes "The proposed solution must integrate with NYSIF's eForms application." Is the intent for the claim system to provide the data to fill these existing forms that are created and maintained in NYSIF's eForms application? | Yes, as well as creating the forms. |
| 39 | Since the bidder is expected to interface with existing NYSIF applications, can you please elaborate on the mechanism of these interfaces? Are the NYSIF applications SOA enabled? | Refer to answer 20. |
| 40 | What application server platforms does NYSIF have experience supporting? | Windows, Linux, IIS and in the future WebLogic. |
| 41 | What components of Oracle Fusion Middleware does NYSIF own? What components has NYSIF implemented? What components is NYSIF intending to use? | Oracle SOA Suite 11g , Oracle WebLogic Suite 11g, Oracle Service Bus 11g, Oracle AIA Foundation Pack 11g. We are in the process of implementing Oracle WebLogic Suite 11g. |
| 42 | What is your preference for implementing a rules based engine? Did you evaluate any engines in the past? | So far we have implemented internally developed BRE. We are in the process of evaluating other business rule engines, we do not currently have a preference. |
| 43 | What mix of resources (I.e. Subject Matter Experts, technology support,) does NYSIF envision dedicating to this project? What will be the experience level of these resources? | Claims Business staff and IT Technical staff with each having over 10 years experience. |
| 44 | What will be accepted as proof of Bidders authority to conduct business in NYS? | A firm can document its authority to do business in New York by providing copies of certifications or registrations with appropriate New York State regulatory bodies. In order to be awarded a contract, firm must be legally authorized to conduct business in NYS. It is the responsibility of the vendor to ensure compliance with all NYS laws and regulations. |
| 45 | Where do the billing processes currently run? | Legacy mainframe and server environment. |
| 46 | Would any preference be given to .NET solution over others? | Proposals will be evaluated as indicated on page 17 - METHOD OF EVALUATION & CRITERIA |

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| 47 | Would integration information needed from non-NYSIF systems be the sole responsibility of the chosen Vendor or will NYSIF provide assistance in that endeavor? | NYSIF will partner with the awardee to provide assistance in the integration information needed. |
| 48 | Would NYSIF be procuring the services of a Quality Assurance or Independent Verification and Validation (IV&V) vendor for the Claims Payment and Accounting System? | We reserve the right to procure these services, but awardee must validate all processes/solutions. |
| 49 | What is the volume of bills processed annually by NYSIF? | 2.1 million bills processed in 2009. |
| 50 | Is it intended that all medical bills will be processed through the selected software? | Yes |
| 51 | According to the document, it is our assumption that the implementation will begin in early 2011. Is there a targeted "go-live" date as well? | Target date is 2012. |
| 52 | Is NYSIF open to accessing the selected software application via ASP, or is NYSIF focused on hosting the application on its servers? | We prefer to host the application on NYSIF servers. |
| 53 | Is NYSIF currently accessing any PPO networks? If so, which ones? Is there an openness to considering alternatives? Is NYSIF utilizing direct contracts with these PPO networks? | NYSIF has a relationship with a subsidiary of the Coventry network. Participation with other PPOs would be based upon NYSIF's needs and would have to comply with applicable procurement laws. |
| 54 | Referring to Page 20: The proposed solution must be capable of integrating with NYSIF's existing business applications. NYSIF applications have been developed using either the SIF Framework described in section 1.3 or VB.Net. In addition, there are some older applications written in VB 6.0 and ASP. In any case, Oracle is the database of choice and the logic is to be contained in PL/SQL packages and procedures. The database tier is deployed on servers running the Red Hat Linux Operating System (OS) version 5.0 using the Oracle Real Application Cluster (RAC) database architecture. The current production Oracle database version is 10G. The migration to Oracle 11G is anticipated by year end 2010. Can we get a list of the specific list of "existing bus apps" that must be integrated with? | Refer to answer 20. |

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Third Party Re-pricing. Medical bills are evaluated by NYSIF's re-pricing partner(s) and any network discounts are applied. In this model, medical bills are flagged for re-pricing based on specified criteria. The data for the flagged medical bills must be prepared using a standardized format and transmitted to NYSIF's re-pricing partner(s) for bill review, application of appropriate fee schedules and application of any additional network discounts. Payments and EORs are issued to the Medical Provider/Vendor by NYSIF's re-pricing partner(s). The results of this processing are returned to NYSIF and must be applied to NYSIF's internal databases and viewable by NYSIF's internal systems.

- Pharmacy Benefits Management (PBM). In this model, the PBM receives payment for the total amount of prescription bills processed but individual prescription bill transaction must be associated with the appropriate claim.

- Independent Medical Evaluation (IME). IME bills are submitted to NYSIF by the vendor via an application on NYSIF's internet site.

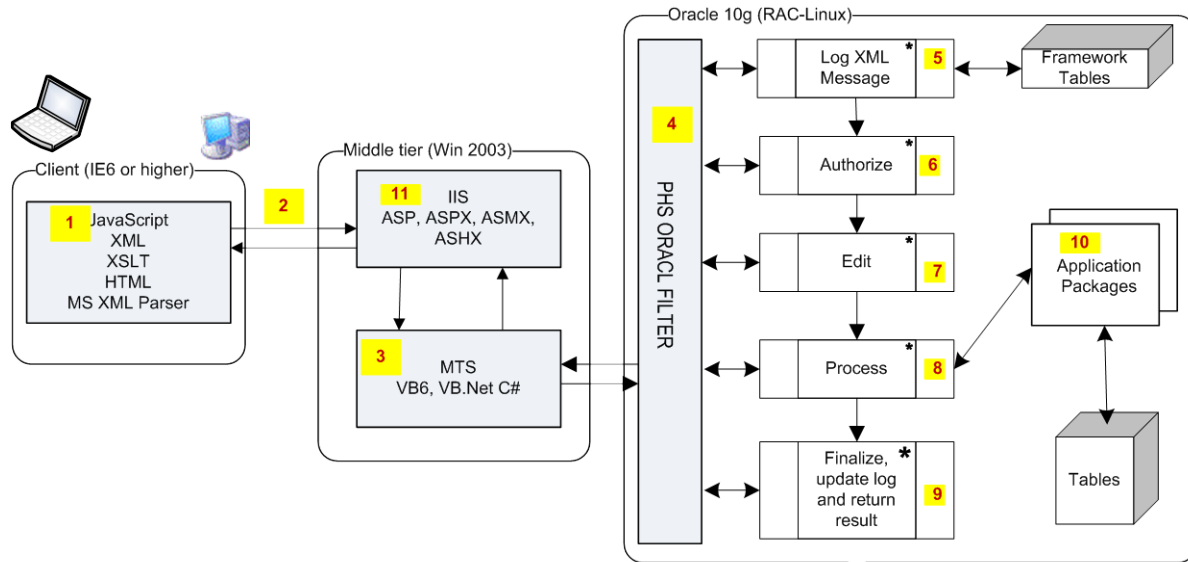
Can we get the specific 3rd party "repricing partners"?

Can we get the specific PBMs?

55 Can we get the specific IME integration details?

You can obtain this information by submitting a FOIL request.

SIF Applications Development Framework



- *PHSFramework is the same as SIFFramework, they are used interchangeably.*

1- Client side

- Languages used: JavaScript, XML, XSLT, HTML.
- HTML is created by transforming XML using XSLT on the client side (XML Parser Version 6)
- Powerful, extensive and easy to maintain object oriented JavaScript library with built in parameter validation, error handling, error reporting, declarative edit rules, synchronize/ asynchronous calls, IPC, support of multiple instance of the same application running side by side, dynamic loading and instantiation of objects, reusable application blocks, visual state management ,...

2- Message exchange

- Well defined XML messages transported over HTTP using "XMLHttpRequest" object.
- XML messages' attributes and XML Schemas are stored in Oracle database "SIF_APPS.PHS_TRANS_CODES_LT" table.

3- MTS

Middle tier MTS components are boiler plate middle-man that does two things

- Role based security using MTS roles & domain group.
- Pass the messages from the client to oracle and back.

4- PHS Oracle Filter:

- Is an Oracle object "TYPE", each application must create a sub-type (inherit) from it.
- Each "PhsOracleFilter" based application has one entry point, an "Execute" method that have standard signature

An Example:

```
create or replace package Process_DPBS_Main_Filter is
  CONST_VERSION CONSTANT CHAR(16) := '1.0.0.01';
--
  Procedure getVersion;
--
  procedure Execute(
    p_header  IN CLOB,
    p_input   IN CLOB,
    p_retval  OUT VARCHAR2,
    p_output  OUT CLOB) ;
end Process_DPBS_Main_Filter ;
```

- c. *PhsOracleFilter* uses a set of oracle tables to identify the system, subsystem , allowable messages, Schemas to use for editing, Application roles, domain groups for each application roles and the allowed message for each application role
 - d. User roles and application information is passed to *PhsOracleFilter* by the framework in “p_header”.
 - e. Transactions processing and rollback controlled by MTS.
- 5- *PhsOracleFilter*, log the received XML message into “AUDIT_TRANSACTIONS” table, prior to doing anything. Even if the transaction is rolled-back due to error or an authorized access, the logged message will not be lost.
 - 6- Using information from “p_header” and information stored in oracle about the system subsystem users, message, rules and *PhsOracleFilter* determine if the application and user has right to process the message. If not it logs the exception and return error.
 - 7- Using stored XML schema or application specific procedure the message will go through editing process to make sure its content is valid, if edits failed, log the problem and return an error.
 - 8- Using the message ID/transaction ID, *PhsOracleFilter* will call the correct procedure to process the message.
 - 9- Once processing completed *PhsOracleFilter* updates the log and returns the output back to the caller. Please notice that the XML input/output messages are stored in “Aduit_transaction” table, each message is identified as update or inquiry, the update messages are kept as part of the system audit trial, which enabled PHS-Team to develop a generic history application-block that is used/plugged in all applications. Additionally this centralized audit trail for all applications allowed us to trace users’ activities across different systems, one additional benefit is the ability to copy messages processed in production and replay them in development for testing or troubleshooting.
 - 10- Each procedure in the application must conform to one unique signature.

General benefits:

Standardizing on XML messages, Oracle types for object oriented programming, and one common procedure signature for all PHS applications allowed PHS-Team to use VS-2005/2008 to create PHS-Application-Wizard that creates a fully functional application which spans all the three tiers, including ready to run oracle packages, in less than 10 minutes. Additionally the above framework increased the maintainability of PHS systems, because all PHS applications look exactly the same. Following is more details about the Web Framework.

The Framework:

- Provides a multi-process environment with ability to run concurrently one or more heterogeneous application.
- Provides built-in Plug-in Manager that allows dynamically loading and managing pluggable Applications/components. Virtually any application may host another application as well as can be hosted within another application. This functionality promotes rapid application development by building applications from existing components.
- Manages client-side security, manages user profile/token.
- Provides Server libraries to manage data access using ajax, web services and in the future wcf.
- Provides XML/XSLT libraries to facilitate and standardize client side xml access and xsl transformations
 - o XMLManager
 - o XSLProcessor
- Comes with extensive set of client-side libraries that simplify common tasks
 - o StringBuilder
 - o Enumerator
 - o Extended Object object
 - o Extended Array object
 - o Extended String object
 - o Extended Boolean object
 - o Extended Number object
 - o Extended Date object
 - o Extended Error object
 - o Etc.
- Provides common edit rules that can be extended as required. Supports field/form validation.
- Has built-in client-side data caching.
- Provides IPC (inter process communication) between independent applications.
- Provides standard print functionality with print preview.
- Provides functionality for state maintenance.
- Comes with common set of simple UI components i.e:
 - o Table
 - o Grid
 - o Tab
 - o Menu/Context menu
 - o Combo box

- Calendar
 - OTU (office/team/user/department drop-down package)
 - Etc.
- Comes with standard pluggable application blocks (this list is constantly being extended)
- PHS Memo (Note)
 - Efile Document Reader
 - Efile Document Adder
 - Efile Document Linker
 - Efile Document Delinker
 - Efile Form Creator
 - Address Validation
 - Broker/Group Manager
 - History Dialog
 - Etc.