

**APPROVE ENTERING INTO AN AGREEMENT WITH MAXIMUS INC. FOR REVENUE RECOVERY SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISIONS:**

Approve entering into an agreement with Maximus Inc. to provide uncollected claim recovery services for Medicaid reimbursable expenses to the Office Of School Financial Services. Maximus will receive compensation based on 15% of the revenue recovered through its services. Maximus Inc. was selected on a non-competitive basis pursuant to an informal negotiated solicitation for non-biddable goods and services. Maximus was chosen because it offered the Board a competitive fee for these services and it has significant revenue maximization experience, extensive Medicaid program expertise, and a proven track record for operating successful cost recovery programs. A written agreement for Maximus' services is currently being negotiated. No services shall be rendered and no payment shall be made to Maximus prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement with Maximus is not executed within 90 days of the date of this Board Report. Information pertinent to this Agreement is stated below.

**Specification No.: 02-250113**

<b>VENDOR:</b>	Maximus Inc. 11419 Sunset Hills Road Robert Fallon Reston, VA 20190 703-251-8234 Vendor No. 29626	<b>USER:</b>	Office of School Financial Services 125 South Clark Street Daryl Okrzesil, Controller 773-553-2710
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**TERM:** The term of the agreement with Maximus shall commence on the date the agreement is signed and shall end three years thereafter. This agreement shall have three options to renew for periods of one year each.

**EARLY TERMINATION RIGHT:** Either party shall have the right to terminate this Agreement with thirty (30) days written notice.

**SCOPE OF SERVICES:** Maximus will provide the following services:

- Uncollected claim recovery services including assessment of claims denied, identifying claims for resubmission, and initiating other claim recovery techniques
- Unbilled service analysis and recovery including analysis of current operation procedures to determine causes for services not being billed and corrective action to reduce number of unbilled services

**DELIVERABLES:** Maximus will deliver:

- Analysis of denied claims to determine root cause of denials and feasibility of recovery
- Perform data analysis and data matching to analyze and correct denied claims
- Claim resolution management reports identifying claims to be resubmitted and electronic remittance advice data to track processing results
- Detailed work plans for cost recovery initiative
- Claims prepared for electronic submission for processing and payment and resolution
- Management reports on recoveries

**OUTCOMES:** The claim recovery services will result in increased Medicaid revenues for services provided to Medicaid eligible students and improved data collection services.

**COMPENSATION:** The vendor shall be paid on a contingency fee arrangement based on revenue recoveries resulting from services provided. The Board will reimburse Maximus an amount which represents 15% of all documented revenue recoveries.

**REIMBURSABLE EXPENSES:** Maximus shall not be reimbursed for any expenses.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement with Maximus. Authorize the President and Secretary to execute the new agreement with Maximus. Authorize the Chief Fiscal Officer to execute all ancillary documents required to administer or effectuate the agreement with Maximus.

**AFFIRMATIVE ACTION:** Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because this is a unique transaction.

**LSC REVIEW:** Local School Council approval is not applicable to this report.

**FINANCIAL:** Consultant will be paid based on a contingency fee of 15% of revenues recovered from IDPA. Consultant will only be paid for claims processed and adjudicated by the Illinois Department of Public Aid that are directly related to their services. As the secondary collector, Maximus will be researching only claims that were unpaid or denied by IDPA or for services not billed directly by the primary collector.

Charge to the Bureau of General Accounting: **Based on 15% of revenues collected** Fiscal Year: **2001 - 2003**  
Budget Classification: 0963-210-681-2922-5410 Source of Funds: **Medicaid Reimbursement Funds**

**GENERAL CONDITIONS:**

Inspector General – Each party to the Agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.


Conflicts – The Agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the Agreement.


Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the Agreement.

Contingent Liability – The Agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

  
Anita Rocha  
Acting Chief Purchasing Officer


Approved:

  
Arne Duncan  
Chief Executive Officer (MYPAD)

Within Appropriation:

  
Kenneth C. Gotsch  
Chief Fiscal Officer

Approved as to legal form:

  
Marilyn F. Johnson  
General Counsel