

**APPROVE ENTERING INTO AGREEMENTS WITH PUBLIC CONSULTING GROUP, INC. AND  
PARADIGM HEALTHCARE SERVICES LLC FOR THE HEALTH AND SOCIAL SERVICES PROGRAM  
MANAGEMENT FOR STATE AND FEDERAL REIMBURSEMENT PROGRAMS**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into agreements with Public Consulting Group, Inc. (PCG) and Paradigm HealthCare Services LLC (Paradigm) to provide consulting services to the Office of School Financial Services. PCG's cost is not to exceed \$4,500,000 and Paradigm will receive compensation based on a contingent percentage of the revenue recovered through its services. Consultants were selected on a competitive basis pursuant to Board Rule 7-2. PCG has a proven history of reliable collaboration and significant revenue generating outcomes with CPS. Paradigm, who has no prior history of providing service to the Board, has extensive experience with school-based health Medicaid claiming services in California. Written agreements for Consultants' services are currently being negotiated. No services shall be provided and no payment shall be made to any Consultant prior to the execution of such Consultant's written agreement. The authority granted herein shall automatically rescind as to each Consultant in the event a written agreement for such Consultant is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

**Specification Number :** 09-250048

**Contract Administrator :** Martha Escareno / 773-553-2284

**VENDOR:**

- 1) Vendor # 27249  
Public Consulting Group, Inc.  
148 State St., 10th Fl.  
Boston, Ma 02109-2506  
Stephen Skinner, Principal  
617-426-2026
  
- 2) Vendor # 11356  
Paradigm Healthcare Services, Llc  
311 California Street, Suite 200  
San Francisco, Ca 94104  
Constance G. Lafalme  
415-616-0920

**USER:**

Corporate Accounting  
125 South Clark Street 14th Floor  
Chicago, IL 60603

Contact : Daryl Okrzesik

Phone: 773-553-2710

Project Manager: Ann Herrick  
Phone: 773-553-3296

**TERM:**

The term of these agreements shall commence on February 1, 2010 and shall end January 31, 2013. These agreements shall have 1 option to renew for a period of 1 year.

**EARLY TERMINATION RIGHT:**

The Board shall have the right to terminate each agreement with 30 days written notice.

**SCOPE OF SERVICES:**

PCG shall provide a valid claims filing system to maximize the reimbursement available for the provision of health and social services to eligible students and to reduce vendor costs. Program funding includes but is not limited to Medicaid and SCHIP, Temporary Assistance to needy Families, Poverty Grant and SNAP Administrative grant.

Paradigm shall provide secondary collection services for Medicaid claiming.

**DELIVERABLES:**

Public Consulting Group will execute the following: provide Federal and State policy and procedure expertise and auditing support; assist with Medicaid fee-for-service claiming; assist with Medicaid administrative outreach claiming; develop and implement a TANF claiming management plan that addresses submission of TANF and MOE claims for services delivered to CPS students; process quarterly SNAP administrative outreach claims and generate reports; facilitate collection and analysis of student enrollment data from state agencies to identify under-enrollment in Poverty Grant Programs; and, develop and implement a revenue enhancement plan and legislative policy agenda that structures ideas for increasing CPS' revenue for health and social services through Federal, State, and other grant funding.

Paradigm will provide unbilled services 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 and analyze billed services to ensure claims were properly submitted and optimum reimbursement was received.

**OUTCOMES:**

PCG services will result in the following: Increased reimbursements for healthcare and social services programs; identification of new revenue enhancements to boost CPS revenues for health and social services; and, reduced vendor and administrative costs.

Paradigm's claim recovery services will result in increased Medicaid revenues for services provided to Medicaid eligible students and improved data collection services.

**COMPENSATION:**

PCG shall be paid as follows: \$1,500,000 per year not to exceed the sum of \$4,500,000 over the three-year contract period.

Paradigm shall be paid a contingency fee of 25% of all documented revenue recoveries from Healthcare and Family Services (HFS). Consultant will only be paid for claims processed and adjudicated by the Illinois Department of Healthcare and Family Services that are directly related to their services. As a secondary collector, Paradigm will be researching only claims that were unpaid or denied by HFS or for services not billed directly by the primary collector.

**REIMBURSABLE EXPENSES:**

Consultants shall be not be reimbursed for expenses.

**AUTHORIZATION:**

Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate these agreements.

**AFFIRMATIVE ACTION:**

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The M/WBE participation goals for this agreement are: 25% total MBE and 5% total WBE.

Public Consulting Group, Inc. has identified the following:

**Total MBE - 25%**

Marion Edward Associates, Inc.  
4415 W. Harrison Street, Suite 444  
Hillside, IL 60162  
Contact: Edward Thurman

**Total WBE - 5%**

BPS Staffing, Inc.  
200 N. LaSalle Street, Suite 1900  
Chicago, IL 60601  
Contact: Tamerra Buckhanan

Paradigm Healthcare Services LLC:

The Waiver Review Committee recommends a full waiver of the M/WBE participation goals be granted because the scope of work for this company's portion of the agreement is not further divisible.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Charge to School Financial Services:

Paradigm Healthcare Services LLC:

Based on 25% of revenues collected

Fiscal Years: 2010-2013

Budget Classification: 12470-115-54125-252505-490201

Source of Funds: Medicaid Reimbursement Funds General Operating Fund (115)

Public Consulting Group, Inc.: \$4,500,000 (see budget lines listed below)

12470-115-54125-252505-490201-2010	\$625,000.00
12470-115-54125-252505-490201-2011	\$1,500,000.00
12470-115-54125-252505-490201-2012	\$1,500,000.00
12470-115-54125-252502-490201-2013	\$875,000.00

**CFDA# :** Not Applicable

**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.

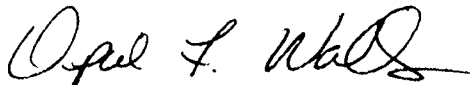
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), 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:**



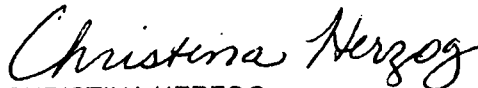
**Opal L. Walls**  
Chief Purchasing Officer

**Approved:**



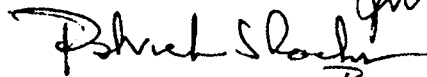
**Ron Huberman**  
Chief Executive Officer

**Within Appropriation:**



**CHRISTINA HERZOG**  
ACTING CHIEF FINANCIAL OFFICER

**Approved as to Legal Form:**



**PATRICK J. ROCKS**  
General Counsel