

May 24, 2017

AUTHORIZE THE FIRST RENEWAL AGREEMENTS WITH SIVIC SOLUTIONS GROUP, LLC AND PARADIGM HEALTHCARE SERVICES, LLC FOR MEDICAID SERVICES CLAIMS PROCESSING

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal agreements with Sivic Solutions Group, LLC and Paradigm Healthcare Services, LLC to provide Medicaid Services Claims Processing to the Department of Finance at an estimated annual cost set forth in the Compensation Section of this report. Written documents exercising this option are currently being negotiated. No payment shall be made to any Vendor during the option period prior to execution of their written document. The authority granted herein shall automatically rescind as to each Vendor in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 14-250008

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-5180

VENDOR:

- 1) Vendor # 11358
SIVIC SOLUTIONS GROUP, LLC
118 SYLVAN WAY
NEW HARTFORD, NY 13413
Siva Kakuturi
315 868-9777
Ownership: Sivi Kakuturi - 50%, Chandana
Kakuturi - 50%
- 2) Vendor # 11356
PARADIGM HEALTHCARE SERVICES, LLC
311 CALIFORNIA STREET, SUITE 200
SAN FRANCISCO, CA 94104
Constance Laflamme
415 616-0920
Ownership: Constance Laflamme - 65%,
Richard Clark - 35%

USER INFORMATION :

Project
Manager: 12410 - Accounting
42 West Madison Street
Chicago, IL 60602
Mason, Ms. Kimberly M.
773-553-2723

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report #14-0625-PR29) in the amount of \$2,000,000.00 were for a term commencing August 1, 2014 and ending July 31, 2017 with the Board having two (2) options to renew for one (1) year terms. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for one (1) year commencing August 1, 2017 and ending July 31, 2018.

OPTION PERIODS REMAINING:

There is one (1) option period for one (1) year remaining.

SCOPE OF SERVICES:

The Board will continue to partner with Sivic Solutions Group, LLC and Paradigm Healthcare Services, LLC to collect reimbursements for Medicaid, Supplemental General State Aid (Poverty Grant) and Supplemental Nutrition Assistance Program (SNAP).

DELIVERABLES:

Part I: Process and ensure the quality and integrity of the Medicaid, Poverty Grant, and SNAP claims. Provide advice in new revenue opportunities and changes in federal and state requirements.

Part II: Assist in obtaining reimbursements for administrative costs associated with the Medicaid and SNAP programs.

Part III: Provide recovery services for Medicaid and other reimbursement claims, including assessments of claims denied, identifying claims for resubmission, and initiating claim recovery techniques.

OUTCOMES:

Part I: The Medicaid Fee For Services (FFS) program generated revenues of approximately \$26,500,000.00 in FY17 and is estimated to generate \$23,600,000.00 in FY18. The vendor's services are expected to sustain and grow these revenues.

Part II: Administrative Outreach Claiming Services generated revenues of approximately \$9,600,000.00 in FY17 and is estimated to generate \$8,900,000.00 in FY18. The vendor's services are expected to sustain and grow these revenues.

Part III: Secondary Collection Services identifies additional revenue from claims that were initially denied for payment by Medicaid. These services also provide quality control on the vendors administering Part I and Part II.

COMPENSATION:

Vendors shall be paid during this option period according to the terms of their agreement. Estimated annual costs for this option period are set forth below:

\$598,875.00, FY18

\$57,125.00, FY19

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Controller in the Finance Department execute all ancillary documents required to administer or effectuate this option.

AFFIRMATIVE ACTION:

The M/WBE goals for this agreement are 30% total MBE and 7% total WBE participation. However, the Office of Business Diversity recommends a partial waiver of the MBE/WBE goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts be granted, because the scope of the contract is not further divisible.

Sivic: 95% total MBE and 5% total WBE
Paradigm: 0% total MBE and 0% total WBE

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Accounting Department, Unit #12410
\$598,875.00, FY18
\$57,125.00, FY19

Not to exceed \$656,000.00 for the one (1) year term. Future year funding is contingent upon budget appropriation and approval.

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.

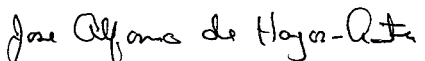
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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 May 25, 2011 (11-0525-PO2), 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).

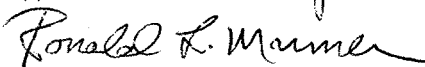
Approved for Consideration:


JOSE ALFONSO DE HOYOS-ACOSTA
Chief Administrative Officer

Approved:


FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: 


RONALD L. MARMER
General Counsel