

**Federally Qualified Health Center and Rural Health Clinic  
Services Rate-Study**

**Questions and Responses**

PROPOSALS ARE DUE NO LATER THAN February 14<sup>th</sup>, 2025 BY 5:00 PM CDT

RFP #12548

BUYER: Department of Social  
Services, Division of Medical Services

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Q1: Is the State willing to negotiate the terms and conditions of the contract? If so, can the State please provide further direction on the "form and manner" in which exceptions to terms and conditions can be submitted?

A1: ***There is not much flexibility on terms and conditions under the contract.***

Q2: Does the submission of exceptions have any impact on the scoring of the vendor's proposals?

A2: ***This could have an impact if we are not able to accommodate the requested exception.***

Q3: Will the State consider adding language for limiting liability on the contract to 1x fees?

A3: **No.**

Q4: Will the State consider New York to be listed as the governing law?

A4: **No.**

Q5: Will the state consider any changes to the indemnification language?

A5: **No.**

Q6: Will the State consider any changes to the terms of the work product becoming the property of the State?

A6: **No.**

Q7: When was the last time DSS conducted a rate study of the State's FQHCs and RHCs?

A7: ***The last rate study was conducted in 2000.***

Q8: \*Does DSS have a database of recent FQHC and RHC cost report data that can be shared with the awarded vendor? If so, what is the latest year of available cost report date?

\*Section 3.2 of the RFP pertains to provider data gathering activities. Does the State currently collect Medicaid and/or Medicare cost reports from FQHC and RHC providers? Does the State collect any other (non-cost report) data from FQHC providers? If yes, would the State please share the data collection instrument or additional information on the level of detail in the data collection?

\*On the website, it states that providers must submit cost reports annually. Does this apply to both FQHCs and RHCs? As part of this process, can the state share this information with the vendor?

**A8: FQHCs and RHCs do not currently submit cost reports annually. This is something that DSS would expect the successful vendor to collect during their process.**

Q9: The RFP indicates that the contract will be for a one year period, "ending May 31, 2025". Please confirm if this is a typo and should be "ending May 31, 2026."

\*Given that the final report is due to DSS by August 31, 2025, but the contract ends on May 31, 2026, what are the expected duties of the awarded vendor between September 2025 and May 2026?

\*There were some inconsistencies with dates in the RFP (start date throughout the RFP, including on the CONSULTANT CONTRACT indicates 4/1/25; the duration is stated as 1 year; however, the completion date on the CONSULTANT CONTRACT states 5/31/25, which would only be 2 months, and the date the Final Report is due is August 31, 2025, not a year duration from 4/1/25. Please clarify the anticipated project start date, duration, and end/project completion date.

\*Section 1.13 of the request for proposal (FRP) states the contract resulting from this RFP will be issued for the period of one (1) year ending May 31, 2025. Section 3.0 of the RFP states a final report is due no later than August 31, 2025. Would the State please confirm the end date of the contract is May 31, 2025?

\*Would you be able to confirm the anticipated start and end date of this contract?

a. 1.13 Length of Contract – The contract resulting from this RFP will be issued for the period of one (1) year ending May 31, 2025. There are no renewal options.

\*Is there anticipation that the contract would go beyond May 31, 2025?

**A9: This was simply a sample contract. The dates would be updated once a contract was awarded and negotiated.**

Q10: Please clarify the statement on page 10 of the RFP: "Offerors may submit multiple cost proposals."

\*How will cost proposals be evaluated in instances where vendors submit multiple cost proposals?

a.5.2.4 Offerors may submit multiple cost proposals.

**A10: Multiple cost proposals would only be applicable if you were going to offer various options within your proposal. Each proposal would have to be evaluated.**

Q11: Is the awarded vendor required to be in South Dakota or have a presence there?

**A11: This will be determined as the contract and scope of work is finalized. However, due to current expectations and the ability to do the majority over Teams, Zoom, etc.the work should be able to be done remotely.**

Q12: \*What is the anticipated budget for this FQHC/RHC rate study?

\*Please provide an anticipated budget limit or budget range for this project.

\*Attachment A, Item 3(D) does not indicate a maximum contract amount. Is there a contract maximum attached to this work?

\*Is there a defined budget or cap for this project, or should we propose a comprehensive cost breakdown for the work? Are travel costs and expenses for stakeholder meetings (if in-person) included in the budget, or should they be accounted for separately?

\*Could you confirm whether there are any restrictions on the types of costs that can be included in the proposal (e.g., administrative fees, travel costs, etc.)?

**A12: There is no set budget. Proposals should include all expenses the vendor intends to charge to the State to achieve the desired outcome. This includes, but is not limited to, hourly rates, fees, travel costs, etc. The proposed cost should encompass anything necessary to develop a new rate model for FQHCs and RHCs.**

Q13: The RFP states the project will be initiated on April 1, 2025, and that the Project Kick-off Meeting must be held on April 1, 2025. Is the project kick-off meeting required to be held on the same day the project/contract commences?

**A13: *The project kick-off meeting has to be held no later than April 1, 2025 and within 7 business days of the contract execution.***

Q14: \*HMA's preferred work arrangement is to schedule consistent, frequent interactions with the client. Will there be a designated point person and/or internal committee at the South Dakota Department of Social Services, Medical Services Division that the HMA Team will closely collaborate with? Will there be a similar Team Representing the FQHCs and RHCs? \*How frequently should the offeror expect to report on progress throughout the project, and what format or documentation is required for those updates? Who will be the primary contact within DSS for project-related communication and oversight, and how should concerns be escalated?

**A14: *The successful vendor and the DSS Teams will meet on a regular basis. This schedule will be established once a contract is negotiated and in place. This will most likely be on a weekly or bi-weekly basis. Meetings with FQHCs and RHCs will be scheduled as needed and scheduled by DSS. An agenda will need to be prepared and distributed by the vendor in advance of all meetings. Documentation should include examples of rate modeling, analysis and methodologies behind these models and the fiscal impact to the State and the providers. A point of contact for the successful vendor will be determined at the time the contract is awarded as well as how to escalate any unforeseen issues.***

Q15: A project of this scope requires extensive data and a thorough document review from multiple sources. Will there be one centralized point of data/document retrieval (and will that centralized point be the South Dakota DSS?); or will HMA be required to request the data and documents directly from the FQHCs and RHC?

**A15: *The successful vendor will be required to request the data and documents needed directly form the FQHCs and RHCs. If there is data that DSS currently has that would be helpful for the vendor to have during their analysis and modeling, DSS will provide that as well.***

Q16: If RFP oral presentation are required, how much lead time will HMA receive to prepare out presentation?

**A16: *Approximately one week.***

Q17: Section 3.2 of the RFP states the vendor will develop surveys to gather necessary data from providers. Will the state mandate provider responses to the surveys?

**A17: *Yes, providers will be required to respond to the surveys. Providers are aware and supportive of the rate analysis and modeling.***

Q18: We understand data gathering activities in sction 3.2 of the RFP will support potential rate-setting recommendations. Are there other data elements the state would like to collect through this process?

**A18: *Additional data elements can be discussed and decided upon during our meeting process. This approach allows us to remain flexible and adaptable, ensuring that we can include any relevant data that may arise as the project progresses.***

Q19: Section 3.2.4 of the RFP states the Provider Survey Report must include a summary of findings from service definition discussions. Can the State clarify the meaning of "service definition" in this context?

**A19: Services would include purpose, scope, and the benefits the provider offers to customers.**

Q20: Section 3.4 of the RFP states the vendor will conduct analyses to support the development of draft rate models for each of the service provider categories for which DSS intends to develop new rate models. Do the service provider categories refer to FQHCs and RHCs or another type of service provider category?

\*For Task 4.a Determine service provider categories – How is the state defining service provider categories? Does this refer to FQHCs vs RHCs, or are you anticipating categories within the provider types from a rate or VBP level?

**A20: Yes, FQHCs and RHCs.**

Q21: \*Does the State have specific alternative payment methodology structures, value-based payment approaches, change in scope of service policy areas, or any other aspects of FQHC and RHC reimbursement it would like the project to address?

**A21: DSS would be open to suggestions from the successful vendor on alternative payment methodologies and value-based payment approaches that would work best for South Dakota's providers. Additionally, the vendor can assist in better defining the change in scope of service policy.**

Q22: \*Can you confirm if DSS has an existing rate model that we should modify, or are we expected to develop a completely new rate model? If modifying the existing model, are there specific aspects that need adjustments, or should we consider re-evaluating it entirely? How flexible is the proposed timeline for submitting the final report and rate recommendations if modifications are required to the existing model?

\*Could you share more information about the current rate model? Are there specific aspects you wish to retain or change in the new or modified model? Should the new model focus on adjusting historical cost data, or is there flexibility to include future projections, especially if value-based payment models are incorporated?

**A22: There is no current rate model being used. DSS is looking for the successful vendor to develop rate model options for our review and approval. The analysis should include historical cost data, but there would be flexibility and consideration given to other modeling options.**

Q23: What is the expected frequency of engagement with stakeholders throughout the project to discuss the current model or any proposed changes? Are there any key stakeholders that must be prioritized in the workgroup meetings? What is the expected size of these groups? Will DSS provide access to any existing reports or data to facilitate stakeholder discussions and help shape the rate models?

**A23: The determination of the frequency of engagement with the stakeholders will be decided as the successful vendor and DSS work through the modeling process. The size of these groups will be decided at that time as well. Any data DSS currently has that the vendor would find beneficial, would be supplied during the process.**

Q24: Is the SFTP submission method mandatory, or is there any alternative submission method that would be acceptable? Can you confirm the exact format requirements for submitting the proposal (e.g., file naming conventions, structure, etc.)? Do you anticipate any additional rounds of feedback or revisions after the submission?

**A24: SFTP is what is being required for all vendors. There are no format requirements. DSS does not anticipate any additional rounds of feedback or revisions after the submission at this time.**

Q25: Will DSS provide any specific software or technology tools for modifying the existing rate model, or should the offeror provide tools for data analysis and model development?

**A25: The successful vendor will be responsible for providing any tools that are needed for data analysis and model development.**

Q26: How should we address potential challenges, such as resistance from stakeholders or difficulty obtaining data from providers? Are there contingency measures DSS recommends or will help facilitate?

**A26: Providers are supportive of this upcoming process, so we do not anticipate difficulty receiving needed information. However, if challenges arise, we will address them as needed.**

Q27: What level of detail is expected in the fiscal impact analysis? Should it include year-by-year projections, or is a one-time snapshot sufficient? Are there any particular financial metrics or benchmarks DSS would like the offeror to focus on (e.g., savings, cost-effectiveness, provider impact)?

**A27: Fiscal impact to the State and the providers is essential. This should be shown for at least the implementation year with an understanding of how the State would then adjust this rate moving forward.**

Q28: Are the specific sections or formats that DSS expects to be included in the Final Report? For example, should it include detailed appendices, policy recommendations, or just executive summary and key findings? Are there any presentations or formal reviews required to accompany the Final Report?

**A28: The final report should comprehensively include all data and analysis conducted by the successful vendor, as well as any suggested policy changes and key findings.**

Q29: Are there any compliance checks or documentation required to ensure eligibility during proposal review? What is the expected timeline for feedback once proposals are submitted, and what are the next steps after the contract award?

A29:

**SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)**

<b>RFP Publication</b>	<b>January 6, 2025</b>
<b>Offeror Questions Due</b>	<b>January 17, 2025</b>
<b>Responses to Offeror Questions</b>	<b>January 28, 2025</b>
<b>Request for SFTP folder and Proposal Submission</b>	<b>February 14, 2025</b>
<b>Oral Presentations/discussions (if required)</b>	<b>To be announced, if needed</b>
<b>Anticipated Award Decision/Contract Negotiation</b>	<b>February 27, 2025</b>

**The kick-off meeting will be held no later than April 1, 2025, or 7 business days of contract execution.**

Q30: Is there a preferred payment schedule (e.g., milestone-based, hourly) for the project? How will the payments be structured and tied to deliverables? Are there any penalties or adjustments to the payment terms if the deliverables or timeline are not met?

**A30: The Consultant agrees to submit a bill for services within (30) days following the month in which services were provided. Consultant will prepare and submit a monthly bill for services. Consultant agrees to submit a final bill within 30 days of the Agreement end date to receive payment for completed services. If a final bill cannot be submitted in 30 days, then a written request for extension of time and explanation must be provided of the State.**

Q31: Are there any restrictions on outsourcing work for this project, specifically regarding international outsourcing? What security measures should be in place for handling sensitive data, and are there any security clearances required for contractors working on this project?

**A31: The successful vendor should be completing this project in house and have the proper security protocols in place. However, it is possible to subcontract upon prior written consent of the State.**

Q32: If applicable, who is the incumbent contractor providing these services?

**A32: Currently there is not a vendor in place completing this analysis.**

Q33: Does DSS have an estimated or preferred effective date for new rates or VBP methodology resulting from this project?

**A33: The successful vendor's final report is due to us no later than August 31, 2025 and we would hope to have the new rates effective the next fiscal year, July 1, 2026.**

Q34: How will "special project constraints" be defined, and would you be able to provide one or more applicable examples:

- a. 3.10 Proposals must describe their ability and proven history in handling special project constraints.

**A34: The project is constrained by the availability of a specialized team member who possesses unique skills essential for the project's success. This would be for unforeseen reasons at the time of bid.**

Q35: Can you provide more details on the evaluation criteria for proposals and how the technical and cost components will be weighted?

\*How will each of the criteria outlined in Section 6.1 of the RFP be weighted?

**A35: Scoring is based off of section 3, scope of work. Then the determination is made as to which section they fit into 6.1.1 – 6.1.8. 6.1.1 being the most important and 6.1.8 being the least important.**