

# Purchase Order



WV Department of Health and  
Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Post Office Box 50130  
Charleston, WV 25301

PURCHASE ORDER NO.  
MED11015

PAGE  
1

INVOICE TO	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301
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BLANKET RELEASE
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CORRECT PURCHASE ORDER NUMBER MUST APPEAR ON ALL PACKAGES, INVOICES, AND SHIPPING PAPERS. QUESTIONS CONCERNING THIS PURCHASE ORDER SHOULD BE DIRECTED TO THE BUYER AS NOTED BELOW.

CHANGE ORDER
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SEE REVERSE SIDE FOR TERMS AND CONDITIONS

VENDOR	Thomson Reuters Healthcare Inc 777 E. Eisenhower Parkway Ann Arbor, MI 48108
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SHIP TO	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301
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DATE PRINTED	TERMS OF SALE	FEIN/SSN	FUND		
11/09/2011	Net 30	061467923	C369293		
SHIP VIA	F.O.B.	FREIGHT TERM	ACCOUNT NUMBER		
Best Way	Destination	Prepaid	Multiple		
LINE	QUANTITY	UOP	VENDOR ITEM NO.	UNIT PRICE	AMOUNT
	DELIVERY DATE	CAT. NO.	ITEM NUMBER		
					\$12,921,700.00

Contract Date: from 12/01/2011 to 10/31/2016

Contract for Data Warehouse / Decision Support System (DW/DSS) for the Bureau for Medical Services (BMS) located at 350 Capitol Street, Room 251, Charleston, WV 25301.

This award per the following:

1. Request for Proposal (RFP) dated 02/25/11.
2. Addendum No. 1 dated 03/28/11.
3. Addendum No. 2 dated 07/14/11.
3. Vendor's Proposal dated 05/17/11.
4. Proposal clarification letters dated 07/01/11, 07/11/11, 08/03/11, 09/20/11, 9/23/11 and 11/28/11.

By   
Bureau for Medical Services authorized signature

# Purchase Order



WV Department of Health and  
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Office of Purchasing  
One Davis Square, Suite 100  
Post Office Box 50130  
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PURCHASE ORDER NO.

MEDI1015

PAGE

2

I N V O I C E T O	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301

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**SEE REVERSE SIDE FOR TERMS AND CONDITIONS**

V E N D O R	Thomson Reuters Healthcare Inc 777 E. Eisenhower Parkway Ann Arbor, MI 48108

S H I P T O	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301

DATE PRINTED	TERMS OF SALE	FEIN/SSN	FUND		
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SHIP VIA	F.O.B.	FREIGHT TERM	ACCOUNT NUMBER		
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	DELIVERY DATE	CAT. NO.	ITEM NUMBER		
					\$12,921,700.00

**Life of Contract:** This contract becomes effective December 1, 2011 through October 31, 2012 for Phase I the Design, Development & Implementation (DDI). Phase II - Operations will begin on November 1, 2012 and extends through October 31, 2016, a period of four (4) years, at which time the contract may, upon mutual written consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of four (4) one (1) year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months.

During the "reasonable time" period Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Unless specific provisions are stipulated in the contract document, the terms, conditions and pricing established are firm for the life of the contract.

**Renewal:** This contract may be renewed upon written consent of the spending unit and the Vendor, submitted to the Director of the DHHR Office of Purchasing thirty (30) days prior to the expiration date. Such renewals shall be in accordance with the terms and conditions of the original contract and shall be limited to four (4) one (1) year periods.

The order of precedence is:

1. The contract
2. Terms and conditions
3. The RFP dated 02/25/11
4. Addendum #1 dated 03/28/11
5. Addendum #2 dated 07/14/11
6. Vendor's proposal dated: 05/17/11
7. Proposal clarification letters dated 07/01/11, 07/11/11, 08/03/11, 09/20/11, 9/23/11 and 11/28/11.

# Purchase Order



WV Department of Health and  
Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Post Office Box 60130  
Charleston, WV 25301

PURCHASE ORDER NO
MED11015

PAGE
3

I N V O I C E  T O	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301
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CHANGE ORDER

**SEE REVERSE SIDE FOR  
TERMS AND CONDITIONS**

V E N D O R	Thomson Reuters Healthcare Inc 777 E. Eisenhower Parkway Ann Arbor, MI 48108
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S H I P T O	Bureau For Medical Services 350 Capitol Street, Room 251 Charleston, WV 25301
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SHIP VIA	F.O.B.	FREIGHT TERM	ACCOUNT NUMBER		
Best Way	Destination	Prepaid	Multiple		
LINE	QUANTITY	UOP	VENDOR ITEM NO	UNIT PRICE	AMOUNT
	DELIVERY DATE	CAT. NO.	ITEM NUMBER		
					\$12,921,700.00
Renewals Remaining: Four (4)					

**GENERAL TERMS & CONDITIONS  
PURCHASE ORDER/CONTRACT**

1. **ACCEPTANCE:** Seller shall be bound by this order and its terms and conditions upon receipt of this order.
2. **APPLICABLE LAW:** The laws of the State of West Virginia and the BMS Purchasing Manual shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
3. **NON-FUNDING:** All services performed or goods delivered under BMS Purchas Orders/Contracts are to be continued for the terms of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, the Purchase Order/Contract becomes void and of no effect after June 30.
4. **COMPLIANCE:** Seller shall comply with all federal, state and local laws, regulations and ordinance including, but not limited to, the prevailing wage rates of the WV Division of Labor.
5. **MODIFICATIONS:** This writing is the parties' final expression of intent. No modification of this order shall be binding unless agreed to in writing by the Buyer.
6. **ASSIGNMENT:** Neither this Order or any monies due, or to become due hereunder may be assigned by the Seller without the Buyer's consent.
7. **WARRANTY:** The Seller expressly warrants that the goods and/or services covered by this order will: {a} conform to the specifications, drawings, samples or other description furnished or specified by the BUYER; {b} be merchantable and fit for the purpose intended; and/or {c} be free from defect in material and workmanship.
8. **CANCELLATION:** The director of the DHHR Office of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
9. **SHIPPING, BILLING & PRICES:** Prices are those stated in this order. No price increase will be accepted without written authority from the Buyer. All goods or services shall be shipped on or before the date specified in the Order.
10. **LATE PAYMENTS:** Payment may only be made after the delivery of goods or services. Interest may be paid on late payments in accordance with the West Virginia Code.
11. **TAXES:** The State of West Virginia is exempt from the federal and state taxes and will not pay or reimburse such taxes.
12. **RENEWAL:** Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon the mutual written agreement of both parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR § 160.103) and will be disclosing Protected Health Information (45 CFR § 160.103) to the vendor.
15. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedure, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
16. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirement by any state or local agency of West Virginia, including but not limited to, the West Virginia Secretary of State's Office, the West Virginia Insurance Commission, or any other state agency or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

## SECTION 2 - COST SUMMARY BID SHEET


Phase One: DDI Cost		
Item	Cost	Totals
Total DDI Costs (see Table 4.1.17: DDI Payment Allocation Table)		\$2,100,000
Phase Two: Operations Cost		
Item	Cost	Totals
Year One Flat Administrative Fee	\$1,600,000	
Year Two Flat Administrative Fee	\$1,648,000	
Year Three Flat Administrative Fee	\$1,697,400	
Year Four Flat Administrative Fee	\$1,748,300	
Year Five Flat Administrative Fee	\$1,800,700	
Year Six Flat Administrative Fee	\$1,854,700	
Year Seven Flat Administrative Fee	\$1,910,300	
Year Eight Flat Administrative Fee	\$1,967,600	
Total Operations Costs		\$14,227,000
All Inclusive Hourly Rate		
Period	Hourly Rate	Totals
Year One Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Two Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Three Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Four Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Supplemental Year One Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Two Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Three Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Four Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Total Cost of Hourly Rate Services		\$8,256,000

Additional Costs	
Additional License to User Seats (Refer to Section 2.1.5 and 2.2)	Cost per Increment
License or User Seat (Increments of 1)	\$3,000
License or User Seat (Increments of 2)	\$6,000
License or User Seat (Increments of 3)	\$9,000
License or User Seat (Increments of 4)	\$10,000
License or User Seat (Increments of 5)	\$12,500
<b>Total Cost of DDI, Operations and Hourly Rate Services</b>	
	<b>\$24,583,000</b>

**Note:**

1. Costs for purchases that do not translate to an hourly rate, such as licenses or software, are to be approved by the Bureau but are not separately accounted for in the Cost Summary Form.
2. Member months estimates were developed based on the best information available at the time of solicitation. The member months are used for purposes of evaluating bid.
3. The cost proposal will be evaluated based on the Total Cost of DDI, Operations and Hourly Rate Services for the 4 base year period plus the four additional option periods submitted on the cost bid sheet. The Cost bid should include all anticipated training, travel and related expenses, including supplies and general administrative expenses.

**Authorized Vendor signature:**

  
 \_\_\_\_\_  
 Jonathan S. Newpol, Executive Vice President  
 Thomson Reuters (Healthcare) Inc.

**Date:**

\_\_\_\_\_ 5-13-11 \_\_\_\_\_

**BUREAU FOR MEDICAL SERVICES**

**MED PURCHASING AFFIDAVIT**

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: Thomson Reuters (Healthcare) Inc.

Authorized Signature: [Signature] Date: 5-13-11

State of Michigan

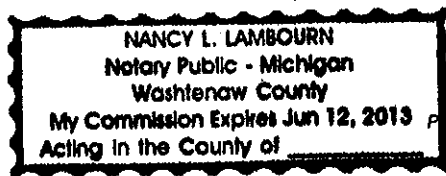
County of Washtenaw, to-wit:

Taken, subscribed, and sworn to before me this 13<sup>th</sup> day of May, 2011.

My Commission expires 6-12-13, 20  .

**AFFIX SEAL HERE**

NOTARY PUBLIC Nancy L. Lambourn



**BUREAU FOR MEDICAL SERVICES**

**MED PURCHASING AFFIDAVIT**

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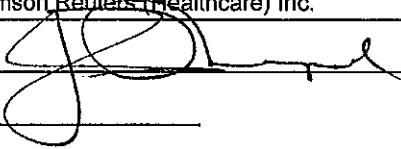
"Debtor" means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

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Vendor's Name: Thomson Reuters (Healthcare) Inc.

Authorized Signature:  Date: 5-13-11


State of Michigan

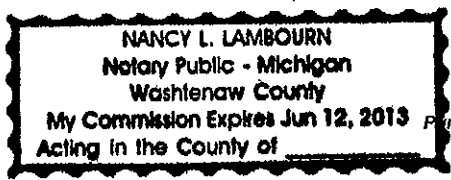
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Taken, subscribed, and sworn to before me this 13<sup>th</sup> day of May, 2011.

My Commission expires 6-12-13, 20  .

**AFFIX SEAL HERE**

NOTARY PUBLIC 





AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** - Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.
4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Should the agreement include a provision for interest on late payments, the Agency agrees to pay the maximum legal rate under West Virginia law. All other references to interest or late charges are deleted.
7. **RECOUPMENT** - Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defense is hereby deleted.
8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **ATTORNEY FEES** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to insure equipment or property of any kind and name the Vendor as beneficiary or as an additional insured is hereby deleted.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY** - Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY DHHR OFFICE OF PURCHASING:

Spending Unit: WV DHHR Office of Purchasing  
 Signed: Anna D. Smith  
 Title: Senior Buyer  
 Date: 11/28/11

VENDOR

Company Name: Thomson Reuters (Healthcare) Inc.  
 Signed: [Signature]  
 Title: Executive Vice President  
 Date: 11/10/11

**Smith, Donna D**

**MED11015  
Clarification 7/1/11**

**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Friday, July 01, 2011 10:12 AM  
**To:** Smith, Donna D  
**Subject:** RFP MED11015 - Request for Clarification

Ms. Smith,

You requested a list of Thomson Reuters observed holidays as mentioned in our proposal in response to Mandatory Requirement, Section 3.1.19.

In response, Thomson Reuters usually observes the following holiday schedule. This schedule can vary slightly, i.e., some years we might give two days rather than one day for Independence Day or Christmas. Each autumn, the company publishes the holiday schedule for the following year.

**Thomson Reuters Typical Holidays**

New Year's Day	(1 weekday, if January 1 falls on a weekday)
Martin Luther King Day	(1 weekday)
President's Day	(1 weekday)
Memorial Day	(1 weekday)
Independence Day	(1 weekday)
Labor Day	(1 weekday)
Thanksgiving	(2 weekdays)
Christmas Day	(1 weekday)

If this answer is not completely responsive to your request, please let us know.  
Thank you for the opportunity to compete for your business.

**Pam Conrad**

Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**

777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com)  
[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)

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**From:** Smith, Donna D [<mailto:Donna.D.Smith@wv.gov>]  
**Sent:** Thursday, June 30, 2011 2:59 PM  
**To:** Conrad, Pam (Professional)  
**Subject:** RFP MED11015 - Request for Clarification  
**Importance:** High

Hello again, Pam:



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Earl Ray Tomblin  
Governor

Bureau for Medical Services  
Commissioner's Office  
350 Capitol Street – Room 251  
Charleston, West Virginia 25301-3706  
Telephone: (304) 558-1700 Fax: (304) 558-1451

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

DATE: June 30, 2011  
TO: Donna Smith, Senior Buyer  
FROM: Robert Price, Purchasing *RP*  
RE: MED11015 Request for Clarification Thomson Reuters Technical Proposal

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BMS is requesting clarification of the technical proposal submitted by Thomson Reuters for MED11015.

BMS is asking the vendor to submit a list of Thomson Reuters observed holidays mentioned in their response to mandatory requirement 3.1.19.

Responses must be received by 1:30 P.M. Friday July 1, 2011.

**Smith, Donna D**

**MED11015  
Clarification 7/11/11**

**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Monday, July 11, 2011 4:48 PM  
**To:** Smith, Donna D  
**Cc:** Rosen, Bryan D; Naylor, Nancy C; Bess, Jo H; McCormick, Donna L  
**Subject:** RE: RFP MED11015 - Request for Information/Clarification  
**Attachments:** MED11015 - TRH Response to DHHR Request 2011-07-11.pdf  
**Importance:** High

Dear Ms. Smith,

Attached please find a letter from our CEO containing our response to your request for information/clarification of this morning. If you have any further questions or concerns, please do not hesitate to contact me.

As always, thank you for your consideration of our proposal to be your Data Warehouse/Decision Support System Contractor. We are eager to meet with you later this month for the Oral Presentation.

Best regards,

**Pam Conrad**

Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**

777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com)  
[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)

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**From:** Smith, Donna D [<mailto:Donna.D.Smith@wv.gov>]  
**Sent:** Monday, July 11, 2011 10:48 AM  
**To:** Conrad, Pam (Professional)  
**Cc:** Rosen, Bryan D; Naylor, Nancy C; Bess, Jo H; McCormick, Donna L  
**Subject:** RFP MED11015 - Request for Information/Clarification

Good morning, Pam:

The Bureau for Medical Services has requested I contact Thomson Reuters for information/clarification based on the following question:

Does Thomson Reuters intend to sell the line of business for the services to be covered by MED11015 for which Thomson Reuters submitted a proposal on May 17, 2011?

We will need a response to this question by 5:00 p.m. EST, on Monday, July 11, 2011.

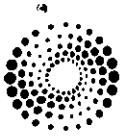
If I can be of assistance regarding this request, please contact me.

Thank you and have a very nice day.

*Donna*

Donna D. Smith, Senior Buyer  
WVDHHR Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301  
PH: 304-957-0218  
FAX: 304-558-2892  
Email: [Donna.D.Smith@wv.gov](mailto:Donna.D.Smith@wv.gov)





THOMSON REUTERS

July 11, 2011



The State of West Virginia  
Attn: Ms. Donna Smith and Mr. Bryan Rosen  
Office of Purchasing  
West Virginia Department of Health and Human Resources  
One Davis Square, Suite 100  
Charleston, WV 25301

Via email to Donna.D.Smith@wv.gov

RE: RFP MED11015 – DW/DSS for the Bureau for Medical Services  
Response to 7-11-11 Request for Information/Clarification

Dear Ms. Smith and Mr. Rosen:

This letter responds to the following question issued by your office: *“Does Thomson Reuters intend to sell the line of business for the services to be covered by MED11015 for which Thomson Reuters submitted a proposal on May 17, 2011?”*

Thomson Reuters does intend to sell its Healthcare business, which is the business unit that will deliver the services proposed. Thomson Reuters’ decision to divest its Healthcare business is no reflection on the current performance or future potential of the business itself, but is based on the fact that it does not fit Thomson Reuters’ long-term strategic vision. The Healthcare business is profitable, growing and is fully able to incur and discharge any and all obligations. Our Healthcare business operates in a dynamic, evolving market where the products, solutions and expertise we provide are increasingly important. I am confident that the business will only grow stronger under new ownership with an ongoing commitment to the industry.

We are fully committed to our current and prospective customers, and to reinforcing our reputation for high-quality service and customer satisfaction.

Should it be a matter of concern, we will, of course, be prepared to include an assignment clause in any contract with you, and, indeed, have just agreed to do so in finalizing our contract with the West Virginia Health Information Network (WVHIN), which is pending final approval. In addition, we stand ready to consider any other service, act, or contractual language you may propose that would give the Department added comfort regarding our long-range commitment to you.

Ms. Smith and Mr. Rosen  
State of West Virginia  
July 11, 2011  
Page 2 of 2

We believe that we bring a compelling set of capabilities and tools to solve the Department's needs and very much hope we will have an opportunity to present these to you. We look forward to the opportunity for an Oral Presentation to showcase our solution and address any remaining requests for clarification on this issue.

Our company greatly values our ongoing relationship the State of West Virginia. Thank you for this opportunity to present our capabilities to serve as your Medicaid Data Warehouse and Decision Support System partner. We continue to stand ready to respond to any further requests you may have, and our West Virginia Account Team is looking forward to meeting with you later this month.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Boswood", written over a horizontal line.

Mike Boswood  
President & CEO



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Earl Ray Tomblin  
Governor

Bureau for Medical Services  
Commissioner's Office  
350 Capitol Street – Room 251  
Charleston, West Virginia 25301-3706  
Telephone: (304) 558-1700 Fax: (304) 558-1451

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

DATE: July 11, 2011  
TO: Donna Smith, Senior Buyer  
FROM: Robert Price, Purchasing *RP*  
RE: MED11015 Request for Clarification Thomson Reuters Technical Proposal

---

BMS is requesting clarification of the technical proposal submitted by Thomson Reuters for MED11015.

BMS is asking the vendor if they intend to sell the line of business for the services to be covered by MED11015 for which they submitted a proposal for on May 17, 2011.

BMS is requesting Thomson Reuters respond by 5:00 P.M. today Monday July 11, 2011.



**MED11015**  
**Clarification 8/3/11**

**Smith, Donna D**

---

**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Wednesday, August 03, 2011 2:03 PM  
**To:** Smith, Donna D  
**Cc:** Rosen, Bryan D; Price, Robert L; Bess, Jo H; McCormick, Donna L; Naylor, Nancy C  
**Subject:** RFP MED11015 - Oral Presentation Clarification Questions  
**Attachments:** Thomson Reuters Responses to Clarification Questions - Final.docx

**Importance:** High

Dear Ms. Smith,

Attached please find a Word document that contains Thomson Reuters' answers to the State's clarification questions of July 29, 2011. Thank you for this opportunity to respond. We would be happy to respond to any further clarifications you may require, and we look forward to the next stage of the evaluation process.

**Pam Conrad**  
Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**  
777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com)  
[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)

---

**From:** Smith, Donna D [<mailto:Donna.D.Smith@wv.gov>]  
**Sent:** Friday, July 29, 2011 4:39 PM  
**To:** Conrad, Pam (Professional)  
**Cc:** Rosen, Bryan D; Price, Robert L; Bess, Jo H; McCormick, Donna L; Naylor, Nancy C  
**Subject:** RFP MED11015 - Oral Presentation Clarification Questions

Good evening, Pam:

Attached are the questions from the Bureau of Medical Services in reference to clarification questions they had for Thomson Reuters at the Oral Presentation held on July 26, 2011.

Please contact Bryan Rosen if you have questions or concerns regarding this correspondence.

*Donna*

Donna D. Smith, Senior Buyer  
WVDHHR Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301  
PH: 304-957-0218  
FAX: 304-558-2892

## RFP MED11015

### Thomson Reuters Response to Request for Clarifications August 3, 2011

1. ***Under RFP Section 3.2.15 (Configuration Management Methodology), what parts of Tripwire suite will be implemented/used?***

We use the "Change Audit" module within TripWire Enterprise Version 8. The Change Audit module performs a daily audit of any changes that may have occurred to system/server objects (e.g., files, folders, registry settings). If changes were made to these objects on our servers, the Security Management team validates that these changes were appropriate (e.g., change management ticket or routine system activity).

2. ***Under TEC IF2.10 (Hardware O/S Components), please clarify the verbiage in the proposal as compared to the RFP requirement. Specifically, the RFP requires support of large number of parallel threads, which are less computationally intensive and more memory intensive. However, the proposal addresses the use of Intel CPUs which have a high capacity for computational intensive operations and a reasonable number of threads.***

The Intel CPUs we propose support a range of computation and memory intensity including high memory intensity and low computation intensity, and their high core count supports a large number of parallel threads. For example, the HP DL580 server described in our original proposal provides 16 cores and is well suited for parallel processing with the Oracle database engine that is the foundation of the DW/DSS. Since we responded in the initial proposal, we have upgraded from HP DL580 servers to IBM 3850X5 servers that are 4-way 8-core (32 cores per server), which provide double the support for high thread counts. In addition, the Intel CPUs we propose support high intensity IO operations needed for database query processing, unlike CPUs specialized for web servers which have limited IO capacity.

#### Resource Allocation in a Shared Server Environment

During the Orals Presentation, the State expressed interest in knowing more, in general, about how we estimate customer-specific resource utilization and how we maintain satisfactory processing performance for each customer in a shared services hardware/software environment.

We estimate customer resource needs based on our experience supporting hundreds of customers of varying sizes. We use two key metrics for sizing environments: (1) the volume of claims data to be housed in a database, and (2) the number of users that will access and report on that data. The claims volume directly affects the storage needed, and, combined with the number of users, provides a good measure of the compute capacity needed to provide good user response times for reports (queries).

We monitor on-going system performance at a customer-specific level, to assure that the end-user experience meets standards. We make Usage Tracking reports available to each customer on a periodic basis or whenever requested. We add capacity if needed to maintain performance standards. We can add database processing capacity much more quickly in a shared environment than in a dedicated environment.

We use a robust and redundant shared infrastructure to support the following essential services:

- Storage: We use EMC Symmetrix open storage platform.
- Front end web and light-weight application servers: We use load-balanced web servers and Cognos application servers where ever possible.
- Servers have built in redundancy in that they have multiple power-supplies, network interface cards, etc.

In addition to these shared components, we use Oracle Real Application Cluster (RAC) environment to support a redundant and scalable database environment. We have had excellent experience supporting multiple customer databases in this environment, as Oracle RAC allows good flexibility in expanding resources as needed. "Back-office" activities to update databases with new data are batch-oriented processes performed on large servers capable of accommodating multiple updates and schedules.

Shared environments have the following benefits for the customer:

- They are less costly.
- We support shared environments with Oracle RAC, which protects each customer's system from being affected by the failure of any one server.
- The servers used to implement the Oracle RAC are typically larger than those purchased for dedicated customers, thus delivering more overall compute power that benefits all customers.
- Performance issues, if they occur, can be solved much faster than in a dedicated environment because we can deploy resources quickly.

3. ***Under TEC AC6.9 (Query), please provide more details about the tool being used and how it supports this requirement.*** [TEC AC6.9: "Supports the capability to hand-code, cut/copy & paste or import SQL."]

Cognos allows user-created SQL code, but allowing users to write their own SQL code introduces risks to security and performance stability. As a consequence, we require that our staff develop the SQL code at your request. This work would be done with time from the Enhancement and Modification Pool. However, as described below, we believe that you will find it possible to use Advantage Suite to obtain the same or better results than you would get from SQL coding.

Our solution provides a wealth of flexible objects from menus to allow users to create very complex queries. It is likely that your analysts who must code queries in SQL today will find the flexible query creation capabilities of Advantage, supplemented by the standard Cognos features, to be easier, much faster, and more reliable than SQL coding.

The query objects in Advantage Suite include thousands of ready-to-use English components such as fields, measures, dimensions, time periods, and subset elements that can be dragged and dropped into report designs. Power users can create their own measures from scratch using any combination of data elements and other objects, and create query statements using Boolean logic. The underlying query construction is always available in the “View Details” feature.

There are four reasons that the sophisticated query-building features in the Advantage Suite and Cognos solution set are excellent alternatives to hand-coded SQL, in our opinion:

- They save hundreds of hours of analyst time that would otherwise be needed to develop and test SQL code.
- They reduce the chronic problems of inconsistent query design that cause reports not to reconcile because users have constructed SQL code in different ways over time and have not fully documented their work.
- They provide better run-time performance, because the embedded SQL code is carefully tested and optimized.
- They assure better quality and reliability. The query constructs in the Measures Catalog and other features are QA-tested by our development staff in many more ways than could any single SQL analyst.

#### No Bidder Can Promise to Copy and Paste Your Existing SQL Queries

It is not possible to create a new data warehouse, as BMS has requested, and “copy and paste” in existing SQL queries that were designed against a legacy database, unless the new data warehouse were re-created exactly as the legacy database was or a special conversion program were written. The new data warehouse will contain fields, tables, and columns that did not exist before or that have different names. Some naming conventions may be similar, but table layouts and contents are never the same. The design of the new data warehouse will feature joins and key fields that are different and doubtlessly more complex than the legacy database. In short, existing SQL code cannot be used, as is, against a different database. Attempts to reuse existing SQL code against a new data warehouse will necessitate extensive testing and reconciliation of modified code.

#### We, and BMS Users, Can Re-Create Your Existing SQL Queries

At the beginning of the project, Thomson Reuters will review with BMS your existing reports and their underlying query constructs, including your current SQL-coded queries. We will work with you to ensure that the needed data elements and dimensions are captured in the new data warehouse. We will work with you to understand how to re-create your queries using the thousands of existing report objects in Advantage Suite and Cognos. We will create new measures and subsets if needed that replace your SQL queries; the custom report development time we have budgeted in DDI will address at least some if not all of the SQL code replacement that you need. In addition, BMS will set the priorities for our on-site Analytic Consultant, who can also assist with query development. Your power users will also have the ability create new measures and subsets. Our team is always available to do more, and your power users can also work at will.

4. ***What approach would be used to meet the need for institutional claims data going back as far as ten (10) years, for cost settlement purposes?***

If the additional claims data history is coming in the same standard institutional formats from the MMIS as are the more recent 4 years of data, then our approach would be to simply add the older data to the Facility Claims table in Advantage Suite. If the data come in different formats than the more recent Facility data, we would build custom table/s. Both approaches would allow users with proper training to run reports for cost settlement purposes.

If BMS needs related member information beyond just Person ID linked to these claims, we would need to add eligibility records for the older time periods and do the tagging.

We would need to re-estimate the storage space needed for the additional years of claims. Our hardware configuration in the proposal was based on the State's responses to RFP Questions #22, 34, and 77, which indicated that initially the data warehouse was to hold 3 years of historical data and 1 year of current data. There is not enough information available to us at this point to estimate the additional capacity needed. However, the additional cost may not be significant.

Because the data warehouse would contain more years of claims for these selected providers than for other providers, we would train users to be aware of the analytic limitations in studying total cost data past four years.

5. ***Does the Thomson Reuters solution include a way to import pre-developed SQL or re-created SQL that may already exist for BMS' legacy reports?***

Please refer to our answer to Question #3, above.

\* \* \* \*

**Rate Setting and Rate Calculation Functionality**

During the Oral Presentation, the State asked us a question regarding our solution's capabilities for estimating the impact of new rates and the extent to which our solution may require add-on consulting services from Thomson Reuters. We would like to use this opportunity to clarify and extend our verbal response.

**Advantage Suite Capabilities for Rate-Setting**

Advantage Suite is well suited to performing the following types of rate-setting analysis, which can be done by BMS users if desired. These are the types of analysis that can be performed using the historical claims data that are already resident in the Advantage Suite data warehouse:

- The study of the actual impact of past rate changes such as costs and use patterns before and after the change, who was impacted and how.
- The development of rate cells (i.e., historical cost by age, gender, county, eligibility category, etc.) and risk adjusted variation from average PMPM or per capita costs, current and

prospective, such as for modeling managed care premiums in preparation for an actuarial analysis.

- Comparing historical cost and use rates between managed care (encounters) and FFS to determine the appropriateness of capitation rates.
- The modeling of the effect on populations and provider types of a prospective change in rates for a selected number of procedures or services.

To relate this capability directly to the RFP requirements, Advantage Suite:

- |              |            |  |
|--------------|------------|--|
| [CMS PM1.15] | BSR PG1.8  | Assists in determining reimbursement methodologies by providing expenditure data through service codes including: HCPCS, ICD, Clinical Modifier, and NDC.    |
| [CMS PM2.9]  | BSR PG1.12 | Maintains data on per diem, DRGs, RUGs, other prospective payment methods according to the State Plan.   |
|              |            | <i>RUG indicators would be considered an optional data source.</i>   |
|              | BSR PG1.62 | [Has the] Ability to compare encounter data claims and capitation fees vs. fee-for-service payment data to determine best utilization and payment scenarios. |

### **DataProbe or SAS Capabilities for Rate Calculation**

DataProbe and SAS are well suited to performing more complex rate calculations on a prospective basis, such as in the following types of analysis:

- Claim by claim re-pricing to assess the impact of one schedule over the other. Typically, this involves import of a proposed new fee schedule, which is a task better suited to DataProbe or SAS than to Advantage Suite.
- Analyses requiring multiple data elements (e.g., procedure code, modifier, provider type and specialty) across a large number of procedures, to assign the correct rate and assess the impact. Typically, this also involves import of a proposed new fee schedule.
- Comparisons of multiple historic rate schedules for different types of provider/service combinations – all date sensitive.

To relate this capability directly to the RFP requirements, DataProbe or SAS:

- |           |   |
|-----------|---|
| BSR PG3.2 | Is able to incorporate the Medicare fee schedule into rate calculations and comparisons   |
| BSR PG3.3 | Is able to compute rates for rate-based reimbursement based on user-defined calculations.   |
| BSR PG3.5 | [Has the] Ability to test rates against previously paid claims to support analysis activities such as impact analysis or fair market rate analysis. |

This type of analysis would entail no additional cost to BMS if performed by our full-time on-site Thomson Reuters analytic consultant (using DataProbe or SAS) or if the State's users want to use SAS themselves by importing to SAS data downloaded from Advantage Suite. We also offer, for an additional fee, to set up DataProbe for direct access by BMS users.



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
OPERATIONS

Earl Ray Tomblin  
Governor

DHHR Office of Purchasing  
One Davis Square, Room 100  
Charleston, West Virginia 25301  
Telephone: (304) 558-3801 Fax: (304) 558-2892

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

July 29, 2011

Pam Conrad  
Senior Director, Business Development  
Government Healthcare  
Thomson Reuters  
777 E. Eisenhower Parkway  
Ann Arbor, MI 48108

Dear Pam:

Attached you will find questions from the Bureau for Medical Services requesting clarification regarding the oral presentation by Thomson Reuters for RFP MED11015. Please respond by 5:00 p.m. on Wednesday, August 3, 2011.

Please note that I will be out of the office August 1 - August 12, 2011. Any questions or concerns you have regarding RFP MED11015 should be directed to Bryan Rosen. He can be reached at: [bryan.d.rosen@wv.gov](mailto:bryan.d.rosen@wv.gov) or (304) 558-0953.

Sincerely,

A handwritten signature in cursive script that reads "Donna D. Smith".

Donna D. Smith  
Senior Buyer



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Earl Ray Tomblin  
Governor

Bureau for Medical Services  
Commissioner's Office  
350 Capitol Street – Room 251  
Charleston, West Virginia 25301-3706  
Telephone: (304) 558-1700 Fax: (304) 558-1451

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

DATE: July 29, 2011  
TO: Donna Smith, Senior Buyer  
FROM: Robert Price, Purchasing *RP*  
RE: MED11015 Request for Clarification Thomson Reuters Oral Presentation

---

BMS requests clarification of the following information which was discussed during the oral presentation by Thomson Reuters for MED11015.

Under RFP Section 3.2.15 (Configuration Management Methodology), what parts of Tripwire suite will be implemented/used.

Under TEC IF2.10 (Hardware O/S Components), please clarify the verbiage in the proposal as compared to the RFP requirement. Specifically, the RFP requires support of large number of parallel threads, which are less computationally intensive and more memory intensive. However, the proposal addresses the use of Intel CPUs which have a high capacity for computational intensive operations and a reasonable number of threads.

Under TEC AC6.9 (Query), please provide more details about the tool being used and how it supports this requirement.

What approach would be used to meet the need for institutional claims data going back as far as ten (10) years, for cost settlement purposes.

Does the Thomson Reuters solution include a way to import pre-developed SQL or re-created SQL that may already exist for BMS' legacy reports.

Please respond by 5:00 P.M. Wednesday August 3, 2011.

RECEIVED  
2011 AUG -4 AM 10:53  
OFFICE OF DIHR PURCHASING



**Smith, Donna D**

**MED11015  
Clarification 9/20/11**

**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Wednesday, September 21, 2011 4:00 PM  
**To:** Rosen, Bryan D; Smith, Donna D  
**Cc:** Naylor, Nancy C  
**Subject:** RFP MED11015 - Cost Proposal Clarification  
**Attachments:** Thomson Reuters Cost Proposal Clarification.pdf

**Importance:** High

Bryan and Donna,

Attached please find the electronic form of a letter from Thomson Reuters containing our response to your request of September 20 for clarification of our Cost Proposal. The original letter is being delivered to you tomorrow.

We stand ready to assist you in any further way as the procurement proceeds.

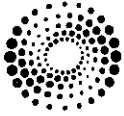
Best regards,

**Pam Conrad**  
Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**

777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com)  
[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)



**THOMSON REUTERS**

September 20, 2011

West Virginia Department of Health and Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

ATTN: Bryan D. Rosen, Director

Re: RFP MED11015 – Data Warehouse / Decision Support System  
Clarification of Cost Proposal

Dear Mr. Rosen:

Thomson Reuters (Healthcare) Inc. hereby clarifies its Cost Proposal as follows:

Not to Exceed Cost      \$24,583,000

Thank you for your consideration of our proposal.

Sincerely,

Jonathan S. Newpol  
Executive Vice President

## Smith, Donna D

---

**From:** Smith, Donna D  
**Sent:** Tuesday, September 20, 2011 12:10 PM  
**To:** 'Pam.Conrad@thomsonreuters.com'  
**Cc:** Rosen, Bryan D; Naylor, Nancy C  
**Attachments:** MED11015 Claif Req Thom Reut.pdf

Hello, Pam:

Attached you will find a request for clarification pertaining to the Thomson Reuters Cost Proposal for MED11015. Please *respond to this email* in order that we will have documentation it was received by your company. If you have questions regarding this request, please feel free to contact me.

Thank you and have a good day.

*Donna*

Donna D. Smith, Senior Buyer  
WVDHHR Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301  
PH: 304-957-0218  
FAX: 304-558-2892  
Email: [Donna.D.Smith@wv.gov](mailto:Donna.D.Smith@wv.gov)





**STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
OPERATIONS**

**Earl Ray Tomblin  
Governor**

**DHHR Office of Purchasing  
One Davis Square, Room 100  
Charleston, West Virginia 25301  
Telephone: (304) 558-3801 Fax: (304) 558-2892**

**Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary**

**September 20, 2011**

***TIME SENSITIVE***

Pam Conrad  
Senior Director, Business Development  
Government Healthcare  
Thomson Reuters  
777 E. Eisenhower Parkway  
Ann Arbor, MI 48108

**RE: Request for Proposal (RFP) MED11015 – Clarification Request**

The West Virginia Department of Health and Human Resources (WVDHHR), Office of Purchasing received the attached request for clarification from the Bureau for Medical Services (BMS) in regards to your cost proposal for RFP MED11015. Please submit a detailed response to me no later than 5:00 p.m. EST on Wednesday, September 21, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan D. Rosen".

**Bryan D. Rosen, Director  
DHHR Office of Purchasing**

**Attachments: BMS Memo dated 9/20/11**



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Earl Ray Tomblin  
Governor

Bureau for Medical Services  
Office of Managed Care and Procurement Services  
350 Capitol Street – Room 251  
Charleston, West Virginia 25301-3706  
Telephone: (304) 558-1700 Fax: (304) 558-4398

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

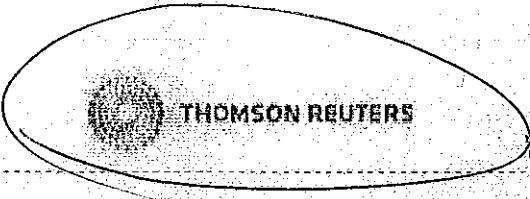
DATE: September 20, 2011  
TO: Donna Smith, Senior Buyer  
FROM: Robert Price, Procurement Officer *RP*  
RE: MED11015 Request for Clarification Thomson Reuters

BMS is requesting clarification of information contained in the cost proposal submitted by Thomson Reuters for MED11015.

BMS is requesting Thomson Reuters to provide a "Not to exceed cost" per the cost sheet included with Addendum No. 1.

Not to exceed Cost (Refer to Section 4.1.15)		
Not to exceed cost		

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2011 SEP 20 PM 2:04  
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## SECTION 2 - COST SUMMARY BID SHEET


Phase One: DDI Cost		
Item	Cost	Totals
Total DDI Costs (see Table 4.1.17: DDI Payment Allocation Table)		\$2,100,000
Phase Two: Operations Cost		
Item	Cost	Totals
Year One Flat Administrative Fee	\$1,600,000	
Year Two Flat Administrative Fee	\$1,648,000	
Year Three Flat Administrative Fee	\$1,697,400	
Year Four Flat Administrative Fee	\$1,748,300	
Year Five Flat Administrative Fee	\$1,800,700	
Year Six Flat Administrative Fee	\$1,854,700	
Year Seven Flat Administrative Fee	\$1,910,300	
Year Eight Flat Administrative Fee	\$1,967,600	
Total Operations Costs		\$14,227,000
All Inclusive Hourly Rate		
Period	Hourly Rate	Totals
Year One Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Two Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Three Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Year Four Cost (Rate X 8,000 hours)	\$129.00	\$1,032,000
Supplemental Year One Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Two Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Three Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Supplemental Year Four Cost (Rate X 8,000 hrs)	\$129.00	\$1,032,000
Total Cost of Hourly Rate Services		\$8,256,000

<b>Additional Costs</b>	
Additional License or User Seats (Refer to Section 2.1.2 and 2.1.3)	Cost per Increment
License or User Seat (Increments of 1)	\$3,000
License or User Seat (Increments of 2)	\$6,000
License or User Seat (Increments of 3)	\$9,000
License or User Seat (Increments of 4)	\$10,000
License or User Seat (Increments of 5)	\$12,500
<b>Total Cost of DDI, Operations and Hourly Rate Services</b>	
	<b>\$24,583,000</b>

**Note:**

1. Costs for purchases that do not translate to an hourly rate, such as licenses or software, are to be approved by the Bureau but are not separately accounted for in the Cost Summary Form.
2. Member months estimates were developed based on the best information available at the time of solicitation. The member months are used for purposes of evaluating bid.
3. The cost proposal will be evaluated based on the Total Cost of DDI, Operations and Hourly Rate Services for the 4 base year period plus the four additional option periods submitted on the cost bid sheet. The Cost bid should include all anticipated training, travel and related expenses, including supplies and general administrative expenses.

**Authorized Vendor signature:**

  
 \_\_\_\_\_  
 Jonathan S. Newpol, Executive Vice President  
 Thomson Reuters (Healthcare) Inc.

**Date:**

\_\_\_\_\_  
 5-13-11

**Smith, Donna D**

**MED11015  
Clarification 9/23/11**

**From:** Neill.Hollenshead@thomsonreuters.com  
**Sent:** Friday, ~~September 23~~, 2011 9:10 AM  
**To:** Rosen, Bryan D; Smith, Donna D  
**Cc:** Naylor, Nancy C; Pam.Conrad@thomsonreuters.com  
**Subject:** RFP MED11015 – Cost Proposal Clarification 2  
**Attachments:** Thomson Reuters RFP MED11015 clarification 2 -- 9-23-2011.pdf

**Importance:** High

Dear Mr. Rosen and Ms. Smith:

On behalf of Pam Conrad, I have attached to this message the electronic form of a letter from Thomson Reuters containing our response to your request of September 22 for further clarification of our Cost Proposal. The original letter will be delivered to you Tuesday September 27.

We stand ready to assist you in any further way necessary as the procurement proceeds.

Please confirm receipt of this message and that you can read the attachment. Thank you very much.

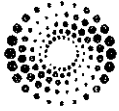
**Neill Hollenshead**  
Director, Business Development  
State Government Healthcare

**Thomson Reuters**

Healthcare  
777 East Eisenhower Parkway  
Ann Arbor, MI 48108  
Office 734-913-3117  
Mobile 734-604-3727  
Fax 734-913-3338

email address: [neill.hollenshead@thomsonreuters.com](mailto:neill.hollenshead@thomsonreuters.com)





THOMSON REUTERS

September 23, 2011

West Virginia Department of Health and Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

ATTN: Bryan D. Rosen, Director

Re: RFP MED11015 – Data Warehouse / Decision Support System  
Second Clarification of Cost Proposal

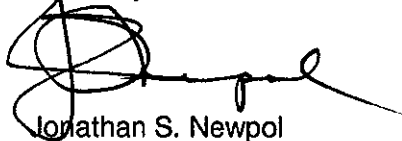
Dear Mr. Rosen:

Thomson Reuters (Healthcare) Inc. hereby clarifies its Cost Proposal as follows:

Our Not to Exceed Cost of \$24,583,000 includes maintenance of a separate pool of \$50,000 per year for services that translate to costs rather than hours, which would be approved by BMS in the same way it approves the hours used for modification and enhancements.

Thank you for your consideration of our proposal.

Sincerely,



Jonathan S. Newpol  
Executive Vice President

## Smith, Donna D

---

**From:** Smith, Donna D  
**Sent:** Thursday, September 22, 2011 3:15 PM  
**To:** 'Pam.Conrad@thomsonreuters.com'  
**Cc:** Rosen, Bryan D; Naylor, Nancy C  
**Subject:** MED11015 - Request for Clarification  
**Attachments:** MED11015 Clarif Req Thom Reut #2.pdf

**Importance:** High

Good afternoon, Pam:

Attached is a clarification request for MED11015. Please **respond to this email** in order that we will have documentation from Thomson Reuters that this request has been received. Please note your response is required by no later than 12:00 p.m. EST tomorrow, Friday, September 23, 2011.

Thank you and have a good afternoon.

*Donna*

Donna D. Smith, Senior Buyer  
WVDHHR Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301  
PH: 304-957-0218  
FAX: 304-558-2892  
Email: [Donna.D.Smith@wv.gov](mailto:Donna.D.Smith@wv.gov)





**STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
OPERATIONS**

**Earl Ray Tomblin**  
Governor

**DHHR Office of Purchasing**  
One Davis Square, Room 100  
Charleston, West Virginia 25301  
Telephone: (304) 558-3801 Fax: (304) 558-2892

**Michael J. Lewis, M.D., Ph.D.**  
Cabinet Secretary

September 22, 2011

**TIME SENSITIVE**

Pam Conrad  
Senior Director, Business Development  
Government Healthcare  
Thomson Reuters  
777 E. Eisenhower Parkway  
Ann Arbor, MI 48108

**RE: Request for Proposal (RFP) MED11015 – Clarification Request**

Thank you for your response to our previous clarification request dated September 20, 2011.

The West Virginia Department of Health and Human Resources (WVDHHR), Office of Purchasing, has received an additional clarification request (attached) from the from the Bureau for Medical Services (BMS) in regards to your cost proposal for RFP MED11015. Please submit a detailed response to me no later than 12:00 p.m. EST on Friday, September 23, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan D. Rosen".

Bryan D. Rosen, Director  
DHHR Office of Purchasing

Attachments: BMS Memo dated 9/22/11



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Earl Ray Tomblin  
Governor

Bureau for Medical Services  
Office of Managed Care and Procurement Services  
350 Capitol Street – Room 251  
Charleston, West Virginia 25301-3706  
Telephone: (304) 558-1700 Fax: (304) 558-4398

Michael J. Lewis, M.D., Ph.D.  
Cabinet Secretary

DATE: September 22, 2011  
TO: Donna Smith, Senior Buyer  
FROM: Robert Price, Procurement Officer *BP*  
RE: *med11015* MED1105 Request for Clarification Thomson Reuters

---

In order to ensure BMS is being consistent in evaluating Cost Proposals for all bids received, we request additional clarifications for the following items.

1. Per Section 4.1.15 "Vendors should not alter the Cost Summary Bid Sheet in any way without explicit acceptance by the Bureau." Thomson Reuters' initial submission omitted the "Not to exceed cost" line added by Addendum No. 1. Per Note 3 on the revised Cost Sheet the Total Not To Exceed Cost is to contain all direct and indirect costs including administrative, travel, training, and out of pocket expenses necessary to perform all services within Part 3.2 of this RFP. Please confirm that these costs are included in your Not to exceed cost.
2. Per Addendum No. 1, Section 3.2.12 was modified to include in the vendor's proposal maintenance of a separate pool of \$50,000, at a minimum, per year for services that translate to costs rather than hours, which would be approved by BMS in the same way it approves the hours used for modification and enhancements. Please confirm that these costs are included in your Not to Exceed Cost.

OFFICE OF DHHR PURCHASING  
2011 SEP 23 AM 10:43

RECEIVED

**Smith, Donna D**

**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Wednesday, November 16, 2011 11:33 AM  
**To:** Rosen, Bryan D  
**Cc:** Smith, Donna D; Cathy.Jackson@thomsonreuters.com  
**Subject:** RE: RFP MED11015 - Performance Bond for DDI Phase I

**Importance:** High

Bryan,

The cost of the optional services listed on page 5 of our Cost Proposal is not subject to additional pricing outside of the "Not to Exceed Cost" of \$24,583,000. Our "Not to Exceed Cost" includes the enhancements that we priced as optional; we agree that the optional services, if chosen by the State, would be paid from the funds listed under "All Inclusive Hourly Rate".

I apologize for the confusion.

We will proceed to have our insurance company prepare a Performance Bond for one-half the DDI cost of \$2,100,000, or \$1,050,000, as per RFP Section 3.3.1.

Thank you for the opportunity to clarify the intent of my question of November 10.

**Pam Conrad**

Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**

777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com).

[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)

---

**From:** Rosen, Bryan D [mailto:Bryan.D.Rosen@wv.gov]  
**Sent:** Tuesday, November 15, 2011 3:15 PM  
**To:** Conrad, Pam (Professional)  
**Cc:** Jackson, Cathy (Professional); Smith, Donna D  
**Subject:** FW: RFP MED11015 - Performance Bond for DDI Phase I  
**Importance:** High

Pam, your question is confusing to DHHR and causing concern that your company may not be the apparent successful bidder if your "Not to Exceed Cost" is above \$24,583,000 by any amount. DHHR has twice confirmed with you that Thomson Reuters' "Not to Exceed Cost" is \$24,583,000 per the attached. Based on your question it is now my understanding that the items that you have identified on page 5 of your cost proposal are not included in the \$24,583,000. Is that correct?

Just to ensure that I fully understand, let me provide an example. If BMS elects to implement 1 MARS report during the first year of the contract the charges would be as follows:

Initial Design:	2,000.00
Year 1:	500.00
Year 2:	515.00
Year 3:	530.45
Year 4:	546.36
Year 5:	562.75
Year 6:	579.64
Year 7:	597.03
Year 8:	614.94
Total	6,446.17

DHHR understood the cost of these services to be included in Thomson Reuters' "Not to Exceed Cost" of \$24,583,000 based on the following requirements from RFP MED11015.

Section 1.2, Phase Two (Page 1)

Enhancements have not been fully defined but are anticipated to include the transition of SUR, Management and Administrative Reporting (MAR) and potentially other reports to the DW/DSS;

Section 2.2 (Page 16)

The current plan is to continue producing reports from the existing MMIS and Management and Administrative Reports that rely on in-process transaction data. The transition of management and administrative reports that rely on finalized claim data to the DW/DSS may take place as an enhancement.

Section 3.2, Scope of Work, Phase Two: Enhancements (Page 35)

Enhancements are anticipated to include the transition of SUR, MAR and potentially other reports to the DW/DSS, the acquisition and reconciliation of additional data, potential use by additional external entities and other activities defined through WV Medicaid HIT and Health Care Reform planning.

3.2.12, Enhancements and Modifications (Page 42)

The Vendor should propose an approach for managing and staffing enhancements and modifications that includes a pool of eight thousand (8,000) hours annually for system modifications and enhancements at an all-inclusive hourly rate, to be reimbursed as approved by BMS.

4.1.17, Payment and Retainage (Page 53)

For Phase Two: Enhancements the vendor is to be paid an all-inclusive hourly rate times the number of hours approved by BMS.

I believe that the items you have identified as optional services are clearly identified as enhancements to be paid for at the all-inclusive hourly rate. Please confirm whether or not the cost of services listed in Page 5 of your cost bid proposal are subject to additional pricing outside of the not to exceed cost quoted on Page 3 of Thomson Reuters' cost bid proposal by close of business tomorrow, November 16, 2011. This information is essential in making a contract award determination.

Thank you,

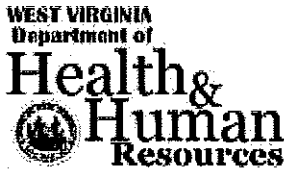
*Bryan D. Rosen*

Bryan D. Rosen  
 Director of Purchasing  
 WV Dept. Of Health and Human Resources  
 One Davis Square, Room 114  
 Charleston, WV 25301

E-mail: [bryan.d.rosen@wv.gov](mailto:bryan.d.rosen@wv.gov)

Phone: 304-558-0953

Fax: 304-558-2892



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Bryan

---

**From:** Pam.Conrad@thomsonreuters.com [mailto:Pam.Conrad@thomsonreuters.com]  
**Sent:** Thursday, November 10, 2011 12:04 PM  
**To:** Smith, Donna D  
**Cc:** Cathy.Jackson@thomsonreuters.com  
**Subject:** RE: RFP MED11015 - Performance Bond  
**Importance:** High

Donna,

RFP Section 3.3.1 indicates that a performance bond is needed upon execution of the contract. The bond id to be equal to 50% of the cost of the DDI. Our DDI price is \$2,100,000. However, at this point we do not know if the State will want any of the optional products and services that we proposed. (See p. 5 of our Cost Proposal, attached for your reference). The State's selection of options could affect the DDI price, which could affect the performance bond amount. On the other hand, even if the State eventually selects one or more options, the State could interpret the performance bond requirement to pertain only to the DDI price for the base services. Is it OK for us to proceed to obtain a performance bond for 50% of the base DDI price, or \$1,050,000?

Thank you for your consideration of this question.

**Pam Conrad**

Senior Director, Business Development  
Government Healthcare

**Thomson Reuters**

777 E. Eisenhower Parkway  
Ann Arbor, MI 48108  
O 734 913 3325  
M 734 645-5464

[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com).

[http://thomsonreuters.com/products\\_services/healthcare/](http://thomsonreuters.com/products_services/healthcare/)

**MED11015**  
**Clarification 11/28/11**

**Smith, Donna D**

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**From:** Pam.Conrad@thomsonreuters.com  
**Sent:** Monday, November 21, 2011 12:36 PM  
**To:** Smith, Donna D  
**Cc:** Rosen, Bryan D; Naylor, Nancy C; Cathy.Jackson@thomsonreuters.com  
**Subject:** RE: RFP MED11015 - Request for Additional Documentation  
**Attachments:** Thomson Reuters - West Virginia WC Letter (11.21.2011).pdf

**Importance:** High

Donna,

Attached please find a letter from our insurance broker confirming that we have in place the Workers' Compensation coverage required in West Virginia.

Many thanks.

**Pam Conrad** | Thomson Reuters | Office (734) 913-3325 | Cell (734) 645-5464

---

**From:** Smith, Donna D [mailto:Donna.D.Smith@wv.gov]  
**Sent:** Friday, November 18, 2011 3:47 PM  
**To:** Jackson, Cathy (Professional)  
**Cc:** Rosen, Bryan D; Naylor, Nancy C; Conrad, Pam (Professional)  
**Subject:** RE: RFP MED11015 - Request for Additional Documentation  
**Importance:** High

Hi, Cathy:

In reference to #2 – Proof of Worker's Compensation Coverage, as listed in your email below, we will need additional information from your insurance company regarding Worker's Compensation Coverage. We are unfamiliar with the Proof of Insurance form as it applies to Worker's Compensation Coverage and are requesting that you obtain a letter from your insurance company clarifying the Worker's Compensation Coverage for Thomson Reuters, as soon as possible.

If you have any questions regarding this request, just let me know.

Thank you very much and have a nice weekend.

Donna

---

**From:** Cathy.Jackson@thomsonreuters.com [mailto:Cathy.Jackson@thomsonreuters.com]  
**Sent:** Monday, November 14, 2011 5:23 PM



**To:** Smith, Donna D  
**Cc:** Rosen, Bryan D; Naylor, Nancy C; Pam.Conrad@thomsonreuters.com  
**Subject:** RE: RFP MED11015 - Request for Additional Documentation  
**Importance:** High

Hello! I've attached several pieces of documentation that you've requested. We are in the process of requesting the performance bond and will forward that under separate cover.

Attached is:

1. Revised MED-96 signed by Jonathan S. Newpol
2. Proof of Insurance, which includes proof of Workers Compensation Coverage
3. License to do business in West Virginia

Will you reply all to confirm you've received this message and documentation? I appreciate it.

Other than the performance bond, please let us know if you need anything else! Thanks again.

**Cathy Jackson**  
Director, Sales Operations  
Healthcare

Thomson Reuters

office: +1 734-913-3119  
mobile: +1 734-417-4750

[cathy.jackson@thomsonreuters.com](mailto:cathy.jackson@thomsonreuters.com)  
[www.thomsonreuters.com](http://www.thomsonreuters.com)

---

**From:** Conrad, Pam (Professional)  
**Sent:** Wednesday, November 09, 2011 1:01 PM  
**To:** 'donna.d.smith@wv.gov'  
**Cc:** 'bryan.d.rosen@wv.gov'; 'Nancy.C.Naylor@wv.gov'; Jackson, Cathy (Professional)  
**Subject:** Re: RFP MED11015 - Request for Additional Documentation  
**Importance:** High

Thank you, Donna. We have received your message. Cathy Jackson, our Director of Sales Operations, will assist me in collecting and delivering the documents you have listed. Since the signators and originators are in different offices of our company, I anticipate that it will take approximately 2 days. We will begin the accumulation of them immediately.

Will it be acceptable for us to direct the various documents to you in separate e-mails, in other words, in the order in which we obtain them, or would you prefer them in a single submission?

Pam Conrad  
Thomson Reuters  
Ann Arbor MI  
(734) 645-5464 Cell  
[pam.conrad@thomsonreuters.com](mailto:pam.conrad@thomsonreuters.com)

---

**From:** Smith, Donna D [<mailto:Donna.D.Smith@wv.gov>]  
**Sent:** Wednesday, November 09, 2011 11:40 AM  
**To:** Conrad, Pam (Professional)  
**Cc:** Rosen, Bryan D <[Bryan.D.Rosen@wv.gov](mailto:Bryan.D.Rosen@wv.gov)>; Naylor, Nancy C <[Nancy.C.Naylor@wv.gov](mailto:Nancy.C.Naylor@wv.gov)>

**Subject:** RFP MED11015 - Request for Additional Documentation

Good afternoon, Pam:

As per the email you responded to yesterday pertaining to a remit to address for Thomson Reuters, you were made aware that your company is the *apparent successful bidder* for RFP MED11015.

Before a final award can be made, I will also need the following documentation, as soon as possible:

1. A **MED-96** signed and dated by the person who signed your proposal. While your company provided a signed MED-96, it was dated on May 13, 2011 **before** the date of the actual proposal (dated May 17, 2011). It is a requirement that the MED-96 **must be dated the date of the proposal or after and must be signed by the person who signed the proposal (Jonathan S. Newpol)**. Please resubmit the MED-96 with a current date and signed by Mr. Newpol. This form may be accessed at:  
<http://www.dhhr.wv.gov/bms/ProcurementNotices/Documents/MED96.pdf>
2. **Proof of insurance** as required in Section 3.3.2.
3. **License requirements** as required in Section 3.3.3:
  - a. Provide certification that Vendor is registered to do business in West Virginia with the Secretary of State's Office. [www.sos.wv.gov/Pages/default.aspx](http://www.sos.wv.gov/Pages/default.aspx) Phone: (304) 558-8000
  - b. Provide evidence Vendor is in good standing with the State Agency of Employment Programs as to Unemployment Compensation coverage. [www.workforcewv.org](http://www.workforcewv.org) Phone: (304) 558-2451
  - c. Offices of the Insurance Commissioner as to Worker's Compensation coverage or exempt from such coverage.  
[www.wv.insurance.gov](http://www.wv.insurance.gov) Phone: (304) 558-6279

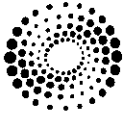
It is important that these issues be resolved and documentation provided to us promptly in order that an award can be made. **All forms/certifications may be submitted to me electronically.**

If you have questions regarding this request, please contact me as soon as possible. Thank you and have a good afternoon.

*Donna*

Donna D. Smith, Senior Buyer  
WVDHHR Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301  
PH: 304-957-0218  
FAX: 304-558-2892  
Email: Donna.D.Smith@wv.gov





THOMSON REUTERS

November 28, 2011

West Virginia Department of Health and Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

ATTN: Bryan D. Rosen, Director  
Donna D. Smith, Senior Buyer

Re: RFP MED11015 -- Data Warehouse / Decision Support System  
Third Clarification of Cost Proposal

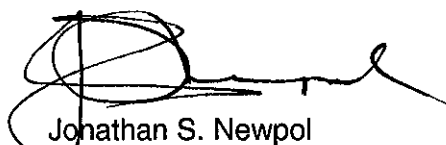
Dear Mr. Rosen and Ms. Smith:

Thomson Reuters (Healthcare) Inc. hereby clarifies its Cost Proposal as follows:

Our Not to Exceed Cost of \$24,583,000 includes the cost of the optional services listed on page 5 of our Cost Proposal. We acknowledge that the optional services, if chosen by the State, would be paid from the funds listed under "All Inclusive Hourly Rate".

Thank you for your consideration of our proposal.

Sincerely,



Jonathan S. Newpol  
Executive Vice President

RECEIVED

2011 NOV 29 PM 2:54

OFFICE OF DHHR PURCHASING