

July 17, 2012

Chief Legal Counsel  
ODJFS Office of Legal & Acquisition Services  
30 East Broad Street, 31st Floor  
Columbus, Ohio 43215-0423

Re: Ohio Integrated Care Delivery Systems (ICDS)  
RFA Number: R1213078038  
Section III. F. Protest

Greetings:

Paramount Care, Inc. ("Paramount") respectfully submits this protest pursuant to Section III, F., Protest, of the Request for Applications ("RFA") issued by the Ohio Department of Jobs and Family Services (ODJFS) for an Ohio Integrated Care Delivery System (ICDS). The purpose of this protest is to address certain portions of Paramount's application for which Paramount believes additional points should be awarded. Accordingly, Paramount respectfully requests that the ODJFS revise Paramount's scoring as set forth below.

**1. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE PROTESTOR.**

Paramount Care, Inc.  
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**2. THE NAME AND NUMBER OF THE RFA BEING PROTESTED.**

Ohio Integrated Care Delivery Systems (ICDS)  
RFA Number: R1213078038

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**3. A DETAILED STATEMENT OF THE LEGAL AND FACTUAL GROUNDS FOR THE PROTEST, INCLUDING COPIES OF ANY RELEVANT DOCUMENTS.**

**A. APPENDIX F: QUESTION 1 – EXPERIENCE WITH INNOVATIVE PAYMENT METHODS**

Based upon the scoring from ODJFS, Paramount did not receive a total of 1,000 points for its response to essays 1-5 which were submitted in response to Question 1 of Appendix F of Paramount's Dual Eligible RFA application. The 1,000 points consist of 200 points that were not awarded for Paramount's subsection D response in essays 1-5. It appears that the points were not awarded because Paramount did not provide a mathematical return on investment ("ROI") calculation in its subsection D responses. For essays 1 and 2 (Patient Centered Medical Home and ACO), there was no data available to share so ODJFS was correct in its determination not to award Paramount 200 points for its subsection D response for these two innovative payment methods.

Paramount did, however, provide data in its subsection D response to essays 3-5 (Hospital Quality Incentive, Diabetes Incentive and Orthopedic Comanagement). The data provided for each of these innovative payment methods describes the results of the innovative payment method in terms of a ROI. For example, Paramount's subsection D response to the third initiative (Hospital Quality Incentive (essay 3)) states:

- D. The 8 affiliated ProMedica hospitals participating in the incentive program met or exceeded 204/237 (86%) of the total defined measures for 2011, resulting in retention of \$1.1m of the \$1.3m incentive. The non-affiliated hospital participating in the program met or exceeded 27/34 (79%) of its total defined measures for 2011, resulting in retention of \$175,000 of the \$208,000 incentive.

Paramount's subsection D response to the fourth initiative (Diabetes Incentive (essay 4)) states:

- D. The 2010 incentive payout was ~\$130,000, compared to a maximum of ~\$500,000. Results/savings for 2011 have not been calculated yet. The estimated physician payout related to 2011 is projected to be ~\$220,000. A number of expected benefits were anticipated, including decrease in medical expense, stabilization/increase in Medicare risk assessment payments, improved control of diabetes members, and improved collaboration between PCPs and members.

Paramount's subsection D response to the fifth initiative (Orthopedic Comanagement (essay 5)) states:

- D. ProMedica made incentive payments of \$687,500 and \$832,845, respectively, for the years 2011 and 2010. The CMS Hospital Value-Based Purchasing initiative that begins with FY2013 provides for hospitals to receive improvement payments based on achievement of certain patient satisfaction and clinical outcomes (including SCIP). Improvements like those listed above should yield improvement payments through this program. As this program is an aggregated comparative payout based on the performance of all hospitals, we are unable to quantify the remuneration until the

initial results are revealed later in 2012. Anecdotal data suggests that consensus and change occur at a much more rapid pace than prior to implementation of co-management with marked improvement in integration and cohesion.

The express terms of the RFA do not require a definitive mathematical ROI calculation. For each innovative payment method described in Appendix F: Question 1, the applicant was asked the following question:

- D. In 100 words or less, please describe the results of this innovative payment method in terms of return on investment.

Each of the innovative payment methods described in essays 3-5 are incentive-based models. A favorable return is implicit in the descriptions provided. In other words, no payment would have been made had there been no measureable improvements and predictable long term benefits. The lack of a definitive calculation regarding ROI does not in itself indicate that an ROI was not achieved. Accordingly, Paramount believes its subsection D response to essays 3-5 of Appendix F, Question 1 satisfy the RFA criteria and Paramount should be awarded an additional 600 points.

Paramount noted similar responses provided within the applications of other Health Plans, whereby those plans were awarded points while not explicitly providing an ROI computation (please refer to responses provided by Anthem to their first and second innovative payment initiatives; also refer to responses provided by Buckeye to their first and second innovative payment initiatives).

**4. A REQUEST FOR A RULING BY ODJFS.**

Paramount Advantage respectfully requests that the ODJFS grant and sustain the protests asserted above, and that the Scoring Methodology be modified as specified in Section 5 below.

**5. A STATEMENT AS TO THE FORM OF RELIEF REQUESTED FROM ODJFS.**

- A. Paramount requests that ODJFS award Paramount an additional 600 points. The additional 600 points are calculated as follows:
- a. 200 additional points for Paramount's response to Appendix F-Question 1, Third Initiative Response-Hospital Quality Incentive;
  - b. 200 additional points for Paramount's response to Appendix F-Question 1, Fourth Initiative Response-Diabetes Incentive;
  - c. 200 additional points for Paramount's response to Appendix F-Question 1, Fifth Initiative Response-Orthopedic Co-management

**6. ANY OTHER INFORMATION THE PROTESTOR BELIEVES TO BE ESSENTIAL TO THE DETERMINATION OF THE FACTUAL AND LEGAL QUESTIONS AT ISSUE IN THE WRITTEN PROTEST.**

**A. APPENDIX D: PART A**

In reviewing ODJFS' scoring materials for Appendix D: Part A, there appear to be inconsistencies between the scoring worksheets and summary score sheet. Although Paramount believes the totals arrived at by ODJFS when there are inconsistencies are correct, Paramount feels the inconsistencies are worth addressing in order to avoid any confusion or a deduction as a result of an unwarranted protest of another applicant.

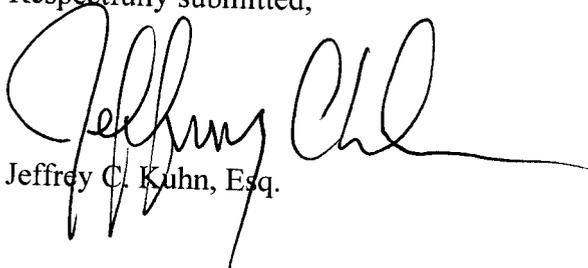
In reviewing the scoring materials, Paramount noted the following inconsistencies:

1. Question 1, Page 25-26. There are no points noted on the scoring sheet. However, on page 49 of the summary score sheet Paramount was appropriately credited with 1,000 points for meeting the criteria of the objective.
2. Question 13, Page 46. Under the Program Evaluation section, the worksheet incorrectly reflects that Paramount received 72 points. Paramount was appropriately awarded 216 points for this question as evidenced by the summary score sheet, which awards Paramount a total of 7,869 points. This includes the 144 point difference in what was reflected on the worksheet and what Paramount was actually awarded.

**CONCLUSION**

Paramount is convinced that it can help the State of Ohio achieve the goals of its Ohio Integrated Care Delivery System (ICDS). Paramount has provided high quality, cost effective services to the Medicare and Medicaid populations of Ohio for over eighteen years. Paramount wants to continue this effort, because it believes that it is in the best position to help the State of Ohio achieve its goals. Unfortunately, certain aspects of the scoring discussed above appear to be incorrect and may pose a roadblock to Paramount being able to do so. Accordingly, Paramount respectfully requests that the ODJFS provide the relief requested in Section 5 above.

Respectfully submitted,

  
Jeffrey C. Kuhn, Esq.

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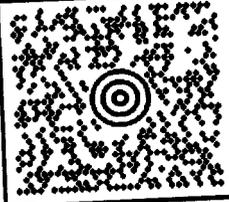
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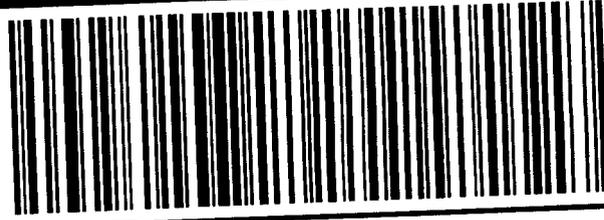
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