

The State of Delaware

Audit Services Request for Proposal (RFP) –
Scope of Work

SEBC Combined Subcommittee Meeting

August 19, 2024

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Context for today's discussion

- A recommendation from the Subcommittees on the proposed “scope of services” that will be included in the audit services request for proposal (RFP) is needed by the conclusion of today's meeting
- A draft written description of a proposed “scope of services” that would be incorporated into the audit services RFP has been shared with Subcommittee members; it outlines audit services provided by traditional audit vendors and also requests proposals from vendors with newer, emerging audit capabilities
- Today's discussion will focus on obtaining input from Subcommittee members about the inclusion of the request for proposals from vendors with newer, emerging audit capabilities
- Following today's meeting, Subcommittee member feedback on a recommendation for the proposed scope of services that will be included in the audit services RFP will be presented to the SEBC at the August 26 SEBC meeting

Emerging capabilities among audit vendors

- Traditionally, medical and prescription drug claim audit services have focused on **retrospective** reviews of plan experience
 - Often have been challenges in obtaining more real-time access to claims data for various reasons including technology limitations, data sharing agreements and usual claim processing timelines
 - Allows for typical claim processing activities to take place before claims are audited, such as claim resubmissions, coordination of benefits and overpayment recoveries
 - The SBO's current audit services contract is based on retrospective claim reviews
- Recently, a limited number of vendors have entered the market claiming the capability to provide **ongoing and real time** administrative claims and fee reviews for medical and pharmacy benefit programs

Emerging capabilities among audit vendors (continued)

- Vendor marketplace for ongoing and real-time administrative claims and fee reviews is very small
- No overlap with the “traditional” audit vendors conducting retrospective claim reviews
- WTW has few clients who have partnered with these types of audit vendors; limited data on client outcomes
- WTW’s point of view is that these types of claim reviews would not replace the traditional, retrospective audits procured through past Audit RFPs
 - Real-time claim reviews wouldn’t necessarily account for typical claim processing activities that may skew audit results when viewed on an ongoing basis vs. retrospectively

For Subcommittee member discussion and feedback:

- Is there value in expanding the scope of services requested in the next Audit RFP to include a request for real-time audit services?
- Can this be accomplished in the same RFP as “traditional” audit services, given that there is not currently any overlap between the “traditional” and “emerging” vendors in this space?
- Are there any additional changes Subcommittee members recommend for the Audit RFP scope of services?