

**CITY OF CHICAGO  
DEPARTMENT OF PROCUREMENT SERVICES  
ROOM 403, CITY HALL, 121 N. LASALLE STREET**

FOR NCRB USE ONLY	
Date	<u>4/3/2012</u>
Recommend Approval	q
Return To Dept.	q
Reject	q
Vote	<u>+++</u>

**NON-COMPETITIVE REVIEW BOARD (NCRB)  
JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT**

**COMPLETE THIS SECTION IF NEW CONTRACT**

For contract(s) in this request, fill in each of the four (4) major subject areas below in accordance with the **Instructions for Preparation of Non-Competitive Procurement Form** on the reverse side. Complete "Other" subject area if additional information is needed. Subject areas must be fully completed. Responses merely referencing attachments will not be accepted.

Request that negotiations be conducted only with Chicago Department of Public Health for the product(s) and/or service(s) described herein.

**This is a request for:**

One-Time Contractor Requisition #: 68018, copy attached or  Term Agreement or  Delegate Agency (Check one).

If Delegate Agency, this request is for "blanket approval" for all contracts within the <<proj description/name>> (Attach List).

Pre-Assigned Specification No.:           

Pre-Assigned Contract No.:           

**COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT**

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: 14134

Company or Agency Name: Emdeon (Medifax)

Specification #: 40164

Contract or Program Description: Payor Direct, Recipient Eligibility Verification System Services

Modification #: 2

(Attach List, if multiple)

Joyce Morris

312-747-9545

Joyce Morris  
Signature

Public Health

2-10-2012

Originator Name

Telephone

Department

Date

**PROCUREMENT HISTORY**

The Chicago Department of Public Health (CDPH), and Medifax-EDI, LLC. (The Consultant) entered into an agreement, January 1, 2007. The Consultant provides a portal through which "CDPH" execute Illinois Medicaid (Eligibility Verification & Claim Status Verification) by submitting an appropriate data combination needed to perform the corresponding claim status inquiry.

Subscribers may transmit eligibility inquiries 24 hours per day, 7 days per week, other than scheduled and announced maintenance hours.

When this partnership began, CDPH had a Clinic Practice Management Information System ("CPMIS") that was built on a MUMPS/Cache platform.

In October, 2007, CDPH implemented a new system with Cerner Corporation which includes an EMR (Electronic Medical Record) and Patient Management Systems. CDPH has continued its relationship with Medifax. During the implementation of the CHAMPS system, the portal was integrated in Power Works Patient Management (PWPM). This made it possible for CDPH staff to be able to execute on-demand eligibility checking on the patients.

A very beneficial function, batch eligibility verification was not implemented when CDPH installed the

CHAMPS system. Not having this functionality available to staff has had a negative impact on CDPH's revenue generating potential. Making this change affords CDPH the opportunity to capitalize on this functionality and seeks to implement it as soon as possible.

This is a continuation of a previous procurement from the same source. CDPH did reach out to the Cerner Corporation, but it was not able to deliver the services sought. The proposal offered by Cerner would not deliver the results sought by CDPH and would require additional resources.

While a proposal from the Cerner Corporation was hosted by Alvin Williamson of DoIT, myself and Tom Harrison of the Cerner Corporation, after reviewing their proposal, we determined the resources needed to achieve our goal outweighed the resources and results in the proposal presented by Emdeon. The results, utilization of Emdeon product would result in a cost savings to CDPH and delivery of optimal results, more revenue.

Based on past performance, this has not been nor will be a one-time engagement. CDPH will continue to partner with Emdeon in future endeavors as it has proved to be a leader in the industry.

Regarding future bids, CDPH is always open to competitive bidding. Vendors who offer their services in the Eligibility Verification arena are always welcome. Proposals which offer seamless, efficient services will be given serious consideration.

**ESTIMATED COST**

**AccuPost Fee Structure:**

In addition to the current fees that are in place today for the eligibility transactions and support through the Revenue Analysis (R.A.) service, the AccuPost Fees are as follows:

- One Time Implementation Fee           \$5,000
- Monthly Maintenance Fee               \$500/mo

While the AccuPost functionality will be new to the CHAMPS system, CDPH used similar functionality with the VeriQuest system when CDPH had the Global System in place.

The estimates which are based in part on historical usage and current cost of living index CDPH believes are fair and reasonable... Implementation of AccuPost will reduce the cost of the On-Demand verifications in the clinics. CDPH should see a noticeable decrease in the number of errors that have been encountered in the past because Accupost will update the patient's profile/insurance per the criteria defined by CDPH during implementation. The benefits for the City – a greater percentage of claims will be billed to the payors without errors and adjudication/reimbursement forthcoming after the initial review.

CDPH is only seeking a one year extension of this contract. Therefore, the estimated cost is being calculated for a one year period.

**Basis for Cost Estimate:** The fee structure for this additional AccuPost service includes a onetime Implementation fee and an ongoing monthly maintenance fee. The Implementation fee covers the implementation and programming efforts by Emdeon to implement the posting process of the eligibility responses into Cerner. The monthly maintenance fee covers ongoing maintenance and customer support for this service. The basis of this cost estimate is that CDPH only intends to use AccuPost for the posting of eligibility response data but across multiple payer types. No other EDI transactions (such as electronic





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/17/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 Attn: Atlanta.CertRequest@marsh.com Fax: 212-948-4321 38472 -E&O-11-12	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE INSURER A: National Union Fire Ins Co Pittsburgh PA	
INSURED EMDEON, INC. 3055 LEBANON ROAD NASHVILLE, TN 37214	NAIC # 19445	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
INSURER F:		

**COVERAGES**      **CERTIFICATE NUMBER:** ATL-002841269-03      **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURER	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	PROFESSIONAL LIABILITY			01-346-62-40	11/16/2011	11/16/2012	LIMIT 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

<b>CERTIFICATE HOLDER</b> CITY OF CHICAGO DEPT OF PROCUREMENT SERVICES CITY HALL, ROOM 403 121 NORTH LA SALLE STREET CHICAGO, IL 60602	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Stephen R. Earp
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remittance advice, claim status) will be posted under this AccuPost module.

Negotiation comment – Emdeon often will structure pricing to charge additional maintenance per payer eligibility response being posted. Emdeon has agreed to charge a single maintenance fee to cover multiple payer responses that CDPH needs to be posted.

**SCHEDULE REQUIREMENTS**

Listed below are the Schedule Requirements identified by the Department of Innovation Technology (DoIT) and Emdeon/Medifax. The scheduled completion of these requirements is June 30, 2012.

**EMDEON/MEDIFAX – Schedule Requirements submitted to CDPH**

**Windows Hardware and Software Minimum Requirements  
For Emdeon AccuPost Web Applications  
Posting PC  
City of Chicago**

Standard IBM Compatible Personal Computer.	<ul style="list-style-type: none"> <li>• Pentium Class, CPU Speed 1GHz or faster.</li> <li>• 1 GB RAM. (2GB recommended)</li> <li>• 25 GB of available disk space (local or network share).</li> </ul>
Operating System.	<ul style="list-style-type: none"> <li>• Windows XP Pro (SP2 or higher)</li> <li>• Windows 7 (32 Bit only)</li> </ul>
Remote Support.	<ul style="list-style-type: none"> <li>• Outbound connection to the Internet for access to Emdeon's Support Site.</li> </ul>
Communication Software for Remote Support.	<ul style="list-style-type: none"> <li>• Secure Link Gatekeeper for Windows. Can be obtained at the following URL. <a href="http://securelink.emdeon.com/downloads.vm">http://securelink.emdeon.com/downloads.vm</a></li> </ul>
Connection to your mainframe and/or FI.	<ul style="list-style-type: none"> <li>• Connection will be established through the Local Area Network via TCP/IP.</li> </ul>
Outbound connections to the Internet	<ul style="list-style-type: none"> <li>• <a href="http://securelink.emdeon.com">securelink.emdeon.com</a> (170.138.104.195) ports 22 &amp; 80.</li> <li>• <a href="http://accupost.emdeon.com">accupost.emdeon.com</a> (170.138.32.211) ports 80 &amp; 443.</li> </ul> <p><i>Note: It is recommended to bypass any proxy servers for these connections.</i></p>
Supported Browsers	<ul style="list-style-type: none"> <li>• Microsoft Internet Explorer Version 7 or higher with Windows Script Host v5.5 or higher.<sup>1</sup></li> <li>• Mozilla FireFox Version 3.0 or higher.</li> </ul>
Microsoft .NET Framework	<ul style="list-style-type: none"> <li>• Version 3.5 SP1 available free from Microsoft at the following link: <a href="http://www.microsoft.com/downloads">http://www.microsoft.com/downloads</a></li> </ul>
Terminal Emulation Software	<ul style="list-style-type: none"> <li>• Please consult with Emdeon AccuPost prior to the purchase of any Terminal</li> </ul>

	Emulation Software.
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**DEPARTMENT OF INNOVATION TECHNOLOGY - Requirements Summary:**

Three accounts to be setup with access to server in addition to the standard Unisys LAN team support:

- Adm\_morales (existing account)
- Adm-levy (existing account)
- Adm\_emdeon (new account)

**O.S./Server Minimum Requirements:**

- IE v7.x
- Windows Host Script v5.5
- .NET 3.5 SP1
- 25GB Free space
- 2Gb RAM

**Connections:**

Outbound – securelink.emdeon.com (170.138.104.195) ports 22 & 80

Outbound – accupost.emdeon.com (170.138.32.211) ports 80 & 443

Outbound – Cerner Application <http://cdophil-wi-farm.cdph.com/Prod/auth/login.aspx> via Citrix ICA client (v11.00)

Inbound - RDP connection from CDPH network (10.220.92.x/23) for support (either J Levy or E Morales)

**DEPARTMENT OF PUBLIC HEALTH – Schedule Requirements**

AccuPost is a web based program which can be utilized to post eligibility benefits from the ANSI 271 file into Cerner. During the implementation of the AccuPost application the team at City of Chicago will outline the business rules indicating what data elements should be posted and where within Cerner. This is a customized posting application which has been developed for posting to pre-defined fields, free text notes and/or custom built screens. This outline will be prepared and submitted to Emdeon for their review prior to the onset of the implementation to allow for any modifications based on the business rules.

Emdeon's AccuPost application is being used by many other Cerner clients. It has in-depth experience working with the Cerner application and has implemented this product in hospitals, clinics, and physician practices. It has a proven successful track record. Competitive bidding would definitely delay the opportunity to generate additional revenue and still realize cost savings.

**EXCLUSIVE OR UNIQUE CAPABILITY**

Emdeon/Medifax is one of two REV Contractors utilized by Illinois Department Healthcare and Family Services (HFS), formerly known as Illinois Department of Public Aid (IDPA). It has direct telecommunication access to HFS databases. It's developed, standardized software (EDI-Transactions) for providers to use in the eligibility verification process.

As stated in the Procurement History section of this document, CDPH and Emdeon/Medifax have been partners in the current agreement since 2007. CDPH had a prior contractual agreement with this vendor when the application used was "VeriQuest". That application was sunset several years ago and replaced with currently used. Their staff have always offered excellent support and responded promptly to any issues encountered by CDPH. They have been very timely in offering solutions to those issues without the City incurring additional costs.

It has continued to improve the features and functionality of its eligibility verification. It now offers add-on products which work with and enhance the eligibility verification. Using this application will further promote revenue growth for CDPH.

CDPH has no plans to hire any additional personnel as the AccuPost product will login to the Cerner application remotely, load the files with the eligibility verification results without CDPH staff participation. The time that staff have spent in the past, creating reports in Cerner, running those reports in Emdeon's Revenue and Analysis (RA) application, and disseminating those reports to the clinics for the results to be updated in the patients insurance, all can be eliminated once AccuPost is implemented. This will be a significant cost savings to the City.

A noted uniqueness is the partnership that the Cerner Corporation and Emdeon/Medifax have developed over the past several years. Emdeon functionality is being integrated in Cerner applications. Implementation of the new features/functionality will help eliminate manual tasks now performed by the clinical staff, i.e. on-demand eligibility checking in the clinics, and modifying patient profiles/insurances.

The results of these changes – increased efficiency in using staff time. Staff will have more time to focus on the delivery of patient care services.

Competition was not excluded due to any specific existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data.

While Emdeon/Medifax is not the only company that can post EDI data into Cerner, we do not believe it would be prudent to utilize an additional third party that would not be versed on how Emdeon/Medifax returns the eligibility data.

**MBE/WBE COMPLIANCE PLAN**

Although EMDEON is not an MBW/WBE company, they have an affirmative action plan and frequently partner with MBE/WBE businesses to support the objectives of their clients.

APPROVED BY:

Wm J  
DEPARTMENT HEAD OR DESIGNEE

2/23/12  
DATE

B. SCHMIDT  
PRINT NAME

[Signature]  
CHIEF PROCUREMENT OFFICER

Rich Butler  
BOARD CHAIRPERSON

4/3/12  
DATE

[Signature]  
PRINT NAME

4/3/2012  
DATE OF APPROVAL

## **INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT FORM**

If a City Department has determined that the purchase of supplies, equipment, work and/or services cannot be done on a competitive basis, a justification must be prepared on this "Justification for Non-Competitive Procurement Form" in which procurement is requested on a non-bid or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. All applicable questions in each Subject Area below must be answered. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. Also attach a DPS Checklist and any other required documentation. The Board will not consider justification with incomplete information documentation or omissions.

### **PROCUREMENT HISTORY**

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted)
4. Describe all research done to find other sources. (List other cities contacted, companies in the industry contacted, professional organizations, periodicals and other publications used).
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, why not?

### **ESTIMATED COST**

1. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)? What is the funding source?
2. What is the estimated cost by fiscal year, if the job project or program covers multiple years?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.)
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

### **SCHEDULE REQUIREMENTS**

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

### **EXCLUSIVE OR UNIQUE CAPABILITY**

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and temporary consulting services form.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experience of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, etc. possess. Is compatibility with existing equipment critical from an operational standpoint? Explain why?
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data? Attach documentation verifying such.
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer.

### **MBE/WBE COMPLIANCE PLAN**

- \* All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a complete C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.

### **OTHER**

Explain other related considerations and attach all applicable supporting documents, i.e., an approved ITGB form.

### **REVIEW AND APPROVAL**

**This form must be signed by both Originator of the request and signed by the Department Head or authorized designee. After review and final disposition from the Board, this form will be signed by the Chairperson of the Board. After review and final disposition from the Board, this form will be signed by the Chief Procurement Officer for final approval.**



# DPS PROJECT CHECKLIST

## For DPS Use Only

Date Received  
Date Returned  
Date Accepted  
CA/CN's Name

**IMPORTANT:** ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR ROUTING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602, ATTENTION: CHIEF PROCUREMENT OFFICER.

### General Information:

Date: 2/10/12	Need by (estimated date): 3/1/2012	
Requisition No.: 68018	Contact Person:	Project Manager:
Specification No.: (if known) 40164	Maribel Valdez	Joyce Morris
PO No.: (if known) 14134	Telephone: -78828	Telephone: -79545
Modification No.: (if known) 2	Fax: -79398	Fax: -7398
Previous PO No.: (if known)	Email: marbiel.valdez@cityofchicago.org	Email: joyce.morris@cityofchicago.org

Project Description: PAYOR DIRECT, RECIPIENT ELIGIBILITY VERIFICATION SYSTEM SERVICES

### Funding:

City:	<input type="checkbox"/> Corporate	<input type="checkbox"/> Bond	<input type="checkbox"/> Enterprise	<input type="checkbox"/> Grant*	<input checked="" type="checkbox"/> Other: Revenue
State:	<input type="checkbox"/> IDOT/Transit	<input type="checkbox"/> IDOT/Highway	<input type="checkbox"/> Grant*	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other:
Federal:	<input type="checkbox"/> FHWA	<input type="checkbox"/> FTA	<input type="checkbox"/> FAA	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other:

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	\$ DOLLAR AMOUNT
01	011	0405	41	3025	0140	220140		11HT30	\$11,000.00

Term Estimated Value \$11000

\*IF GRANT FUNDED, ATTACH COPY OF THE APPROVED GRANT AND APPLICATION AND ANY OTHER TERMS AND CONDITIONS OF FUNDING SOURCE THAT MAY APPLY. GRANT FUNDS MUST BE COMMITTED OR SPENT BY DEADLINE: (DATE)

### Scope Statement:

Attached is a Detailed Scope of Services and/or Specification. E-mail softcopy in Microsoft Word to DPS Unit Manager

### IMPORTANT:

THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

### Purchase Order Type (Check All That Apply):

<b>New Request</b>	<b>Modification/Amendment</b>
<input type="checkbox"/> Blanket/Term/DUR/Agreement	<input type="checkbox"/> Time Extension**
<input type="checkbox"/> Master Agreement (Task Order)	<input type="checkbox"/> Vendor Limit Increase
<input type="checkbox"/> Standard/One-Time Purchase	<input checked="" type="checkbox"/> Scope Change/Price Increase/Additional Line Item(s)
<b>Forms</b>	<input type="checkbox"/> Other (specify):
<input type="checkbox"/> Requisition	
<input type="checkbox"/> Special Approvals	
<input type="checkbox"/> Non-Competitive Review Board (NCRB)	

Contract Term: 1/1/07-12/31/12

\*\* Requested Term (Number of Months): 10 MONTHS

### Pre-Bid/Submittal Requirements:

Mandatory Pre Bid/Submittal Conference?  Yes\*  No

Requesting Site Visit?  Yes  No

\*If yes, explain reasons why mandatory attendance is necessary.

# DPS PROJECT CHECKLIST

## COMMODITIES SUPPLEMENTAL CHECKLIST

### Required Attachments:

- Detailed Specifications (Scope of Services) including detailed description of the product, delivery location, user department contact, price escalation considerations
- Bidder's qualification, contract term and extension options
- Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards
- Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

Attach Recommendation of **MBE/WBE/DBE Analysis Form**

Yes  No

Is this a **Revenue Producing contract**?

Yes  No

If **Modification request**, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

## CONSTRUCTION SUPPLEMENTAL CHECKLIST

### Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

### Risk Management

Current Insurance Requirements prepared/approved by Risk Management:

Yes  No

Will services be performed within 50 feet of CTA train or other railroad property?

Yes  No

Will services be performed on or near a waterway?

Yes  No

Attach Recommendation of **MBE/WBE/DBE Analysis Form**

Yes  No

If **Modification request**, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

## PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

### If New Request (Check applicable boxes):

Is this a **Request for Information (RFI)**?

Yes  No

Is this a **Request for Qualifications (RFQ)**?

Yes  No

Is this a **Request for Proposal (RFP)**?

Yes  No

If RFQ or RFP, did any outside Consultant provide advice or deliverables in developing the RFQ or RFP?

Yes\*  No

\*If yes, Company Name: **PO#**

Attach a narrative explaining the consulting services and deliverables provided.

Is this a **Non-Competitive Procurement**?

Yes\*  No

\*If yes, attach completed Non-Competitive Justification form, vendor proposal and completed MBE/WBE compliance plan (Schedules C-1 and D-1) submitted to the Non-Competitive Review Board.

Is this a request for **Individual Contract Services**?

Yes\*  No

\*If yes and you seek a sole source contract to hire a person as a Consultant, attach completed Office of Compliance "Request for Individual Contract Services" approval form signed by Department Head, Office of Compliance & OBM.

Is this a **Revenue Producing contract**?

Yes  No

Does this request involve the purchase of **Software**?

Yes\*  No

\*If yes, is City required to sign a software license?

Yes\*  No

\*If yes, attach descriptions of software and software license agreement.

DPS PROJECT CHECKLIST

PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST (continued)

Required Attachments (IF RFP/RFQ OR SOLE SOURCE):

Statement of Work (SOW), Deliverables or Scope of Services defined

Does SOW involve any work in the public way?

Yes\*  No

\*If yes, attach list of locations.

Does SOW involve any public improvement to property that requires performance bond or prevailing wage?

Yes\*  No

\*If yes, attach list of locations.

Is City Council approval required?

Yes  No

Project or Program Background Information

Project Goals and Objectives

Qualifications or Licenses/Certifications required for any disciplines

Evaluation Criterion desired in RFP or RFQ

Evaluation Committee (EC) members recommended. Attach list of names, titles and departments

Technical and/or Functional Requirements, if applicable

Cost Proposal/Schedule of Compensation structure (If Sole Source, over Contract Term by Milestone Deliverables)

If an Information Technology (IT) project valued at \$100,000.00 or more, attach approval transmittal sheet from Information Technology Governance Board (ITGB)

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes  No

If Amendment request, please verify and provide the following:

Contractor's Name: *Emdeon/Medifax-EDI*

Contractor's Address: *669 River Drive, Center 2, Elmhurst Park, NJ 07407*

Contractor's e-mail Address: *pblewitt@emdeon.com*

Contractor's Phone Number: *215-628-2745*

Contractor's Contact Person: *Patrick Blewitt*

VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

Required Attachments:

Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories

Special Provisions (Delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bld Submittal Information, etc.)

Delivery Location(s)

Technical Literature

Drawings, if any

Part Number List (Manufacturer, or Dealer, or Other Source)

Current Price List(s)/Catalog(s)

Special Approval Form

Exhibits and Attachments

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes  No

Is this a Revenue Producing Contract?

Yes  No

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:


Contractor's Contact Person:



DEPARTMENT OF PUBLIC HEALTH  
CITY OF CHICAGO

# MEMORANDUM

**To:** Jamie L. Rhee  
Chief Procurement Officer  
City of Chicago Department of Procurement Health

**From:**   
Bechara Choucair, M.D.  
Commissioner

**Date:** February 10, 2012

**Re:** Procurement history for Emdeon/Medifax

Emdeon/Medifax is one of two REV Contractors utilized by Illinois Department Healthcare and Family Services (HFS), formerly known as Illinois Department of Public Aid (IDPA). It has direct telecommunication access to HFS databases. It's developed, standardized software (EDI-Transactions) for providers to use in the eligibility verification process.

As stated in the Procurement History section of this document, CDPH and Emdeon/Medifax have been partners in the current agreement since 2007. CDPH had a prior contractual agreement with this vendor when the application used was "VeriQuest". That application was sunset several years ago and replaced with currently used. Their staff have always offered excellent support and responded promptly to any issues encountered by CDPH. They have been very timely in offering solutions to those issues without the City incurring additional costs.

It has continued to improve the features and functionality of its eligibility verification. It now offers add-on products which work with and enhance the eligibility verification. Using this application will further promote revenue growth for CDPH.

CDPH has no plans to hire any additional personnel as the AccuPost product will login to the Cerner application remotely, load the files with the eligibility verification results without CDPH staff participation. The time that staff have spent in the past, creating reports in Cerner, running those reports in Emdeon's Revenue and Analysis (RA) application, and disseminating those reports to the clinics for the results to be updated in the patients insurance, all can be eliminated once AccuPost is implemented. This will be a significant cost savings to the City.

A noted uniqueness is the partnership that the Cerner Corporation and Emdeon/Medifax have developed over the past several years. Emdeon functionality is being integrated in Cerner applications. Implementation of the new features/functionality will help eliminate manual tasks now performed by the clinical staff, i.e. on-demand eligibility checking in the clinics, and modifying patient profiles/insurances.

The results of these changes – increased efficiency in using staff time. Staff will have more time to focus on the delivery of patient care services.

Competition was not excluded due to any specific existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data.

While Emdeon/Medifax is not the only company that can post EDI data into Cerner, we do not believe it would be prudent to utilize an additional third party that would not be versed on how Emdeon/Medifax returns the eligibility data.

Thank you for your assistance in this matter. If you have any questions or need additional information, please contact Maribel Valdez at 312-747-8828 or Kenneth McGhee at 312-747-8841.

Cc: John O'Brien  
Joyce Morris  
File

**CDPH SCHEDULE REQUIREMENTS  
FOR EMDEON/MEDIFAX-EDI, LLC**

Listed below are the Schedule Requirements identified by the Department of Innovation Technology (DoIT) and Emdeon/Medifax. The scheduled completion of these requirements is June 30, 2012.

**EMDEON/MEDIFAX – Schedule Requirements submitted to CDPH**

<b>Windows Hardware and Software Minimum Requirements For Emdeon AccuPost Web Applications Posting PC City of Chicago</b>	
Standard IBM Compatible Personal Computer.	<ul style="list-style-type: none"> <li>• Pentium Class, CPU Speed 1GHz or faster.</li> <li>• 1 GB RAM. (2GB recommended)</li> <li>• 25 GB of available disk space (local or network share).</li> </ul>
Operating System.	<ul style="list-style-type: none"> <li>• Windows XP Pro (SP2 or higher)</li> <li>• Windows 7 (32 Bit only)</li> </ul>
Remote Support.	<ul style="list-style-type: none"> <li>• Outbound connection to the Internet for access to Emdeon's Support Site.</li> </ul>
Communication Software for Remote Support.	<ul style="list-style-type: none"> <li>• Secure Link Gatekeeper for Windows. Can be obtained at the following URL. <a href="http://securelink.emdeon.com/downloads.vm">http://securelink.emdeon.com/downloads.vm</a></li> </ul>
Connection to your mainframe and/or FI.	<ul style="list-style-type: none"> <li>• Connection will be established through the Local Area Network via TCP/IP.</li> </ul>
Outbound connections to the Internet	<ul style="list-style-type: none"> <li>• <a href="http://securelink.emdeon.com">securelink.emdeon.com</a> (170.138.104.195) ports 22 &amp; 80.</li> <li>• <a href="http://accupost.emdeon.com">accupost.emdeon.com</a> (170.138.32.211) ports 80 &amp; 443.</li> </ul> <p><i>Note: It is recommended to bypass any proxy servers for these connections.</i></p>
Supported Browsers	<ul style="list-style-type: none"> <li>• Microsoft Internet Explorer Version 7 or higher with Windows Script Host v5.5 or higher.<sup>1</sup></li> <li>• Mozilla FireFox Version 3.0 or higher.</li> </ul>
Microsoft .NET Framework	<ul style="list-style-type: none"> <li>• Version 3.5 SP1 available free from Microsoft at the following link: <a href="http://www.microsoft.com/downloads">http://www.microsoft.com/downloads</a></li> </ul>
Terminal Emulation Software	<ul style="list-style-type: none"> <li>• Please consult with Emdeon AccuPost prior to the purchase of any</li> </ul>

	Terminal Emulation Software.
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**DEPARTMENT OF INNOVATION TECHNOLOGY - Requirements Summary:**

Three accounts to be setup with access to server in addition to the standard Unisys LAN team support:

- Adm\_morales (existing account)
- Adm-levy (existing account)
- Adm\_emdeon (new account)

O.S./Server Minimum Requirements:

- IE v7.x
- Windows Host Script v5.5
- .NET 3.5 SP1
- 25GB Free space
- 2Gb RAM

Connections:

Outbound – securelink.emdeon.com (170.138.104.195) ports 22 & 80

Outbound – accupost.emdeon.com (170.138.32.211) ports 80 & 443

Outbound – Cerner Application <http://cdophil-wi-farm.cdph.com/Prod/auth/login.aspx> via

Citrix ICA client (v11.00)

Inbound - RDP connection from CDPH network (10.220.92.x/23) for support (either J Levy or E Morales)

**DEPARTMENT OF PUBLIC HEALTH – Schedule Requirements**

AccuPost is a web based program which can be utilized to post eligibility benefits from the ANSI 271 file into Cerner. During the implementation of the AccuPost application the team at City of Chicago will outline the business rules indicating what data elements should be posted and where within Cerner. This is a customized posting application which has been developed for posting to pre-defined fields, free text notes and/or custom built screens. This outline will be prepared and submitted to Emdeon for their review prior to the onset of the implementation to allow for any modifications based on the business rules.

Emdeon's AccuPost application is being used by many other Cerner clients. It has in-depth experience working with the Cerner application and has implemented this product in hospitals, clinics, and physician practices. It has a proven successful track record. Competitive bidding would definitely delay the opportunity to generate additional revenue and still realize cost savings.

*Joyce Morris*

CDPH Name of Preparer of Scope of services

*Joyce Morris 02/10/2012*

Signature of Preparer

**CDPH SCHEDULE OF COMPENSATION  
FOR EMDEON/MEDIFAX-EDI, LLC**

1. The estimated cost in addition to the current fees that are in place today for the eligibility transactions and support through the revenue analysis (R.A.) in the existing contract. The AccuPost Fees for the remaining one year of the existing contract are as follows:

One Time implementation Fee	\$5,000		\$5,000
Monthly Maintenance Fee	\$500/month	\$500 X 12 months =	<u>\$6,000</u>
Total amount for one year			\$11,000

2. The cost of this project is based on the average being paid by other grants to evaluators doing similar work.
3. The proposed contractor does not have a substantial dollar investment in original design, tooling or other factors that will be duplicated at the City expense if another source was considered.
4. Revenue obtained from the collection of fees from the clients will continue providing funding to pay Emdeon/Medifax for the services.

Joyce Morris

CDPH Name of Preparer

Joyce Morris 02/10/2012

Signature of Preparer



**CDPH SCOPE OF WORK  
FOR EMDEON/MEDIFAX-EDI, LLC**

Additional responsibilities to the existing contract with Emdeon/Medifax include:

- Emdeon/Medifax will check all the self-pay clients in all facilities if they have any type of insurance coverage.
- Emdeon/Medifax will post the insurance coverage information returned from the query in the current billing system
- Emdeon/Medifax will deliver and implement on automated process which will not require clinic staff to be trained. Implementation will be based on a predetermined eligibility selection criteria.
- Emdeon/Medifax will be executing the eligibility checking and posting of the query results weekly.
- Emdeon/Medifax has Revenue Analysis (RA) reports that will be delivered to CDPH every time the process is ran.
- Emdeon/Medifax has provided similar services to CDPH in priors. However, the application AccuPost executes the eligibility checking search and posts the results automatically.

*Joyce Morris*

\_\_\_\_\_  
CDPH Name of Preparer

*Joyce Morris 02/10/2012*

\_\_\_\_\_  
Signature of Preparer

**SCOPE OF SERVICES PROPOSAL**

Between

**MEDIFAX-EDI, LLC**

And

**THE CHICAGO DEPARTMENT OF PUBLIC HEALTH**

For

**AccuPost Fee Structure**

This proposal is made by Medifax-EDI, LLC, a subsidiary of Emdeon Business Services LLC hereinafter referred to as Vendor, to enter into an agreement for the AccuPost Fee Structure with the Chicago Department of Public Health with principal address at 333 South State Street, Chicago, IL 60604 hereinafter referred to as the Department.

**I. SCOPE OF SERVICES**

AccuPost will automate the posting of batch eligibility responses into CDPH's Cerner environment.

In addition to the current fees that are in place today for the eligibility transactions and support through the Revenue Analysis (R.A.) service, the AccuPost Fees are as follows:

- |                               |          |
|-------------------------------|----------|
| ☐ One Time Implementation Fee | \$5,000  |
| ☐ Monthly Maintenance Fee     | \$500/mo |

While the AccuPost functionality will be new to the CHAMPS system, CDPH used similar functionality with the VeriQuest system when CDPH had the Global System in place.

Implementation of AccuPost should reduce the cost of the On-Demand verifications in the clinics. CDPH should see a noticeable decrease in the number of errors that have been encountered in the past due to AccuPost's ability to update the patient's profile/insurance per the criteria defined by CDPH during implementation. The potential benefits for the City include: automation of a current manual process of posting data, reduce errors associated with posting, and a greater percentage of claims should be billed to the payors without errors and adjudication/reimbursement forthcoming after the initial review.

CDPH is only seeking a one year extension of this contract. Therefore, the estimated cost is being calculated for a one year period.

**Basis for Cost Estimate:** The fee structure for this additional AccuPost service includes a onetime Implementation fee and an ongoing monthly maintenance fee. The Implementation fee covers the implementation and up to 40 hours of programming by Vendor to implement the posting process of the eligibility responses into Cerner. While it is not anticipated that more than 40 hours of programming will be required, should programming exceed 40 hours, each additional hour will be charged at \$150.00 per hour. The monthly maintenance fee covers ongoing maintenance and customer support for this service. The basis of this cost estimate is that CDPH only intends to use AccuPost for the posting of eligibility response data but across multiple payer types. No other EDI transactions (such as electronic remittance advice, claim status) will be posted under this AccuPost module.

## II. DURATION OF PROJECT AND SCHEDULE REQUIREMENTS

Listed below are the Schedule Requirements identified by the Department of Innovation Technology (DoIT) and Vendor. The scheduled completion of these requirements is June 30, 2012.

**VENDOR** – Schedule Requirements submitted to CDPH

Windows Hardware and Software Minimum Requirements For Vendor AccuPost Web Applications  Posting PC  City of Chicago	
Standard IBM Compatible Personal Computer.	<ul style="list-style-type: none"> <li>• Pentium Class, CPU Speed 1GHz or faster.</li> <li>• 1 GB RAM. (2GB recommended)</li> <li>• 25 GB of available disk space (local or network share).</li> </ul>
Operating System.	<ul style="list-style-type: none"> <li>• Windows XP Pro (SP2 or higher)</li> <li>• Windows 7 (32 Bit only)</li> </ul>
Remote Support.	<ul style="list-style-type: none"> <li>• Outbound connection to the Internet for access to Vendor's Support Site.</li> </ul>
Communication Software for Remote Support.	<ul style="list-style-type: none"> <li>• Secure Link Gatekeeper for Windows. Can be obtained at the following URL.  <a href="http://securelink.Vendor.com/downloads.vm">http://securelink.Vendor.com/downloads.vm</a> </li> </ul>
Connection to your mainframe and/or FI.	<ul style="list-style-type: none"> <li>• Connection will be established through the Local Area Network via TCP/IP.</li> </ul>

<b>Outbound connections to the Internet</b>	<ul style="list-style-type: none"> <li>• securelink.Vendor.com (170.138.104.195) ports 22 &amp; 80.</li> <li>• accupost.Vendor.com (170.138.32.211) ports 80 &amp; 443.</li> </ul> <p><i>Note: It is recommended to bypass any proxy servers for these connections.</i></p>
<b>Supported Browsers</b>	<ul style="list-style-type: none"> <li>• Microsoft Internet Explorer Version 7 or higher with Windows Script Host v5.5 or higher.</li> <li>• Mozilla FireFox Version 3.0 or higher.</li> </ul>
<b>Microsoft .NET Framework</b>	<ul style="list-style-type: none"> <li>• Version 3.5 SP1 available free from Microsoft at the following link: <a href="http://www.microsoft.com/downloads">http://www.microsoft.com/downloads</a></li> </ul>
<b>Terminal Emulation Software</b>	<ul style="list-style-type: none"> <li>• Please consult with Vendor AccuPost prior to the purchase of any Terminal Emulation Software.</li> </ul>

**DEPARTMENT OF INNOVATION TECHNOLOGY - Requirements Summary:**

Three accounts to be setup with access to server in addition to the standard Unisys LAN team support:

- Adm\_morales (existing account)
- Adm-levy (existing account)
- Adm\_Vendor (new account)

**O.S./Server Minimum Requirements:**

- IE v7.x
- Windows Host Script v5.5
- .NET 3.5 SP1
- 25GB Free space
- 2Gb RAM

**Connections:**

**Outbound – securelink.Vendor.com (170.138.104.195) ports 22 & 80**

**Outbound – accupost.Vendor.com (170.138.32.211) ports 80 & 443**

Outbound – Cerner Application <http://cdophil-wi-farm.cdph.com/Prod/auth/login.aspx> via Citrix ICA client (v11.00)

Inbound - RDP connection from CDPH network (10.220.92.x/23) for support (either J Levy or E Morales)

### **III. DURATION OF PROJECT**

AccuPost is a web based program which can be utilized to post eligibility benefits from the ANSI 271 file into Cerner. During the implementation of the AccuPost application the team at City of Chicago will outline the business rules indicating what data elements should be posted and where within Cerner. This is a customized posting application which has been developed for posting to pre-defined fields, free text notes and/or custom built screens. This outline will be prepared and submitted to Vendor for their review prior to the onset of the implementation to allow for any modifications based on the business rules.

Vendor's AccuPost application is being used by a number of other Cerner clients. It has in-depth experience working with the Cerner application and has implemented this product in hospitals, clinics, and physician practices. It has a proven successful track record. Competitive bidding would definitely delay the opportunity to generate additional revenue and still realize cost savings.

### **IV. ADMINISTRATION OF CONTRACT**

Patrick Blewitt

Regional Vice President

Vendor-EDI, LLC

3055 Lebanon Pike, Suite 1000

Nashville, TN 37214

877-363-3666

### **V. COMPENSATION**

The fee schedule for the use of the services described below will remain unchanged from the original contract, PO No. 14134 for the period of January 1, 2012 through December 31, 2012.

In addition to the above statement, the estimated cost for the City of Chicago to add Vendor AccuPost 271 file posting Module. The fees for this service are as follows:

**AccuPost Fee Structure:**

- One Time Implementation Fee \$5,000
- Monthly Maintenance Fee \$500/month

**Method of payment**

To receive payment Vendor will invoice the Department every month for the AccuPost services.



---

Patrick Blewitt  
Regional Vice President  
Vendor




February 9, 2012

Jamie L. Rhee  
Chief Procurement Officer  
City of Chicago Department of Procurement Health

Re: City of Chicago Terms and conditions

This letter is to confirm that Medifax-EDI, LLC, a subsidiary of Emdeon Business Services LLC ("Emdeon"), affirms with the City of Chicago terms and conditions it signed in the original contract awarded to Emdeon by the City of Chicago on 1/1/2007, PO #14134.



Patrick Blewitt  
Regional Vice President  
Medifax-EDI, LLC, a subsidiary of Emdeon Business Services LLC

February 9, 2012

Jamie L. Rhee

Chief Procurement Officer

City of Chicago Department of Procurement Health

**Re:** Letter of Uniqueness for Medifax-EDI, LLC, a subsidiary of Emdeon Business Services LLC ("Emdeon")

Emdeon is one of three REV Contractors utilized by Illinois Department Healthcare and Family Services (HFS), formerly known as Illinois Department of Public Aid (IDPA). It has direct telecommunication access to HFS databases. It has developed standardized software (EDI-Transactions) for providers to use in the eligibility verification process.

CDPH and Emdeon have been contracted for eligibility services since 2007. CDPH had a prior contractual agreement with Emdeon when the application used was "VeriQuest". That application was sunset several years ago and replaced with the Receivables Analytics "R.A" solution currently used by CDPH. Emdeon staff has had a history of providing solid customer support to CDPH and has promptly responded to issues at no additional cost to CDPH.

Emdeon has continued to improve the features and functionality of its eligibility verification. It now offers add-on products which work with and enhance the eligibility verification.

CDPH has indicated it has no plans to hire any additional personnel to support the management and posting of eligibility data. AccuPost product will login to the Cerner application remotely, load the eligibility verification result files with minimal CDPH staff participation. The time that staff has spent in the past disseminating the eligibility response reports to the clinics for the results to be updated in the patients insurance, all can be virtually eliminated once AccuPost is implemented. This should be a significant cost savings to the City.

A noted uniqueness is the partnership that the Cerner Corporation and Emdeon have developed over the past several years. Emdeon functionality interfaces in Cerner applications. Implementation of the new features/functionality will help eliminate many manual tasks now performed by the clinical staff, i.e. on-demand eligibility checking in the clinics, and modifying patient profiles/insurances.



While Emdeon is not the only company that can post EDI data into Cerner, we do not believe it would be prudent to utilize an additional third party that would not be versed on how Emdeon returns the eligibility data.



Patrick Blewitt

Regional Vice President

Medifax-EDI, LLC, a subsidiary of Emdeon Business Services LLC



December 21, 2011

Mauricio Beltran, MBA  
Contracts Compliance Coordinator  
Chicago Department of Public Health  
Assigned to Department of Procurement Services  
121 North LaSalle  
Chicago, IL 60602  
c/o City Hall, Room 403

Re: Request for Waiver of MBE/WBE Participation

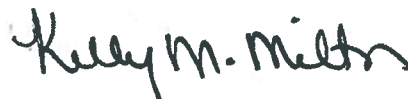
Dear Mauricio:

With regard to the Chicago Department of Public Health's Department of Procurement Services' request for information regarding Emdeon's M/WBE compliance plans, Emdeon hereby requests a full WBE/MBE waiver. Emdeon does not subcontract the services to be performed as:

- i) all services to be performed are conducted on Bidder's internal systems and infrastructure; and
- ii) all software provided or otherwise utilized is proprietary.

Thank you in advance for your help in this matter. Should you have any questions or need any additional information, please feel free to contact me at (615) 932-2624.

Sincerely,



Kelly M. Milton  
Corporate Paralegal

cc: Shawn Verner  
Pat Blewitt



**CERTIFICATE OF FILING FOR**  
**CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT**

EDS Number: 24426

Certificate Printed on: 01/19/2012

Date of This Filing:09/26/2011 04:18 PM

Original Filing Date:08/25/2011 11:03 AM

Disclosing Party: MediFAX-EDI, LLC

Filed by: Ms. Kelly M Milton

Title:Corporate Paralegal

Matter: PAYOR DIRECT, RECIPIENT  
ELIGIBILITY VERIFICATION SYSTEM  
SERVICES

Applicant: MediFAX-EDI, LLC

Specification #: 40164

Contract #: 14134

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting <https://webapps.cityofchicago.org/EDSWeb> and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT  
Related to Contract/Amendment/Solicitation  
EDS # 24432**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting the EDS:

Emdeon Business Services LLC

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

a legal entity holding a direct or indirect interest in the Applicant

The Disclosing Party holds an interest in

MediFAX-EDI, LLC and EDS is 24426

B. Business address of the Disclosing Party:

3055 Lebanon Pike  
Suite 1000  
Nashville, TN 37214  
United States

C. Telephone:

615-932-2624

Fax:

Email:

kmilton@emdeon.com

D. Name of contact person:

Kelly M Milton

E. Federal Employer Identification No. (if you have one):

20-5731067

## **SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

### **A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

Limited liability company

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

DE

Registered to do business in the State of Illinois as a foreign entity?

Yes

### **B. DISCLOSING PARTY IS A LEGAL ENTITY:**

1.a.2 Does the Disclosing Party have any officers?

Yes

1.a.4 List below the full names and titles of all executive officers of the entity.

**Officer:** Mr. George I Lazenby IV

**Title:** President

**Role:** Officer

---

**Officer:** Mr. Bob A Newport Jr

**Title:** Treasurer

**Role:** Officer

---

**Officer:** Mr. Gregory T Stevens

**Title:** Secretary

Role: Officer

---

## **B. CERTIFICATION REGARDING Controlling Interest**

1.b.1 Are there any individuals who control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

No

1.b.3 Are there any legal entities that control the day-to-day management of the Disclosing Party as a general partner, managing member, manager, or other capacity?

No

### **2. Ownership Information**

Please confirm ownership information concerning each person or entity having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party (your entity). Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Pursuant to Section 2-154-030 of the Municipal code of Chicago, the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

As reported by the Disclosing Party, the immediate owner(s) of the Disclosing Party is/are listed below:

There are no owners with greater than 7.5 percent ownership in the Disclosing Party.

## **SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in [Chapter 2-156 of the Municipal Code](#), with any City elected official in the 12 months before the date this EDS is signed?

No

## **SECTION V -- CERTIFICATIONS**

### **A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under [Municipal Code Section 2-92-415](#), substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

## B. FURTHER CERTIFICATIONS

1. Pursuant to [Municipal Code Chapter 1-23](#), Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

- i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
- ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any [Contractor](#), nor any [Affiliated Entity](#) of either the Disclosing Party or any [Contractor](#) nor any [Agents](#) have, during the five years before the date this EDS is signed, or, with respect to a [Contractor](#), an [Affiliated Entity](#), or an [Affiliated Entity](#) of a [Contractor](#) during the five years before the date of such [Contractor's](#) or [Affiliated Entity's](#) contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of [Municipal Code Section 2-92-610 \(Living Wage Ordinance\)](#).

I certify the above to be true

4. Neither the Disclosing Party, [Affiliated Entity](#) or [Contractor](#), or any of their employees, officials, [agents](#) or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of [720 ILCS 5/33E-3](#);
- bid-rotating in violation of [720 ILCS 5/33E-4](#); or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true



5. Neither the Disclosing Party nor any [Affiliated Entity](#) is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the [Specially Designated Nationals List](#), the [Denied Persons List](#), the [Unverified List](#), the [Entity List](#) and the [Debarred List](#).

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of [Chapters 2-55 \(Legislative Inspector General\)](#), [Chapter 2-56 \(Inspector General\)](#) and [Chapter 2-156 \(Governmental Ethics\)](#) of the Municipal Code.

I certify the above to be true

#### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in [Section 2-32-455\(b\) of the Municipal Code](#), the Disclosing Party

is not a "financial institution"

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

### **SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, [Chapters 2-156](#) and [2-164](#) of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at [www.cityofchicago.org/city/en/depts/ethics.html](http://www.cityofchicago.org/city/en/depts/ethics.html), and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of [Chapter 1-23 of the Municipal Code](#) (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein

regarding eligibility must be kept current for a longer period, as required by [Chapter 1-23](#) and [Section 2-154-020 of the Municipal Code](#).

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its [Affiliated Entities](#) delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

## **FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under [Municipal Code Section 2-154-015](#), the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

N/A because the Disclosing party is not the Applicant nor has a direct ownership interest.

## **ADDITIONAL INFO**

Please add any additional explanatory information here. If needed you may add an attachment below.

List of attachments uploaded by vendor

None .

## **CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

/s/ 09/07/2011

Kelly M Milton

Corporate Paralegal

Emdeon Business Services LLC

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.




ADD Service

DEPARTMENT OF PUBLIC HEALTH  
CITY OF CHICAGO

## MEMORANDUM

**To:** Jamie L. Rhee  
Chief Procurement Officer  
City of Chicago Department of Procurement Health

**From:**   
Bechara Choucair, M.D.  
Commissioner

**Date:** February 10, 2012

**Re:** Request for change of scope of services, PO #14134, Emdeon/Medifax-EDI, LLC.

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The Chicago Department of Public Health (CDPH) requests to change the scope of services in the above referenced contract. Emdeon/Medifax-EDI, LLC provides payor direct, recipient eligibility verification system. This contract was awarded on a sole source basis to Emdeon/Medifax-EDI, LLC for four years for an amount of \$1, 072,620.26.

CDPH would add to the existing contract with Emdeon/Medifax the services of checking the self-pay clients in various clinics to see if they have any type of insurance coverage, and posts the insurance coverage in the current billing system. The cost to cover these services would be a total of \$11,000 for the remainder of the existing contract. Please see detailed scope of services for more detailed information on the services and cost.

Thank you for your assistance in this matter. If you have any questions or need additional information, please contact Maribel Valdez at 312-747-8828 or Ken McGhee at 312-747-8841.

**Cc:** John O'Brien  
Joyce Morris  
File