

NHCAC

North Hudson Community Action Corporation

RFP

340B Program Auditing Services

INQUIRIES SHOULD BE DIRECTED TO:

Name: Manny Diaz
Title: Director of Community Development
Entity: North Hudson Community Action Corporation
Address: 800-31st Street
Union City, New Jersey 07087
Phone: (201) 866-9320

Notice of Proposal

The North Hudson Community Action Corporation (NHCAC) is issuing this request for proposal (RFP) for the audit of the NHCAC's 340B Drug Pricing Program. Covered entities must ensure program integrity and maintain accurate records documenting compliance with all 340B Program requirements. HRSA has the authority to audit covered entities for compliance with 340B Drug Pricing Program (340B Program) requirements (42 USC 256b(a)(5)(C)):

The contact person regarding this proposal is Michael Shababb, Chief Financial Officer, and can be reached at 800-31st Street, Union City, NJ 07087. NHCAC's phone number is 201-210-0100 ext. 10107. The response due date for this RFP is 4:00 P.M, Friday, February 26th, 2016. Any proposals received after this date will not be considered.

NHCAC is requesting two (2) copies of your proposal.

The audit period under contract is for the years ended January 31st, 2016 and January 31st, 2017 and may be extended at the discretion of NHCAC, but the term of the engagement shall end;

1. When the audit contract has been violated.
2. When the quality of the audit is unacceptable.

Description of the entity and records to be audited:

- Obtain and review select 340B Program data and internal controls.
- Audit procedures include, at a minimum:
 - review of relevant policies and procedures and how they are operationalized;
 - verification of eligibility, including GPO and eligibility;
 - verification of internal controls to prevent diversion and duplicate discounts, including how the covered entity defines whether a patient is considered eligible, HRSA Medicaid Exclusion File designations, and accuracy of covered entity's 340B database record;
 - review of 340B Program compliance at covered entity, outpatient or associated facilities, and contract pharmacies; and
 - Testing of 340B drug transaction records on a sample basis.
 - Obtain a list of all sites of NHCAC and compare it to the sites listed on the Office of Pharmacy Affairs ("OPA") website.
 - Compare the contract pharmacies that are listed in the contract pharmacy agreements to those listed on the OPA database.

- Inspect the OPA database as to whether NHCAC recertified their eligibility within the last year and notified the OPA whether there was a change in their eligibility during the year.
- Obtain a report (prescription report) of all patients that participated in the 340B program during the year ending in January 31, 2016. Make a selection of 40 patients and select one prescription for each patient. For each prescription perform the following procedures:
 - Obtain the patient's chart to determine that the patient was an eligible patient of NHCAC based upon the guidelines of the 340B program.
 - Inspect the documentation that the patient was prescribed the prescription by a provider that is contractually employed by NHCAC.
 - Inspect the manufacturer's database as to whether the prescribed drug is an eligible drug as part of the 340B program.
 - Inspect the documentation that the patient received healthcare services and not just the dispensing of the drug.
 - Compare the practitioner's name and the prescription from the prescription report to those detailed within the revenue system.
 - Inspect the prescription slip to determine that it is signed by the practitioner.
- Inquire of management as to whether the Medicaid patients of NHCAC participate in the 340B program and obtain a listing of all Medicaid patients served by NHCAC.
- Compare a listing of NHCAC's sites to those listed in the Medicaid exclusion file per the OPA website.
- If the Medicaid patients do not participate in the 340B program, perform the following:
 - Inspect the payors of the patients selected within the Diversion testing and note whether any are Medicaid.

Description of Project

Mandatory Qualifications of the Auditor

The following must be affirmed in the proposal response:

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer must have significant and ongoing commitment and experience in providing auditing services to Federally Qualified Health Center's 340B pharmacy program..
3. The proposer must have trained qualified staff and partners.

Timeframe Considerations

NHCAC shall receive all proposal responses by 4:00 P.M., February 29, 2016 NHCAC anticipates the successful bidder will be notified by March 7, 2016. The timetable for starting and completing the audit must be within 90 days of award.

Right to Reject

NHCAC reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be to the independent auditor who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best qualified to do the audit.

Number of Copies of Auditor's Reports

The auditor shall furnish NHCAC an electronic copy and 5 bound copies of the audit report.

Contractual Arrangements and Remedies for Violations

Invoices for service will be paid when received. The total amount to be invoiced shall not exceed the amount of the bid. NHCAC reserves the right to terminate the contract for the audit at any time. Should a federal or state agency reject the audit as deficient, NHCAC may withhold payment for services until the audit deficiency is corrected. Should the audit firm fail to correct the audit deficiency; the audit firm will be barred from further engagements with NHCAC and possible reduction in fees.

Method of Evaluating Proposals

Proposals will be evaluated with a strict emphasis on quality. As such, the primary emphasis of procuring an audit will be the quality of the technical factors of the audit firm. Attributes that will be analyzed include:

1. Number of FQHC 340B programs audited by proposing firm.
2. Involvement in non-profit related organizations.
3. Quality of staff included in assignment.
4. Reference responses
5. Ability to communicate audit results in an effective manner.

After the technical qualities have been evaluated, cost and other considerations will be evaluated. The proposing audit firm should indicate the cost of the audit for the two years in the RFP

FORMAT OF THE RFP RESPONSE

The format of the proposal is at the preparer's discretion. It is suggested the RFP response should be formatted as follows:

Title Page

The response should identify the RFP subject, the name of the independent auditor, local address, telephone number, name and title of contact person and date of submission. The period that the proposal is effective should also be disclosed.

Table of Contents

The table of contents of the proposal should include a clear and complete identification of the materials submitted by section and page number.

Letter of Transmittal

The letter of transmittal should contain the following information:

1. A brief understanding of the audit service to be performed.
2. A positive commitment to perform the service within the time period specified.
3. The names of persons authorized to represent the respondent, their title, address and telephone number. This may be important if different from the individual who signs the transmittal letter.

Profile of the Independent Auditor

The respondents are requested to provide a profile of general background information.

Summary of the Proposer's Qualifications

1. Identify the audit managers and field supervisors and other staff who will work on the audit, including staff from other than the local office, if applicable. Resumes including relevant experience and continuing education for auditor in-charge up to the individual with the final responsibility for the engagement should be included. (The resumes may be included as an appendix).
2. Describe the recent local office auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible.
3. If other auditors are to participate in the audit, those auditors are required to provide similar information.

Evaluation

Evaluation of each proposal will be based on the following criteria:

Factors

1. Prior experience auditing 340B programs.
 - a. Prior experience auditing agencies of like size
 - b. Prior experience auditing similar programs funded by HRSA, Office of Pharmacy Affairs.
 - c. Federal Government/or State Government
 - f. Prior experience with Fund Accounting systems
NHCAC will contact prior audited organizations to verify the experience provided by the Offeror.
2. Organization, size, and structure of Offer's firm.
 - a. Adequate size of the firm
 - b. Minority/Small Business
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resume submitted. Education, position in firm, years and types of experience, continuing professional education, and states(s) in which licensed as a CPA, etc. will be considered.
 - a. Audit Team Makeup
 - b. Overall supervision to be exercised
 - c. Prior experience of the individual audit team members
4. Offeror understands of work to be performed.
 - a. Adequate coverage
 - b. Realistic time estimates of each audit step
5. Price

Review Process

NHCAC may, at its discretion, request presentations by or meetings with any or all Offeror's, to clarify the Offeror's proposal.

However, NHCAC reserves the right to make an award without further discussion of the proposals submitted.

NHCAC is not bound to accept the lowest bid, nor any proposal submitted.

Compensation

Provide an estimate of the cost of services being offered for the two years of the engagement.

Additional Data

Provide any additional data the respondent feels may be helpful in the selection process.