

**APPROVE ENTERING INTO AGREEMENTS WITH PUBLIC CONSULTING GROUP, INC. AND
STRATEGIC GOVERNMENTAL SOLUTIONS D/B/A EDUCATIONAL SYSTEMS PRODUCTS FOR THE
HEALTH AND SOCIAL SERVICES PROGRAM MANAGEMENT FOR STATE AND FEDERAL
REIMBURSEMENT PROGRAMS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into agreements with Public Consulting Group, Inc. (PCG) and Strategic Governmental Solutions, Inc. (SGS) to provide consulting services to the Office of School Financial Services. PCG cost is not to exceed \$4,800,000 and SGS will receive compensation based on 5% of the revenue recovered through its services. Consultants were selected on a competitive basis pursuant to Board Report 5-4.1. PCG has a proven history of reliable collaboration and significant revenue generating outcomes with CPS. SGS has no prior history of providing service to the Board. Written agreements for Consultants' services are currently being negotiated. No services shall be provided and no payment shall be made to any Consultant prior to the execution of such Consultant's written agreement. The authority granted herein shall automatically rescind as to each Consultant in the event written agreement for such Consultant is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

CONSULTANT:

1. Primary Collector:
Public Consulting Group, Inc.
100 West Monroe Street, 12th Floor
Chicago, IL 60603
Stephen Skinner, Principal
312-425-0550
Vendor No. 27249

2. Secondary Collector:
Strategic Governmental Solutions, Inc.
19 Dove Street, Ste. 104
Albany, NY 12210-1389
Joseph O'Hara
518-445-3840
Vendor No. 97992

USER:

Contact:
Daryl Okrzesik
Controller
773-553-2710

John Maiorca
Chief Financial Officer
Office of School Financial Services
125 S. Clark, 14th Floor
Chicago, IL 60603
773-553-2700

TERM: The term of these agreements shall commence on February 1, 2006 and shall end January 31, 2009. These agreements shall have 1 option to renew for a period of 1 year.

EARLY TERMINATION RIGHT: The Board shall have the right to terminate each agreement with 30 days written notice.

SCOPE OF SERVICES:

Public Consulting Group shall provide the following services:

- Develop a Medicaid Claiming Management Plan that addresses submission of the Medicaid Fee-For-Services and Administrative Outreach Claims (AOC) for health and social services.
- Develop TANF Claiming Management Plan that address submission of TANF and MOE claims for services delivered to CPS students.
- Develop a Revenue Enhancement Plan and Legislative Policy Agenda that structures ideas for increasing CPS' revenue for health and social services through Federal, State, and other grant funding.

Strategic Governmental Solutions shall provide the following services:

- Provide uncollected claim recovery services including assessment of claims denied, identifying claims for resubmission, and initiating other claim recovery techniques.
- Provide unbilled services analysis and recovery including analysis of current operation procedures to determine causes for services not being billed and corrective action to reduce number of unbilled services.

DELIVERABLES:

Public Consulting Group will:

- Integrate data from current information systems used by CPS to track students, personnel and services delivery, and to interface with current and future CPS Mainframe Student Information Systems to avoid redundant data entry and incomplete or inaccurate records.
- At least twice a month, prepare and submit State Medicaid/SCHIP reimbursement claims for Fee-for-Services documentation delivered by CPS providers to students.
- Prepare, process, and submit quarterly State Medicaid/SCHIP reimbursement claims for administrative expenditures for school-based outreach activities.
- Provide hardware and software facilities off-site to process and prepare data for electronic submission to the state Medicaid agency for reimbursement to the school district.
- Generate monthly management reports and provide analysis of Health Service Management Program.
- Research and analyze current student demographic data and Federal, state, and local regulations and policies to improve identification of all Medicaid/SCHIP enrollee and potentially eligible students.
- Provide comprehensive training for CPS clinicians and service providers.
- Provide quality review and assurance of service and expenditure data as it relates to a TANF and/or TANF/MOE claim, including, on-site spot checks of program documentation in order to provide audit preparation and support.
- Maintain the TANF quarterly and final claims for submission to IDHS through programming services, including creating the claim per the request of IDHS, making adjustments to the claim if necessary, by utilizing the time of an on-site programmer.
- Remain current on the changing landscape of CPS' mainframe databases, which includes an understanding and familiarity with the Legacy Student Information System, IMPACT (including the multiple adaptations that are being completed), and Oracle.
- Provide monthly monitoring reports summarizing TANF/MOE status, performance, enhancements, and strategy upon request.
- Provide programming services to assist with the analysis of CPS' databases to determine whether TANF/MOE data requirements are met. Additionally perform necessary programming as needed to be able to include new program(s) in the claim.
- Provide policy, regulatory, and data analysis expertise to assist CPS with enhancing its poverty count, including proficiency in addressing micro and macro data challenges at it relates to the four poverty count programs.
- Provide assistance with obtaining and/or maintaining a food stamp data exchange with IDHS and reimbursement for administrative claiming for food stamp outreach, and a review of programs that may be eligible for Food Stamps Employment and Training funding.

Strategic Governmental Solutions will:

- Analyze denied claims to determine root cause of denials and feasibility of recovery.
- Perform data analysis and data matching to analyze and to correct denied claims.
- Create claim resolution management reports identifying claims to be resubmitted and electronic remittance advice data to track processing results.
- Provide detailed work plans for cost recovery initiative.
- Provide claims prepared for electronic submission for processing and payment and resolution.
- Provide management reports on recoveries.

OUTCOMES: Consultants' services will result in the following:

PCG:

- Maintenance and enhancement of the Board's automated system to collect and to document data on health and social services programs for Federal reimbursement programs provided to students.
- Increased Medicaid reimbursements
- Identification of new TANF/MOE opportunities. Revenue enhancements to boost CPS revenues for health and social services through grant dollars.

SGS:

- The claim recovery services will result in increased Medicaid revenues for services provided to Medicaid eligible students and improved data collection services.

COMPENSATION:

- PCG shall be paid as follows: \$1,600,000 per year not to exceed the sum of \$4,800,000 over the three-year contract period.
- Strategic Governmental solutions shall be paid on a contingency fee of 5% of all documented revenue recoveries from Healthcare and Family Services (HFS). Consultant will only be paid for claims processed and adjudicated by the Illinois Department of Healthcare and Family Services that are directly related to their services. As a secondary collector, SGS will be researching only claims that were unpaid or denied by HFS or for services not billed directly by the primary collector.

REIMBURSABLE EXPENSES: Consultants shall be not be reimbursed for expenses.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate these agreements.

AFFIRMATIVE ACTION: This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan). The M/WBE participation goals for the contract include: 35% total MBE and 5% total WBE.

The vendors have identified and scheduled the following firms and percentages:

Public Consulting Group

Total MBE 35%

Magnetic Office Supplies	2.5%
20 E. Jackson Street	Certified until December 1, 2005
Chicago, IL 60604	
(312) 322-4909	
Contact: Gil McCoy	

Thomas/Gont Enterprises, Inc.	32.5%
4415 Harrison Street	Certified until February 1, 2007
Hillside, IL 60162	
(708) 449-3500	
Contact: Jesse C. Thomas	

Total WBE 5%

Computer Products & Supply 5%
337 W. Main Street Certified until December 1, 2005
Barrington, IL 60010
(847) 382-0080
Contact: Barbara Conti

Strategic Governmental Solutions, Inc.

Total MBE 40%

The Foster Group, Inc. 40%
330 N. Wabash Avenue, Suite 3500 Certified until March 15, 2006
Chicago, IL 60611
(312) 609-1009
Contact: Russell Pike

Total WBE 5%

Edge Technological Resources, Inc. 5%
230 W. Cermak Road, Suite 2A Certified until November 1, 2005
Chicago, IL 60616
(312) 842-4617
Contact: Rhea L. Steele

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL:

PCG:

Charge to School Financial Services: \$4,800,000
Fiscal Years: 2006 - \$666,666.67
 2007 - \$1,600,000
 2008 - \$1,600,000
 2009 – \$933,333.33

Budget Classification: 0963-210-681-2922-5410 / 12470-115-54125-252505-490201
Source of Funds: Medicaid Reimbursement Funds

SGS:

Charge to School Financial Services: Based on 5% of revenues collected
Fiscal Years: 2006-2009
Budget Classification: 0963-210-681-2922-5410 / 12470-115-54125-252505-490201
Source of Funds: Medicaid Reimbursement Funds – General Operating Fund (210 / 115)

GENERAL CONDITIONS:

Inspector General – Each party to the agreements shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

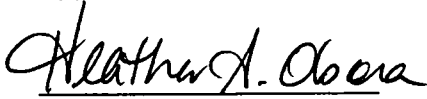
Conflicts – These agreements shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreements.

Ethics – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of these agreements.

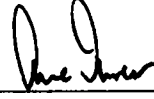
Contingent Liability – These agreements shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Heather A. Obora
Chief Purchasing Officer

Approved:



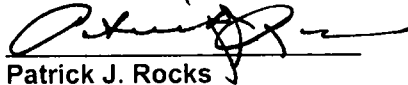
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel