

May 23, 2018

**AUTHORIZE THE SECOND AND FINAL RENEWAL AGREEMENTS WITH
SIVIC SOLUTIONS GROUP, LLC AND PARADIGM HEALTHCARE SERVICES, LLC
FOR MEDICAID SERVICES CLAIMS PROCESSING**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and final renewal agreements with Sivic Solutions Group, LLC and Paradigm Healthcare Services, LLC to provide Medicaid Services Claims Processing to the Department of Finance at an estimated annual cost set forth in the Compensation Section of this report. Written documents exercising this option are currently being negotiated. No payment shall be made to any Vendor during the option period prior to execution of their written document. The authority granted herein shall automatically rescind as to each Vendor in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 14-250008

Contract Administrator : Washington, Ms. Nealean T / 773-553-2273

VENDOR:

- 1) Vendor # 11358
SIVIC SOLUTIONS GROUP, LLC
30 LANIDEX PLAZA WEST
PARSIPPANY, NJ 07054
Siva Kakuturi
315 868-9777
Ownership: Solix. Inc. (John J. Miller,
Manager) - 100%

- 2) Vendor # 11356
PARADIGM HEALTHCARE SERVICES, LLC
311 CALIFORNIA STREET, SUITE 200
SAN FRANCISCO, CA 94104
Constance Laflamme
415 616-0920
Ownership: Constance Laflamme - 65%,
Richard Clark - 35%

USER INFORMATION :

Project
Manager: 12610 - Budget & Management Office
42 West Madison Street
Chicago, IL 60602
Afflalo, Ms. Carmelita L.
773-553-1484

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report #14-0625-PR29) in the amount of \$2,000,000.00 were for a term commencing August 1, 2014 and ending July 31, 2017 with the Board having two (2) options to renew for one (1) year terms. The original agreements were renewed (authorized by Board Report #17-0524-PR13) in the amount of \$656,000.00 for a term commencing August 1, 2017 and ending July 31, 2018. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for one (1) year commencing August 1, 2018 and ending July 31, 2019.

OPTION PERIODS REMAINING:

There are no options remaining.

SCOPE OF SERVICES:

The Board will continue to partner with Sivic Solutions Group, LLC and Paradigm Healthcare Services, LLC to collect reimbursements for Medicaid, Supplemental General State Aid (Poverty Grant) and Supplemental Nutrition Assistance Program (SNAP).

DELIVERABLES:

Part I: Claims are generated to request reimbursement for services provided to CPS students, who qualify for Medicaid, per their Individual Education Plans (IEP). Sivic Solutions Group processes and assures the quality and integrity of the Medicaid claims.

Part II: Claims are generated to request reimbursement for administrative costs associated with school-based services that are eligible for Medicaid. Sivic Solutions will prepare and submit these claims.

Part III: Paradigm will identify additional revenue from claims that were initially denied for payment by Medicaid. These services also provide quality control on the vendor administering Part I and Part II. Paradigm is paid on a contingency basis based on a percentage of recovered revenue.

OUTCOMES:

Part I: The Medicaid Fee For Services (FFS) program is anticipated to generate revenues of approximately \$19.5M in FY18 and \$26.9M in FY19. The vendor's services are expected to sustain and grow these revenues.

Part II: Administrative Outreach Claiming Services is anticipated to generate revenues of approximately \$7.9M in FY18 and \$8.0M in FY19. The vendor's services are expected to sustain and grow these revenues.

Part III: Secondary Collection Services identifies additional revenue from claims that were initially denied for payment by Medicaid. These services also provide quality control on the vendors administering Part I and Part II.

COMPENSATION:

Vendors shall be paid during this option period according to the terms of their agreement. Estimated annual costs for this option period are set forth below:

\$681,687.00, FY19

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Controller in the Finance Department execute all ancillary documents required to administer or effectuate this option.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services contract (M/WBE Program), this contract is in Partial Compliance with OBD approved participation goals of 30% MBE and 0% WBE.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Accounting Department, Unit #12410

\$681,687.00, FY19

Not to exceed \$681,687.00 for the one (1) year term.

Future year funding is contingent upon budget appropriation and approval.

CFDA#:

Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement 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.

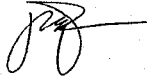
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement 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:



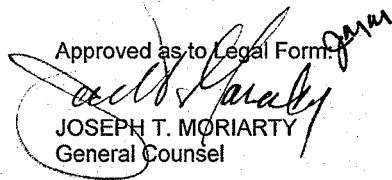
JONATHAN MAPLES
Chief Procurement Officer

Approved:



JANICE K. JACKSON
Chief Executive Officer

Approved as to Legal Form:



JOSEPH T. MORIARTY
General Counsel