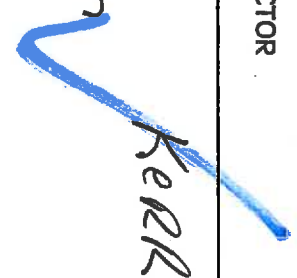


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>8/7/06</i>
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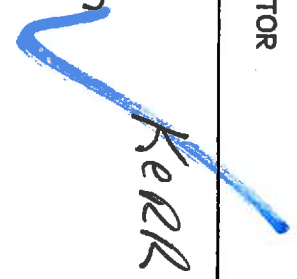
DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>000141</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Bowling</i> <i>Singleton</i> <i>Ries</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action		

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>8/7/06</i>
------------------------	---------------------------

DIRECTOR'S USE ONLY 1. LOG NUMBER <div style="text-align: center;"><i>050141</i></div> 2. DATE SIGNED BY DIRECTOR <div style="text-align: center;"> <i>cc: Bowling</i> <i>Singleton</i> <i>Ries</i>  </div>	ACTION REQUESTED <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action
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APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
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3.			
4.			

RECEIVED

AUG 07 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Atwell
ACMI
Computer Medical Innovations, Inc.
3301 S 14th, Suite 16-222 Abilene, TX 79605
254-725-9426 877-417-4614 info@ACMI.biz

August 2, 2006

Director
Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Subject: Lowering Costs and Increasing Quality of Medicaid

Dear Mr. Kerr:

The Centers for Medicare & Medicaid Services (CMS) Office is requesting proposals from each state for Medicaid Transformation Grants with a submission deadline of September 15, 2006.

Atwell Computer Medical Innovations, Inc. (ACMI) has innovative new technology (**patent pending**) that will provide South Carolina with the capability to access and analyze state Medicaid data to meet requirements for the Medicaid Transformation Grants. The ACMI decision support system processes very large databases in actual **seconds** compared to other programs that may take hours.

ACMI handles Medicaid **outpatient, inpatient, and other** databases in ways that have not been available.

ACMI provides a powerful view of health care information that will assist analysts to:

- ◆ Identify possible fraud, waste and abuse
- ◆ Identify health providers who treat significant numbers of Medicaid patients
- ◆ Identify high cost/high utilization patients for care management programs
- ◆ Find and analyze duplication of services
- ◆ Identify and analyze complications for patterns, prevention and care management
- ◆ Analyze usage of primary and specialty physician care
- ◆ Compare quality of care across health care providers and groups of providers
- ◆ Identify costs for any fields in the databases
- ◆ Analyze utilization and costs over time by health care providers
- ◆ Identify and analyze outliers
- ◆ Develop a drug utilization review program
- ◆ Analyze use of generic drugs

Please review the attached unsolicited proposal (Enclosure 1) that explains more of the capabilities of ACMI and **accept** this offer to experience a **no-cost** demonstration. The system we're proposing is an innovative way to see results quickly from dollars spent. (See Enclosure 2 for one example of the virtually unlimited different choices of output.)

ACMI personnel will demonstrate the capabilities, speed, and ease of use of the ACMI software with sample Medicare inpatient and outpatient data and explain what it can do with your Medicaid data. ACMI will answer your questions, run your requests for any data fields in the databases, and explain ways you can analyze results. One hour of on-site time is needed for this demo.

This is an opportunity for South Carolina to evaluate how well ACMI meets the needs of the South Carolina Medicaid system. This demonstration is beneficial for South Carolina management personnel and for analytical personnel who are familiar with the databases and what South Carolina needs from them. Make this a time to challenge the ACMI software.

The enclosed brochure (Enclosure 3) explains some of the features of ACMI. Call us at (877) 417-4614 to schedule a demonstration and for answers to your questions.

Sincerely,

Vondal Hutchins
Vondal Hutchins

President, Atwell Computer Medical Innovations, Inc. (ACMI)

Enclosures (3)

Atwell Computer Medical Innovations, Inc. (ACMI) Decision Support System Proposal

Proposal To:

The State of South Carolina

For:

A Decision Support System
For Analysis Of
Medicaid Databases

Submitted By:

Atwell Computer Medical Innovations, Inc. (ACMI)
3301 S. 14th St., Ste. 16-222
Abilene, Texas 79605
877-417-4614
ACML.biz

Submitted:

August 2, 2006



Atwell Computer Medical Innovations, Inc. (ACMI) Decision Support System Proposal

1.0 Scope/Statement Of Work

Atwell Computer Medical Innovations, Inc. (ACMI) has the key to lowering costs and increasing the quality of Medicaid for the state of South Carolina. ACMI has developed innovative new technology that will access and analyze your very large Medicaid databases in seconds on a personal computer at your desk. ACMI is a decision support system (DSS) that provides users access to a single integrated source of patient-level data. The ACMI software is copyrighted and, due to its unique data handling, storage and retrieval capabilities has a **patent pending** for this new technology.

The Centers for Medicare & Medicaid Services (CMS) is soliciting proposals to fund research and design of ways for the states to increase quality and efficiency of care for their Medicaid systems. Medicaid analysts have limited capability to quickly access databases to transform volumes of data into answers to questions they need to ask. Most of the software utilized is deficient in power and flexibility to quickly and easily run ad hoc queries, immediately analyze the results on screen, drill down for more detailed analysis or run other analyses suggested by previous runs. State Medicaid departments do not have the software capability to quickly compare Medicaid providers (hospitals, clinics, etc.), physicians, or patients by any combination of database fields (e.g., diagnoses, procedures, diagnosis related groups (DRG), lengths of stay, cost fields, etc.). The lack of powerful, fast, flexible, and easy to use health care software that processes very large databases and provides a range of analytical capabilities has been a major problem for many years.

ACMI gives users extremely fast and direct access to patient-level and aggregate data. It processes a powerful, patient-level database with tremendous speed and efficiency for high-level analysis and yet provides access to the detailed data required to answer "why" or "what if" questions.

ACMI is a decision support system (DSS) that will assist South Carolina Medicaid analysts in accessing and analyzing Medicaid data quickly. The purpose of a DSS is to **analyze data**. ACMI provides:

- ◆ Ad hoc access to any data in the databases
- ◆ Integrated access to multiple databases (fixed and variable length records)
- ◆ Powerful, flexible and user-friendly reporting capabilities
- ◆ Fast, easy and flexible access to raw data or consolidated reports
- ◆ Analysis of any raw data or combination of data in the databases
- ◆ Search, selection and drill down functions to facilitate analysis
- ◆ Access to extraneous file input
- ◆ Integration of available population databases
- ◆ Ranked output by data fields or combinations of fields

Atwell Computer Medical Innovations, Inc. (ACMI) Decision Support System Proposal

- ◆ Number of patients, mean, total and standard deviation for money fields or lengths of stay distributed by any data field or combination of data fields. (See enclosure 2 for sample output showing the top 10 principal diagnoses ranked by total charges.)

2.0 Company Background

ACMI software developers have over 40 years combined experience as health care statisticians and computer programmers, managing and analyzing large worldwide United States Army medical databases. ACMI personnel have over 40 years experience in engineering, management, training and sales with NASA, automation firms and private companies.

The need to quickly answer inquiries from Congress, The Department of Defense, The Surgeons General, the military departments, researchers, states, military hospitals, and individuals and the lack of available software to answer these inquiries identified a need to develop methods of handling the data. This ongoing effort to improve response time and increase flexibility and capability to analyze large volumes of data quickly evolved over several years.

ACMI was established to develop new ways to better handle very large databases. A breakthrough in computing, storage, and processing concepts lead to the development of the ACMI software for fast retrieval and analysis of health care data. The ACMI software is copyrighted with a patent pending.

3.0 Deliverables

Upon your purchase of the ACMI software license:

- ◆ ACMI will work with your personnel who are familiar with your databases to make certain we understand the way your data is stored, what data fields you have, along with their codes and titles, how you utilize your data and what you want from it that you can and cannot currently get.
- ◆ ACMI personnel will build data definition files and data dictionaries for all of your Medicaid data fields, codes and titles. ACMI software currently contains data definition files and data dictionaries for the ICD9-CM diagnosis and procedure codes with Medicaid titles as well as the DRG, CPT, and HCPCS codes and their titles.
- ◆ ACMI will work with your data on your computers at your work site to ensure its complete protection. ACMI personnel have worked with privacy act data for 20 years and understand the criticality of its protection.
- ◆ ACMI will work extensively with and train two super users to install, maintain and update your data, as you require. After installation and training, your personnel can update your databases in minutes. You may also add other databases to the ACMI software.

Atwell Computer Medical Innovations, Inc. (ACMI) Decision Support System Proposal

- ◆ ACMI will:
 - ◆ Provide two ACMI Installation Manuals and technical support for the super users
 - ◆ Train at one location in one group up to 10 employees you select to run and use the software
 - ◆ Provide up to 10 ACMI Training and User's Manuals for trained employees
 - ◆ Provide ACMI software upgrades as needed
 - ◆ Provide fiscal year updates for ICD9-CM, CPT, DRG, and HCPCS codes as well as other data field changes or additions Medicaid makes
 - ◆ Work with you to load your vital statistics file containing Social Security numbers and dates of death in the ACMI software and show you how to update this file
 - ◆ Provide up to 20 hours of phone consultation on using the ACMI software to analyze your health care data
 - ◆ Provide help line support for your trained personnel
 - ◆ Work with your personnel to identify new capabilities you need from the software.
- ◆ ACMI understands change in any area is not easy and is usually resisted to some extent. ACMI personnel will work with your personnel to show how the ACMI software gives them much more flexibility, is faster and easier to use.

4.0 Pricing for purchase of ACMI Software License

The following cost estimates are for Government Fiscal Year 2007. These estimates were prepared assuming all work will be performed at the South Carolina Medicaid Offices using your equipment, office space, office supplies, and computers for installation and training.

When South Carolina is assured that the ACMI software can effectively and efficiently manage its Medicaid data and save money by identifying misuse and/or fraud, ACMI will sign a letter of intent with South Carolina for the purchase of an ACMI software license for up to 10 users for FY 2007 for \$147,500.00. This offer covers ACMI's expenses for installation, training, manuals, consultation, and help line support. Licenses for additional users are available at extra cost.

This software license is renewable on a fiscal year basis. The renewal fee for the second year is \$75,000.00. The renewal fee for each of the following three years is \$10,000 and includes:

- a. ACMI license for up to 10 users
- b. CPT license from American Medical Association
- c. Technical support for super users
- d. Updates to codes
- e. Upgrades to software
- f. Updates to manuals on CD or by e-mail
- g. Up to 20 hours phone consultation for analysis support
- h. Help line support for trained users

Atwell Computer Medical Innovations, Inc. (ACMI) Decision Support System Proposal

Training, licenses and manuals for additional personnel are available at extra cost, generally in blocks of ten, but other options are negotiable.

5.0 Justification For Non-Competitive Procurement

New, breakthrough sole source computer technology

The ACMI software is based on new, breakthrough computer technology for processing very large medical databases. The ACMI software is copyrighted and, due to its unique data handling, storage, and retrieval capabilities, has a patent pending for this new technology.

Unique capabilities

ACMI handles both fixed and variable length record databases and will process multiple years and/or multiple databases in the same run. The software allows you to easily access any combination of data fields in your databases, to rank your data, and to compute the number of patients, means, totals, and standard deviations for any of your cost data or days fields.

Blazing speed with flexibility

ACMI software was developed to process very large medical databases at extremely high speeds on personal computers due to its unique method of encoding and storing the data. This provides the power to access and analyze volumes of data quickly and flexibly at your desk. This allows immediate follow-up analysis of questionable areas in the output.

Total Charges for Top 10 Principal Diagnoses
Medicare Inpatients, 500,000 Sample
Fy 2002

Diagnosis1	/ - - - - - MedParIn_db - - - - - /			
	NUMBER	MEAN	TOTAL_K*	S.D.
41461 CRNRY ATHRSCL NATUE USSL	23630	35108	808533	39184
4280 CHF NOS	23271	17228	400923	27723
486 PNEUMONIA, ORGANISM NOS	21197	15813	335188	24414
41071 SUBENDO INFARCT, INITIAL	7170	34805	243818	40456
51881 ACUTE RESPIRATRY FAILURE	4267	45845	192285	75688
49121 OBS CHR BRONC W(AC) EXAC	14831	13861	183259	15489
U5789 REHABILITATION PROC NEC	7939	23829	182824	19759
43491 CRBL ART OCL NOS W INFRG	6296	18712	117809	18764
71536 LOC OSTEOARTH NOS-L/LEG	4807	28735	115143	13255
5070 FOOD/UNMIT PNEUMONITIS	4242	26889	116671	35049
Total	115458	23883	2698374	31779

*** Totals are in Thousands**

TITLE Total Charges for Top 10 Principal Diagnoses
TITLE Medicare Inpatients, 500,000 Sample
TITLE Fy 2002

DATABASE c:\Program Files\acmi\acmi2\data\MedParIn_db 2002
CLASSIFY Diagnosis1 TOP 10
DEPENDENT TotalCharges >-1 3

Records read - 500000
 Records selected - 500000
 Records in report - 500000
 Process records time(sec) - 4
 Generate report time(sec) - 0
 Total time(sec) - 4

Drill Down Print Records Main Menu Save To File Print

ACMI executes an input file for every report it generates. The first word of each record of this input file contains one of the six key words: **TITLE**, **DATABASE**, **INCLUDE**, **EXCLUDE**, **CLASSIFY**, or **DEPENDENT**.

- ◆ **TITLE** - The analyst enters three title records. These are automatically printed out at the top of each page of output.
- ◆ **DATABASE** - The analyst selects from one to three databases for each run.
- ◆ **INCLUDE** - An **INCLUDE** record allows the analyst to specify a data field name and data values. If the database record for the data field contains one of the data values, the record is kept for further processing. Otherwise it is discarded. The analyst may use from 0-15 **INCLUDES**.
- ◆ **EXCLUDE** - This **EXCLUDES** database records instead of including them.
- ◆ **CLASSIFY** - The second word of the **CLASSIFY** record contains the data field name. In this example it is "Diagnosis1", the principal diagnosis. The analyst may use from 1-5 **CLASSIFY** records. For the third word the user selects from a list:
 - ◆ **ALL** - The program produces a line of output for each unique data value.
 - ◆ **TOP** - The output is ranked and only the specified number of lines is shown (10 in this case).
 - ◆ **USER** - This option allows the analyst to group data values in each line of output.
 - ◆ **FILE** - This option allows the use of a file that has been previously created with a text editor.
- ◆ **DEPENDENT** - The second word of the **DEPENDENT** record contains the data field name. In this example it is "TotalCharges". The analyst may use from 0-3 **DEPENDENT** records.
 - ◆ >-1 - Indicates that zero or greater data values will go into the report for this data field. This is the default value. The analyst may input other numbers rather than "-1".
 - ◆ If any of the **CLASSIFY** records has a **TOP** parameter in it, the analyst selects one of the following: **NUMBER**, **MEAN**, **TOTAL**, or **S.D.** to tell the program which statistic to rank on.

ACMI CAPABILITIES

Statistics

CONTACTS

877-417-4614

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www.acmi.biz

Patent Pending

Transforming Data into Decision Making

Atwell Computer Medical Innovations, Inc.