# Medicaid Six Step Process: Source Selection & Relationship Management

#### Internal Analysis

# **External Analysis**

## Sourcing Process

#### Negotiations And Contracts

#### **Implementation**

### Relationship Management

- Analyze spend
- Analyze usage and transactions
- Analyze/engage stakeholders and users
- Analyze products, services, and related contracts
- Identify cross-Line of Business needs & relationships
- Broadly define scope, specifications, requirements

- Identify potential partners/providers
- Evaluate markets for same services or products
- Perform benchmarking analysis
- Refine scope, specifications, and requirements
- Develop the partner engagement strategy
- Develop evaluation tool/model
- Initiate a Request for Proposal or a Request for Quote based on the expectations of the participating third parties\*

- Evaluate all respondents via financials(e.g. financial due diligence (FDD)), references, written responses
- Narrow subcontractor/ provider pool to a "short list" for further negotiations
- Lead final negotiation/make selections
- Finalize terms, conditions, Service Level Agreements (SLAs), and performance requirements
- Complete all required FDR Submissions
- Draft and Execute required Contracts
- Gather required approvals, including those required by the impacted state(s)

- Implement the new/revised relationship, to include, but not be limited to, the following:
  - Project Plan
  - Comprehensive Stakeholder Engagement
  - CommunicationsStrategy
  - Engagement Training/Support
- Initiate metrics reporting and tracking

- Initiate robust relationship management process in partnership with the service provider and market operational lead(s)
- Participate in regular Operations Touch Points
- Schedule, Host, and document Joint Operating Committee Meetings
- FL: Contribute to DVOC Subcontractor Oversight



\* If the process and expectations are solidly defined and set, third parties under evaluation need only submit a quote. If not, a request for proposal, to gather process/approach recommendations, is in order. (out of box vs custom)