

CNSI Leadership Addresses Arkansas Legislative Council

Gaithersburg, MD – At a Hearing today of the Hospital and Medicaid Study Subcommittee of the Arkansas Legislative Council, Adnan Ahmed, Co-founder and President of Client Network Services, Inc.

Gaithersburg, MD – At a Hearing today of the Hospital and Medicaid Study Subcommittee of the Arkansas Legislative Council, Adnan Ahmed, Co-founder and President of Client Network Services, Inc. (CNSI) discussed the company's experiences with the Arkansas procurement process, provided some clarity about the company's performance in other states and demonstrated how their cutting edge technology is building efficiencies, providing solutions, creating jobs, and saving states valuable resources. Below is some of the testimony Adnan Ahmed delivered to the committee: We were honored to have been invited by the Arkansas Procurement office to respond to the Arkansas MMIS RFP. Our team spent nearly 3 months developing a response to this RFP consisting of several thousand pages of information and ideas. CNSI incurred costs of over a million dollars to assemble the requested information.

We believe that our company can provide the cutting edge technology that will result in better care, better health and lower costs. We have done so elsewhere and we are already seeing a direct impact on the health of people – their lives are improving as a result of the technology we are implementing. You can imagine our shock when we received a letter from the Arkansas Office of State Purchasing on July 9th, 2013 disqualifying us from the MMIS Procurement because we were “deemed non-responsible” because of a Louisiana reference check. We did not understand how that determination was made since we had submitted with our proposal a glowing written recommendation from the Louisiana Department of Health

and Hospitals regarding our performance on the project. That recommendation – written by the Deputy Director for Louisiana Department of Health and Hospitals – was dated only 30 days prior to the abrupt and unexpected termination of our contract with Louisiana. As you may be aware, bidders were “required” by the Arkansas RFP to submit a letter of reference from the bidders’ three most recent, similar projects.

To be responsive to the RFP requirements, we provided the positive reference from Louisiana. In fact, CNSI submitted not three, but five positive letters of reference with its proposal. After being notified of our disqualification, we learned that the State failed to contact three out of the five references we provided, meaning that the State effectively ignored or disregarded 60% of the past performance qualifications submitted by CNSI. This failure was in violation of the RFP requirements and resulted in the State failing to fully, completely, and fairly evaluate CNSI’s past performance. This was CNSI’s 13th MMIS proposal submitted over the past 12 years. CNSI has been the successful winning vendor in 8 of those 13. We have NEVER been disqualified during any procurement process in the 19 year history of CNSI which includes dozens of federal procurements. Indeed, we remain unaware of any company in an MMIS procurement being disqualified without at least having their technical proposal reviewed. In addition we were very surprised that DHS handed over sensitive procurement related information during telephonic communications with an out of state inquiring journalist, without a written FOIA request, immediately after the state notice to CNSI.

To our knowledge, this is outside the normal processes typically mandated by state public records laws. I encourage you to review the email exchange with the reporter. I’d like to take this opportunity since we were disqualified based a Louisiana reference check to clarify several facts in relation to Louisiana that have been circulating in the media and

relevant to this process. First of all, there is no active federal investigation. The only federal investigation we are aware of was focused on the Louisiana Procurement, not CNSI. The only activity in that investigation was the issuance of a subpoena directed at the state of Louisiana, seeking the proposals and financials of ALL the bidders, which included HP, ACS Xerox, Molina, as well as CNSI. Again, despite allegations to the contrary, the fact is that there is no active federal investigation. Following review of all documents from the state, what is known to date is that the federal investigation was not pursued -no other subpoenas were issued, no further action was taken. No one at CNSI was ever contacted. We believe our contract with the state of Louisiana was terminated hastily, imprudently, and to the detriment of the people of the state and nothing to date has indicated otherwise. CNSI has sued Louisiana as a result of the wrongful termination of our contract.

CNSI is leading the way in addressing the many challenges that exist in the healthcare landscape. We were the first company to implement a web-centric MMIS back in 2005 and today we continue to lead the way in addressing the many challenges that exist in the healthcare landscape by being the first in the nation to embark on developing a completely automated real-time and cloud enabled Medicaid Management Information System, which will save millions for both the state and federal government and realize the CMS vision encourage collaboration amongst states. We believe that removal of CNSI from the competitive pool of bidders is not in the best interest of the State of Arkansas or its Medicaid beneficiaries because CNSI's solution offers the most technically advanced flexible and scalable MMIS solution available in the industry. CNSI's Medicaid platform is the only solution available TODAY that has been certified by Centers for Medicare and Medicaid Services (CMS) in multiple states with CMS's new certification toolkit. In regards to the feedback you received from Utah, I was there just last week,

and can fully assure you that we have built a solid relationship with the state and our work is moving forward on time and on budget. I appreciate the opportunity to address these matters with you today. While these experiences with the Arkansas procurement process has been less than favorable – we remain confident that CNSI can lead the way in addressing the many Medicaid challenges the state is facing. I look forward to your questions and remain sincerely grateful for inviting us to speak with you today. Thank you.

About CNSI

CNSI delivers a broad portfolio of information technology (IT) and business process outsourcing (BPO) solutions to a diverse base of federal, state and local government agencies, and commercial enterprises. The firm helps clients improve business performance and align IT with their mission and business objectives. CNSI has established strong domain expertise in prominent industries, including Health, Defense and National Security, Government IT and Enterprise Mobility. CNSI employs a world-class team of technologists, program managers, and subject matter experts, all of whom have experience with large scale mission-critical IT implementations. Formed in 1994, CNSI is headquartered in Gaithersburg, Maryland, with locations throughout the U.S. and India. CNSI's website is: <http://www.cns-inc.com>