

THOMAS P. DiNAPOLI  
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

April 17, 2015

Michael J. Nazarko  
Deputy Commissioner  
Department of Health  
Division of Administration  
Corning Tower  
Empire State Plaza  
Albany, NY 12237

Dear Mr. Nazarko:

Re: Medicaid Administrative and Fiscal Agent  
Services Contract No. C029586 with Xerox  
State Healthcare, LLC

On April 17, 2015 our Office approved the New York State Department of Health (DOH) contract with Xerox State Healthcare, LLC (Xerox) for Medicaid Administrative Services and Fiscal Agent Services, and denied two bid protests challenging DOH's contract award.

In denying the protests, we noted that DOH has taken precautionary measures, including its proposed governance and oversight structure, to help prevent and/or manage the types of occurrences that gave rise to the performance issues with Xerox's contracts in other states. Based on the information before this Office at this time, and DOH's proactive steps to manage Xerox's performance under the contract, we did not reverse DOH's determination that Xerox was a responsible vendor and we approved the contract.

I write today to make clear that our Office expects DOH will closely monitor the quality of Xerox's performance on this contract, particularly with respect to data security, staffing and project milestone achievement, and keep this Office apprised of any new facts that might affect Xerox's responsibility during the term of this contract.

Sincerely,

A handwritten signature in black ink that reads "Charlotte E. Breyear". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Charlotte E. Breyear  
Director of Contracts

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