



STATE OF HAWAII
Department of Human Services
REQUEST FOR PROPOSAL (RFP)

**To Provide External Quality Reviews and Peer Review
Organization Services of Medicaid QUEST Integration
Managed Care Organizations/Prepaid Inpatient Health
Plan for the Medicaid Fee-for-Service Program**

RFP-MQD-2016-002



Med-QUEST Division
10/15/15

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
KAPOLEI, HAWAII

Legal Ad Date: October 16, 2015

REQUEST FOR PROPOSALS

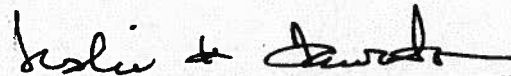
No. RFP-MQD-2016-002

Competitive Sealed Proposal:

**To Provide External Quality Reviews and Peer Review Organization
Services of Medicaid QUEST Integration Managed Care Organizations/Prepaid
Inpatient Health Plan and for the Medicaid Fee-for-Service Program**

**will be received up to 2:00 p.m. Hawaii Standard Time (H. S.T.)
on November 17, 2015**

**in the Department of Human Services
Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707**



**Leslie K. Tawata, Assistant Administrator
Department of Human Services/Med-QUEST Division**

Table of Contents

SECTION 10	ADMINISTRATIVE OVERVIEW	6
10.100	PURPOSE OF THE REQUEST FOR PROPOSALS (RFP).....	6
10.200	STATEMENT OF NEED.....	7
10.300	AUTHORITY FOR ISSUANCE OF RFP	8
10.400	ISSUING OFFICER.....	8
10.500	USE OF SUBCONTRACTORS.....	9
10.600	ORGANIZATION OF THE RFP	9
SECTION 20	RFP SCHEDULE AND PROCUREMENT REQUIREMENTS.....	11
20.100	RFP TIMELINE.....	11
20.200	WRITTEN QUESTIONS	11
20.300	NOTICE OF INTENT.....	11
20.400	ON-SITE VISITS	12
20.500	REFERENCES	12
20.600	DOCUMENTATION.....	13
20.700	REQUIREMENTS TO CONDUCT BUSINESS IN THE STATE OF HAWAII	13
20.800	HAWAII COMPLIANCE EXPRESS (HCE).....	13
20.900	RULES OF PROCUREMENT.....	14
20.910	<i>Restriction on Communication with State Staff.....</i>	<i>14</i>
20.920	<i>RFP Amendments</i>	<i>14</i>
20.930	<i>Costs of Preparing Proposal.....</i>	<i>14</i>
20.940	<i>Disposition of Proposals.....</i>	<i>15</i>
20.950	<i>Rules for Withdrawal or Revision of proposal.....</i>	<i>15</i>
20.960	<i>Independent Price Determination.....</i>	<i>15</i>
20.970	<i>Confidentiality of Information.....</i>	<i>16</i>
20.980	<i>No Contingent Fees.....</i>	<i>16</i>
21.100	ACCEPTANCE OF PROPOSALS.....	16
21.200	SUBMISSION OF PROPOSALS	17
21.300	PROPOSAL INSPECTION	18
21.400	DISQUALIFICATION OF OFFERORS	19
21.500	IRREGULAR PROPOSALS	20
21.600	MISTAKES IN PROPOSALS	20
21.700	CANCELLATION OF RFP	21
21.800	BEST AND FINAL OFFER (BAFO)	21
21.900	AWARD NOTICE.....	21
SECTION 30	BACKGROUND.....	23
30.100	MEDICAL ASSISTANCE IN HAWAII	23
30.200	DEPARTMENT OF HUMAN SERVICES.....	23
30.300	HAWAII QUEST INTEGRATION (QI).....	25
30.310	<i>Medicaid Covered Populations</i>	<i>25</i>
30.320	<i>Non-Medicaid Covered Population</i>	<i>26</i>

30.330	Excluded Populations	26
SECTION 40	SCOPE OF SERVICES	27
40.100	INTRODUCTION	27
40.200	TARGET POPULATION	27
40.300	SCOPE OF WORK	27
40.400	PRO ACTIVITIES	27
40.410	Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities	27
40.420	Long-Term Services and Supports (LTSS) Level of Care (LOC) and At Risk Determinations	30
40.430	Peer Review of Quality Care Concerns	31
40.440	Determinations Database	32
40.450	Turnover	35
40.500	EXTERNAL QUALITY REVIEW (EQR) SERVICES	36
40.510	Qualifications of External Quality Review Organizations	37
40.520	EQR to Validate Performance Improvement Projects (PIPs)	39
40.530	Validation of performance measures	40
40.540	Determining Compliance of MCO/PIHP With Quality Assessment and Performance Improvement (QAPI) Standards	41
40.550	EQR of MCO/PIHP Corrective Action Plans (CAPs)	43
40.560	Re-Evaluation of MCO/PIHP CAPs	43
40.570	EQRO Annual Reporting Requirements	44
40.575	Customer Satisfaction Survey	45
40.580	Provider Satisfaction Survey	46
40.590	Technical Assistance	47
40.600	ACCURACY, COMPLETENESS AND TIMELINESS OF THE DATA	48
40.700	AVAILABILITY/ACCESS OF THE OFFEROR TO THE STATE	48
40.800	OFFEROR'S DETECTION OF FRAUD AND ABUSE/NEGLECT IN OFFEROR'S ORGANIZATION	49
SECTION 50	TERMS AND CONDITION	50
50.100	GENERAL	50
50.200	TERM OF THE CONTRACT	51
50.300	INSURANCE	52
50.400	OFFERORS PROGRESS	54
50.500	INSPECTION OF WORK PERFORMED	55
50.510	Audit Requirements	55
50.600	WAGES, HOURS AND WORKING CONDITIONS OF EMPLOYEES PROVIDING SERVICES	56
50.700	STANDARDS OF CONDUCT	56
50.800	CONFIDENTIALITY OF INFORMATION	56
50.900	SUBCONTRACTORS/PROVIDER AGREEMENTS	58
51.100	PAYMENT	60
51.200	USE OF FUNDS	60
51.300	TERMINATION OF THE CONTRACT	61
51.310	Termination for Bankruptcy or Insolvency	61
51.320	Termination for Unavailability of Funds	61
51.400	CONFORMANCE WITH FEDERAL REGULATIONS	62

51.500	FORCE MAJEURE.....	62
51.600	PROHIBITION OF GRATUITIES	62
51.700	ATTORNEY'S FEES.....	63
51.800	WARRANTY OF FISCAL INTEGRITY.....	63
51.900	AUTHORITY	63
SECTION 60	TECHNICAL PROPOSAL	64
60.100	INTRODUCTION.....	64
60.110	<i>Offeror Proposal.....</i>	64
60.200	TECHNICAL PROPOSAL SUBMISSION REQUIREMENTS	66
60.210	<i>Tab 1: Offer Form.....</i>	67
60.220	<i>Tab 2: Transmittal Letter.....</i>	67
60.230	<i>Tab 3: Mandatory Proposal Requirements Checklist.....</i>	70
60.235	<i>Tab 4: Notes and Certifications.....</i>	70
60.240	<i>Tab 5: Executive Summary.....</i>	70
60.245	<i>Tab 6: Company Background and Experience, Subcontractor Listing</i>	71
60.245.1	Background of the Company.....	71
60.245.2	Company Experience	72
60.245.3	Subcontractor Listing.....	74
60.250	<i>Tab 7: Offeror Financial Condition</i>	74
60.255	<i>Tab 8: Project Organization and Staffing</i>	75
60.255.1	Organization.....	75
60.255.2	Project Staff.....	76
60.255.3	Personnel Qualifications	77
60.260	<i>Tab 9: Approach.....</i>	78
60.265	<i>Tab 10: Work Plan.....</i>	78
60.270	<i>Tab 11: Ability to Perform PRO Services Outlined in RFP.....</i>	79
60.270.1	Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities (40.410) 79	
60.270.2	Long-Term Services and Supports (LTSS) Level of Care (LOC) and At Risk Determinations (40.420).....	79
60.270.3	Determinations Database (40.440)	80
60.275	<i>Tab 12: Ability to Perform External Quality Review (EQR) Services Outlined in the RFP (40.500) 81</i>	
60.275.1	EQR mandatory requirements described in Section 40.500.....	81
60.275.2	EQR optional requirements described in Section 40.500.....	81
60.275.3	Performance Measure validation (40.530).....	82
60.280	<i>Tab 13: Assumptions.....</i>	82
60.285	<i>Tab 14: Anticipated Problem Areas.....</i>	82
SECTION 70	BUSINESS PROPOSAL	83
70.100	INTRODUCTION	83
70.200	ANNUAL RATE	83
SECTION 80	PROPOSAL EVALUATION AND PRICE ANALYSIS	85

80.100	INTRODUCTION	85
80.200	STEP I - MANDATORY REQUIREMENTS	86
80.300	STEP II – EVALUATION OF TECHNICAL PROPOSAL.....	87
80.310	Offeror's Financial Stability	89
80.320	Transmittal Letter (5 points possible).....	90
80.330	Executive Summary (5 points possible)	90
80.340	Company Background and Experience (15 points possible).....	90
80.350	Project Organization and Staffing (15 Points Possible)	90
80.360	Approach (10 Points Possible).....	91
80.370	Detailed Work Plan (10 Possible Points).....	91
80.380	Performance of PRO Services (20 Points Possible)	91
80.390	Performance of EQRO Services (20 Points Possible)	92
80.400	STEP III – EVALUATION OF BUSINESS PROPOSAL	92
80.410	Business Proposal Review.....	93
80.410.1	Best and Final Offers.....	93
80.500	STEP IV – CONTRACT AWARD.....	94

SECTION 10 ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposals (RFP)

The Department of Human Services (DHS), Med-QUEST Division (MQD), Hawaii's Medicaid program, is seeking a qualified organization to provide all federally required Peer Review Organization (PRO) services for the state Medicaid Fee-for-Service (FFS) and managed care programs as well as provide all federally mandated External Quality Review Organization (EQRO) services to our Medicaid Med-QUEST population.

PRO functions include performing level of care determinations for all long-term services and supports (LTSS); conducting independent medical reviews of pre-admission screening and resident reviews (PASRR) of beneficiaries in nursing facilities.

External Quality Review Organization (EQRO) services are required by the Balanced Budget Act of 1997, CFR §438.352, Subpart E- *External Quality Review*. These services will be updated based upon revised guidance from the Centers for Medicare & Medicaid Services (CMS). These services include the following mandated and EQR-related optional activities:

BBA-Mandated Activities:

1. Validation of performance improvement projects required of the Managed Care Organization (MCOs)/Prepaid Inpatient Health Plan (PIHP) by the State;
2. Validation of the MCOs/PIHP performance measures as required by the State; and
3. Determination of MCOs'/PIHP's compliance with standards established by the State and outlined in the BBA-required State Quality Strategy.

EQR-Related Optional Activities:

1. Administration and reporting the results of the Consumer Assessment of Healthcare Providers and Systems (CAHPS ®), a consumer survey;
2. Administration and reporting the results of a Provider Satisfaction Survey, and
3. Technical assistance to the MCOs/PIHP and the State in the mandatory/optional activities as well as quality review areas requiring improvements and/or updating.

The successful contractor must provide all staffing, office space, office equipment, travel expenses, computer hardware and software and procedures required to perform the services described herein. The contractor shall be responsible for all costs of providing required services as described in this RFP.

Offerors are advised that the entire RFP, including all appendices, attachments, addenda, and the corresponding proposal shall be part of the contract with the selected Offeror.

DHS reserves the rights to modify, amend, change, add, or delete any requirements in this RFP and the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, interested parties shall be provided additional time to submit their proposals.

10.200 Statement of Need

The DHS, Med-QUEST Division (MQD) will meet its federal Medicaid utilization review requirement by contracting with a federally qualified peer review organization (PRO). Federally qualified peer review organizations are companies that perform peer review duties for Medicare and who qualify for a Federal Financial Participation (FFP) rate of 75 per cent. For the QUEST Integration and Community Care Services (CCS) programs, provisions in the Balanced Budget Act, 1997, require the DHS/MQD to contract with an EQRO to evaluate the health plans in areas designated by federal law for mandatory review as well as on issues identified by the MQD. Federal law (Section

1932(c)(2)(A) of the Social Security Act) requires the EQRO and its sub-contractors to be external to and independent from the State Medicaid agency and from the MCOs/PIHP that they review, and to perform, on an annual basis, a review of the quality of services furnished by each MCO/PIHP. The EQRO must retain its qualifications so that DHS is able to obtain 75 percent FFP for the scope of its services over the length of the contract.

The DHS places emphasis on appropriate available community-based options. The DHS requires the services of an Offeror to receive the requests for LTSS and determine the appropriate level of care (LOC) determinations.

10.300 Authority for Issuance of RFP

This RFP is issued under the authority of Title XIX of the Social Security Act, 42 USC Section 1396, et. seq. as amended, the implementing regulations issued under in accordance with the provisions of the Hawaii Revised Statutes (HRS), Title 9, 103D, and Hawaii Administrative Rules (HAR) Chapter 3-122.

All Offerors are charged with presumptive knowledge of all requirements cited by these authorities, and submission of a valid executed proposal by any prospective Offeror shall constitute admission of such knowledge on the part of such Offeror. Failure to comply with any requirement may result in the rejection of the proposal. The DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.

10.400 Issuing Officer

This RFP is issued by the State of Hawaii, Department of Human Services. The Issuing Office within the DHS is the sole point of contact from the date of release of this RFP until the selection of the successful Offeror. The Issuing Officer is:

Ms. Leslie Tawata
Department of Human Services/Med-QUEST Division
601 Kamokila Boulevard, Room 506A
Kapolei, HI 96707
Telephone: (808) 692-8052
Fax: (808) 692-8087

10.500 Use of Subcontractors

In the event of a proposal submitted jointly by more than one organization, one organization shall be designated as the prime Offeror and shall have responsibility for not less than 40 percent of the work to be performed. The project leader shall be an employee of the prime Offeror and meet all the relevant experiences. All other participants shall be designated as sub-contractors. Major subcontractors shall be identified by name and by a description of the service/functions they will be performing. The prime contractor shall be wholly responsible for the entire performance whether or not subcontractors are used. The prime Offeror shall sign the contract with the DHS.

10.600 Organization of the RFP

This RFP is composed of eight sections plus appendices:

- Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP and the organization of the RFP
- Section 20 - RFP Schedule and Procurement Requirements– Provides information on the rules and schedules for procurement of this RFP
- Section 30 – Background – Describes the current medical assistance programs
- Section 40 – Scope of Services- Provides information on the services to be provided under the contract
- Section 50 – Terms and Conditions – Describes the terms and conditions under which the work shall be performed
- Section 60 – Technical Proposal – Defines the technical proposal and the minimum information to be provided in the proposal

- Section 70 – Business Proposal – Defines the required format of the business proposal and the minimum information to be provided in the proposal
- Section 80 – Evaluation and Price Analysis – Defines the evaluation criteria and explains the evaluation process

Various appendices are included to support the information presented in Sections 10 through 80.

SECTION 20 RFP SCHEDULE AND PROCUREMENT REQUIREMENTS

20.100 RFP Timeline

The delivery schedule set forth herein represents the DHS's best estimate of the schedule that will be followed. If a component of this schedule, such as Proposals Due date, is delayed, the rest of the schedule will likely be shifted by the same number of days. The proposed schedule is as follows:

Legal Ad Date	October 16, 2015
Submission of written questions	October 23, 2015
Written responses to questions	October 29, 2015
Letter of Intent to Propose	October 30, 2015
Receipt of Proposals	November 17, 2015
Contract Award	December 1, 2015
Implementation	January 1, 2016

20.200 Written Questions

Offerors shall submit questions via e-mail in Word 2013 format, or lower, and emailed to dwatanabe@medicaid.dhs.state.hi.us

The written questions shall reference the RFP, page and paragraph number, and bullet number, if appropriate, provided in Appendix B. Offerors must submit written questions by 2:00 p.m. (H.S.T.) on the date identified in Section 20.100. DHS shall respond to the written questions no later than the date identified in section 20.100. No verbal responses shall be considered as official.

20.300 Notice of Intent

Potential Offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than the date identified in Section 20.100 at 2:00 p.m. (H.S.T.). Submission of a Notice of Intent to Propose is not a prerequisite for the submission of a proposal,

but it is necessary that the Issuing Officer receive the Letter of Intent by this deadline to assure proper distribution of amendments, questions and answers and other communication regarding this RFP.

Notice of Intent can be mailed, faxed, or e-mailed to:

Ms. Cori Woo
c/o Dona Jean Watanabe
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707-2005

Fax: (808) 692-7989

E-mail: dwatanabe@medicaid.dhs.state.hi.us

20.400 On-Site Visits

The department reserves the right to conduct an on-site visit to verify the appropriateness and adequacy of the Offeror's proposal before the award of the contract.

After the award of the contract, prior to implementation, an on-site readiness review will be conducted by a team from the Med-QUEST Division and will examine the prospective Offeror's information system, staffing for operations, sub-contractors and provider contracts, and other areas that will be specified prior to review. The Contractor shall begin work on the readiness review when the Contractor has signed their contract with DHS.

20.500 References

Offeror will list, on Appendix H, three (3) companies or government agencies for whom services similar to those requested herein were within the last two years, or are currently being performed. The State reserves the right to contact the references provided.

20.600 Documentation

Offerors may review information describing Hawaii's Medicaid program, QUEST Integration (QI) by visiting the DHS MQD website: <http://www.med-QUEST.us>.

All possible efforts shall be made to ensure that the information contained in the documentation library is complete and current. However, DHS does not warrant that the information in the library is indeed complete or correct and reserves the right to amend, delete and modify the information at any time without notice to the Offerors.

20.700 Requirements to Conduct Business in the State of Hawaii

Offeror is advised that if awarded a contract under this RFP, Offeror shall, upon award of the contract, furnish proof of compliance with the following requirements of HRS §103D-310(c) and §3-122-112, HAR:

1. HRS Chapter 237, General Excise Tax Law;
2. HRS Chapter 383, Hawaii Employment Security Law;
3. HRS Chapter 386, Workers' Compensation Law;
4. HRS Chapter 392, Temporary Disability Insurance;
5. HRS Chapter 393, Prepaid Health Care Act; and,
6. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

Applicants are advised that there are costs associated with compliance under this section. Any costs are the responsibility of the applicant. Proof of compliance is shown by providing the Certificate of Vendor Compliance issued by Hawaii Compliance Express (HCE). The State will verify compliance on HCE.

20.800 Hawaii Compliance Express (HCE)

The DHS utilizes the HCE to verify compliance with the requirements under Section 103D-310 (c), HRS and Section 3-122-112, HAR upon award of the Contract. The HCE is an electronic system that allows vendors / contractors / service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online

system that replaces the necessity of obtaining paper compliance certificates from the DOTAX and IRS tax clearance Department of Labor and Industrial Relations (DLIR) labor law compliance, and DCCA good standing compliance. There is a nominal annual fee for the service and is the responsibility of the Offeror. The "Certificate of Vendor Compliance" issued online through HCE provides the registered Offeror's current compliance status as of the issuance date, and is accepted for both contracting and final payment purposes. See website:

<https://vendors.ehawaii.gov/hce/splash/welcome.html>

Offerors/Contractors are advised to register on HCE as soon as possible. If a Offeror/Contractor is not compliant on HCE at the time of award, an Offeror will not receive the award.

20.900 Rules of Procurement

To facilitate the procurement process, various rules have been established as described in the following subsections.

20.910 *Restriction on Communication with State Staff*

In order to provide equal treatment to all Offerors, questions shall be submitted in writing and answers shall be distributed to all who requested an RFP.

20.920 *RFP Amendments*

DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal. Prior to and on the closing date for submission of proposal, amendments shall be sent to all potential Offerors who requested copies of the RFP.

20.930 *Costs of Preparing Proposal*

Any costs incurred by the Offerors for the development and submittal of a proposal in response to this RFP are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii shall provide no reimbursement for such costs.

20.940 *Disposition of Proposals*

All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right. Written requests for an explanation of rejection shall be responded to in writing within five (5) working days of receipt.

Offerors who submit technical proposals which do not meet mandatory requirements or which do not meet all the threshold requirements during the technical evaluation phase, shall have their technical and business proposals returned. The business proposal shall be returned unopened.

20.950 *Rules for Withdrawal or Revision of proposal.*

A proposal may be withdrawn or revised at any time prior to, but not after, the deadline for submission of proposals, provided that a request in writing executed by an Offeror or its duly authorized representative for the withdrawal or revision of such proposal is filed with DHS before the deadline for receipt of proposals. The withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal.

20.960 *Independent Price Determination*

State law requires that a bid shall not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.

An Offeror shall include a certified statement in the proposal certifying that the bid was arrived at without any conflict of interest, as described above. Should a conflict of interest be detected at any time during the term of the contract, the contract shall be null and void and the Offeror shall assume all

costs of this project until such time that a new Offeror is selected.

20.970 *Confidentiality of Information*

If an Offeror seeks to maintain the confidentiality of sections of the technical proposal, each page of the section(s) should be marked as "Proprietary" or "Confidential." Proprietary or confidential information includes, but is not limited to, business, financial information, medical records, and beneficiary information. Price is not considered confidential and will not be withheld. An explanation to DHS of how substantial competitive harm would occur if the information is released is required in the Transmittal Letter for the Technical Proposal as described in Section 60.220. Such information shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. 4 DHS shall maintain the confidentiality of the information to the extent allowed by law. Blanket labeling of the entire document as "Proprietary", however, is inappropriate.

20.980 *No Contingent Fees*

No Offeror shall employ any company or person, other than a bona fide employee working solely for the Offeror or company regularly employed as its marketing agent, to solicit or secure this contract, nor shall it pay or agree to pay any company or person, other than a bona fide employee working solely for the Offeror or a company regularly employed by the Offeror as its marketing agent, any fee commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award of a contract to perform the specifications of this RFP.

21.100 **Acceptance of Proposals**

DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.

DHS also reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the State.

Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse an Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

DHS also reserves the right to consider as acceptable only those proposals submitted in accordance with all technical requirements set forth in this RFP and which demonstrate an understanding of the requirements. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be disqualified without further notice.

21.200 Submission of Proposals

Each qualified Offeror may submit only one (1) proposal. More than one proposal shall not be accepted from any Offeror. The Offer Form (OF-1) shall be completed and submitted with the proposal (Appendix A). Proposals shall be submitted using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs. Failure to do so may delay proper execution of the contract. The authorized signature on the Offer form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

Proposals shall be submitted in two parts: technical and business proposals. The format and content of each are specified in Sections 60 and 70 respectively.

The technical proposal shall be submitted in a separate envelope or box from the business proposal. Three (3) bound copies in a 3-ring binder with tabbed sections, of which it includes one original, and one (1) complete electronic version in MS Word 2013 or lower or PDF, on a CD of the technical proposal. In

addition, the Offeror shall submit one (1) bound and one (1) complete

electronic version in MS Word 2013 or lower, MS Excel 2013 or lower, or PDF, on a CD of the business proposal. The issuing officer shall receive the technical and business proposals no later than 2:00 p.m. HST, on the date identified in Section 20.100. Any proposals received after the deadline will be rejected and returned to the Offeror. Proposals shall be mailed or delivered to:

Ms. Cori Woo
c/o Dona Jean Watanabe
Department of Human Services
Med-QUEST Division-Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, HI 96707-2005

The outside cover of the package containing the technical proposal copied shall be marked:

Hawaii DHS/RFP-MQD-2016-002
EQRO/PRO
Technical Proposal
(Name of Offeror)

The outside cover of the package containing the business proposal copied shall be marked:

Hawaii DHS/RFP-2016-002
EQRO/PRO
Business Proposal
(Name of Offeror)

Any amendments to proposals shall be submitted in a manner consistent with this Section.

21.300 Proposal Inspection

During the proposal evaluation and award recommendation period, proposals shall not be available for inspection.

21.400 Disqualification of Offerors

An Offeror shall be disqualified and the proposal automatically rejected for any one or more of the following reasons:

- Proof of collusion among Offerors, in which case all bids involved in the collusive action shall be rejected and any participant to such collusion shall be barred from future bidding until reinstated as a qualified Offeror
- An Offeror's lack of responsibility and cooperation as shown by past work or services
- An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts
- An Offeror's lack of proper license to cover the type of work contemplated, if required
- An Offeror shows any noncompliance with applicable laws
- An Offeror's delivery of proposal after the deadline specified in the advertisement calling for bids
- An Offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former contracts with the State at the time of issuance of this RFP
- An Offeror's lack of financial stability and viability
- An Offeror's consistently substandard performance related to meeting the Med-QUEST Division (MQD) requirements from previous contracts.

21.500 Irregular Proposals

Proposals shall be considered irregular and rejected for the following reasons including, but not limited to the following:

- If either the proposal letter or transmittal letter is unsigned by an Offeror or does not include notarized evidence of authority of the officer submitting the proposal to submit such proposal
- If the proposal shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditional bids, incomplete bids, or irregularities of any kind, which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning
- If an Offeror adds any provisions reserving the right to accept or reject an award, or enters into a contract pursuant to an award, or adds provisions contrary to those in the solicitation.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if the best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the State. Examples include the failure of an Offeror to: return the number of signed proposals required by the request for proposal.

21.600 Mistakes in Proposals

Mistakes shall not be corrected after award of contract.

1. When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.

2. Once discussions are commenced or after best and final offers are requested, any priority-listed Offeror may freely correct mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.
3. If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which even the proposal may not be withdrawn.
4. If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

21.700 Cancellation of RFP

The RFP may be cancelled and any or all proposals may be rejected in whole or in part, when it is determined to be in the best interest of the State. The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this RFP is cancelled or a proposal is rejected.

21.800 Best and Final Offer (BAFO)

If the State determines a BAFO is necessary, it shall request one from the Offeror. The Offeror shall submit its BAGO and any BAFO received after the deadline or not received shall not be considered.

21.900 Award Notice

The notice of intended contract award, if any, shall be sent to the selected Offeror on or about the date specified in section 20.100.

The contract award is subject to availability of funding.

Any agreement arising out of an offer is subject to the approval of the Department of Attorney General as to form and to all further approvals, including the approval of the Governor as required by statute, regulation, rule, order, or other directive.

SECTION 30 BACKGROUND

30.100 Medical Assistance in Hawaii

The Med-QUEST Division (MQD) is the unit within the Department of Human Services (DHS) that administers Hawaii's medical assistance programs. Medicaid, a federal and state partnership program created by Congress in 1965, provides medical assistance benefits to qualified uninsured and underinsured through the QUEST Integration (QI) and Community Care Services (CCS) programs.

Together, Medicaid covers approximately 336,680 individuals, per 2015 first quarter Public Summary Report. In addition to asset and income limits, the basic eligibility requirements for Medicaid include being 1) a U.S. citizen or qualified alien; 2) a Hawaii resident; and 3) not residing in a public institution such as prison or the State psychiatric hospital. Different eligibility categories such as pregnant women and children have different income thresholds and are not subject to an asset limit.

MQD also administers at this time two state-funded programs. The first is a state-funded aged, blind, and disabled (ABD) program for certain lawfully present non-pregnant adults who are ineligible under Medicaid. The second for the Breast and Cervical Cancer program. The MQD retains the ability to add new State funded programs. Eligibility requirements are the same as for Medicaid, but there is no U.S. citizenship requirement. Eligible persons are placed in the QI managed care health plans. Federal dollars are not claimed for these eligibility groups.

30.200 Department of Human Services

MQD is the organizational unit within DHS that is responsible for the operation and administration of the medical assistance programs including QI and CCS programs. For purposes related to this RFP, the basic functions or responsibilities of MQD include:

- Developing and defining the medical, dental and behavioral health benefits to be provided by the capitated, managed care plans
- Developing the rules, policies, regulations and procedures to be followed under the QI programs
- Negotiating and contracting with selected medical, behavioral health, and carve-out plans
- Determining initial and continued eligibility of beneficiaries
- Enrolling and disenrolling beneficiaries
- Monitoring the quality of services provided by the plans and its providers
- Reviewing and analyzing utilization of services and reports provided by the plans
- Handling unresolved beneficiary grievances with the health plans and providers
- Monitoring the financial status of all medical assistance programs administered by the Department
- Analyzing the effectiveness of QI and CCS in meeting its objectives
- Providing beneficiary information to the health plans
- Providing monthly capitation payments to health plans
- Managing Kauhale On-Line Eligibility Assistance (KOLEA)
- Managing the Hawaii Prepaid Medical Management Information System (HPMMIS)
- Managing the fiscal agent functions

30.300 Hawaii QUEST Integration (QI)

The QI program is a melding of several programs to include but not limited to QUEST and QUEST Expanded Access (QExA) programs into one-Statewide program providing managed care services to all of Hawaii's Medicaid population.

QI is a statewide Medicaid demonstration project (Section 1115 waiver) that provides a package of medical, dental, behavioral health, and Long-Term Services and Support (LTSS) benefits to individuals meeting the Medicaid financial and non-financial eligibility requirements for individuals and families. Description of the individuals eligibility and benefits for QI are found in Hawaii Administrative Rules, Title 17, Med-QUEST Division (1700 series).

30.310 Medicaid Covered Populations

- Children under 19 years of age
- Former foster care children under age 26
- Pregnant women
- Parent or caretaker relatives
- Individuals receiving transitional medical assistance
- Adults 19 to 64 years of age
- Individuals who are aged, blind, or with a disability
- Non-citizens or refugees
- Repatriates
- Individuals with breast and cervical cancer

30.320 *Non-Medicaid Covered Population*

- Individuals who are aged, blind, or with a disability, ineligible for Medicaid due to citizenship status, and legally reside in Hawaii
- Individuals with breast and cervical cancer who are ineligible for Medicaid due to citizenship status

30.330 *Excluded Populations*

Individuals excluded from participation in managed care under this contract include those who are:

- Medicare Special Savings Program Members;
- Enrolled in the State of Hawaii Organ and Transplant Program (SHOTT);
- Retroactively eligible only; and
- Eligible under non-ABD medically needy spenddown.

Individuals who are residents of the State applying to enter the QI program from an inpatient facility located in the continental U.S. or U.S. Territories shall not be enrolled in a health plan until they return to the State of Hawaii and determined eligible for medical assistance by the Department.

SECTION 40 SCOPE OF SERVICES

40.100 Introduction

The purpose of this contract is to ensure that medically necessary, cost effective quality services are being provided to QI and CCS members through a range of independent assessment activities.

40.200 Target Population

The target population is composed of QI beneficiaries. QI currently provides managed care health services to approximately 336,680,000 individuals, per 2015 first quarter Public Summary Report, with the majority of beneficiaries residing on Oahu. The CCS program includes approximately 5,700 beneficiaries.

40.300 Scope of Work

It is expected that the Offeror will address and perform the tasks set forth in this RFP. It is also understood that this listing of tasks and activities is not all-inclusive and that other elements of work may be addressed within the Offeror's proposal, if deemed appropriate.

For reporting requirements under any contract resulting from the RFP, unless otherwise stated, reports shall be submitted to the Contracts Monitoring and Compliance Section Administrator.

40.400 PRO Activities

40.410 *Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities*

The Offeror is required to conduct a medical record review of a sample of beneficiaries residing in nursing facilities (NFs). The purpose of this review is to determine if the residing residents received appropriate and timely Level 1 Screening, Level II Evaluations and/or Determination, and Resident Reviews. This

review can either be on-site at the nursing facility or by obtaining a copy of medical records for review. All expenses and arrangements are the responsibility of the Offeror. There are approximately forty-five nursing facilities.

The referring agency or physician performs a pre-admission Screening Level I for beneficiaries prior to entering or reentering a NF. Beneficiaries not entering a NF do not require a screen. If the Level I screen indicates that an individual is suspected to have a diagnosis of Serious Mentally Ill (SMI) and/or Intellectual Disability (ID) or Developmental Disability (DD), a Level II process may need to be initiated by the referring agency or physician. Beneficiaries who meet a categorical determination (Refer to Appendix I, Form 1178 Part C) do not have to proceed to the Level II process before admission into a NF.

If the beneficiary does not meet a categorical determination, and the referring agency and physician have deemed the individual as meeting the PASRR criteria for SMI and/or ID/DD, the completed evaluations must be sent to the appropriate State authorities. For beneficiaries with a potential diagnosis of SMI, the evaluation must be sent to Adult Mental Health Division (AMHD). For beneficiaries with a potential diagnosis for ID or DD, the evaluation must be sent to Developmental Disabilities Division (DDD). AMHD or DDD will determine if specialized services are needed and if admission to or stays in the NF are appropriate.

NFs are not required to perform annual resident reviews of beneficiaries who had Level II screens and have a diagnosis of seriously mentally ill (SMI) and/or intellectual disability (ID) and in need of NF services. However, the NF must report timely significant changes (mental deterioration or a newly suspected diagnosis for SMI residents as well as improvements in physical and/or mental capabilities with the DD/ID residents) to the State AMHD and/or to the State DDD authorities who are responsible for performing the determinations.

The DHS will select the sample for review, which will be approximately 30% of all NF admissions. Smaller facilities will

have at least five admissions reviewed. There will be no more than 500 PASRR reviews conducted annually by the Offeror.

All cases that did not meet criteria in areas such as timeliness or accuracy in screening must be reported monthly with the particulars of the case so that further action may be taken by the State. The Offeror must notify the DHS immediately upon discovery, if the facility does not comply with appropriate actions to correct the noncompliance.

An annual written summary report is required of all cases reviewed and shall be submitted to the staff member designated by MQD, or the Contracts Monitoring and Compliance Section Supervisor if no such designee is named. The report shall be due no later than 240 calendar days after the end of the calendar year. This report reflects the appropriateness of the pre-admission screening levels as well as the degree of compliance of the nursing facility (NF) to report changes in the beneficiary status to the appropriate Adult Mental Health Department (AMHD) and/or Developmental Disabilities Division (DDD) authorities. General recommendations on improvements in the PASRR processes should also be included.

The Offeror will provide the necessary education to the NF staff responsible for ensuring compliance with PASRR requirements, if they require more information to effectively meet PASRR requirements.

The State retains the right to:

- Review and approve all tools, worksheets, correspondences developed by the Offeror
- Review and approve all policies and teaching curriculum developed by the Offeror
- Review and monitor the quality of work performed by the Offeror.

40.420 *Long-Term Services and Supports (LTSS) Level of Care (LOC) and At Risk Determinations*

The Offeror will assume responsibility for making LTSS Nursing Facility (NF) LOC and At Risk determinations. This process is also known as the "1147 Process." The Offeror will receive all requests for nursing facility LTSS services or at risk services on:

- Form 1147 "Level of Care (LOC) and At Risk Evaluation"
- Form 1147a "Level of Care (LOC) Reevaluation"
- Form 1147E "Children/Youth UNDER age 21/Level of Care Evaluation."

Relevant beneficiary information on these forms will be provided by a registered nurse/physician/primary care provider and signed by a physician, registered nurse, or primary care provider. The Offeror will defer/approve/deny the appropriate LOC: Sub-acute, Skilled Nursing Facility (SNF), Intermediate Care Facility (ICF), Hospice or at risk category. The Offeror must accept electronic, fax, and mailed submittal of 1147 forms by providers and must have the capability to provide on-line (internet) LOC determinations with an electronic signature capability. An approximate average of 15,600 determinations are processed annually. The State is unable to predict if there will be any future changes in the number of determinations, however it is expected that the Offeror will provide this service regardless of the volume.

LOC determinations must be performed in Hawaii by registered nurses with a current Hawaii nursing license, under the supervision of Hawaii-based physicians with a current Hawaii physician license. The Offeror must train and monitor the performance of its Hawaii-based staff.

The supervising physician will, at a minimum, review denials, provide input into the State's position in any fair hearings concerning denials, and review cases when there is disagreement with the referring facilities/plans/physicians/primary care providers on the LOC or at risk category and on cases that are "borderline." The Offeror

will refer all potential denials of LTSS or at risk services to the State in situations where the referring facility/physician requests State reconsideration. If the State agrees that the denial should be made, the State will inform the Offeror's staff. If the State determines that a denial should not be made, the State's determination will be the final decision.

The Offeror's Hawaii staff must work with the State to modify procedures and policies due to changes in Federal or State statutes or administrative rules and/or if the changes will result in cost savings and/or improved beneficiary care.

Should there be a change in methodology or criteria for determining LTSS LOCs or at risk category, the Offeror will be notified and given specific directions by the State. The Offeror should review the current protocols and may recommend changes in protocols which would result in increased efficiencies.

The State must approve in writing any suggested changes in LOC or at risk category determination protocols.

40.430 Peer Review of Quality Care Concerns

A peer review process must be used by the Offeror to determine appropriateness of MCO LOC and at risk determinations and any questionable quality of care issues identified by the State on a case-by-case basis. The Offeror's report on each case shall be submitted within 2 weeks of completion of the investigation and shall include:

- Beneficiary's name,
- date of birth,
- gender,
- Medicaid identification number,
- member's MCO,
- nature of the investigation, including issue(s) investigated and methodology used,
- date(s) of investigation,

- findings,
- recommendations,
- staff (including name and position title) performing the investigation, and
- other pertinent information discovered.

40.440 Determinations Database

The Offeror will provide and maintain a web-based application database system for forms 1147, 1147a, 1147e, including at a minimum, the following information:

1. Beneficiary name,
2. Beneficiary Medicaid ID number or date applied,
3. Date of birth,
4. Date LTSS LOC/at risk form was submitted,
5. Referring entity,
6. Requested and approved/not approved LOC or at risk,
7. LOC/at risk determination date,
8. Identification of person making LOC/at risk determination,
9. Effective start and end dates of LOC/at risk determination,
10. Change in LOC, diagnosis(es),
11. Current medications, therapies (if any),
12. Functional assessment scores on all functional elements,
13. Total functional score,
14. Nursing interventions,
15. Nursing assessment date, and

16. Date the form was returned by the Offeror to the referring provider/agency/plan.

The web-based application database must:

1. Be able to track by beneficiary name, Medicaid number, date of birth, and designated health plan.
2. Be able to transfer level of care and at risk determinations daily to the State of Hawaii's Eligibility and Enrollment system (KOLEA)
3. Be able to accept LOC/at risk applications directly from providers or health plans
4. Be able to accept LOC/at risk applications without a Beneficiary Medicaid ID number
5. Be configurable to accommodate the CMS' or the State's need to add data elements to support the updates of forms 1147, 1147a, and 1147e forms that the Offeror is not collecting at the time.
6. Have role-based access controls
7. Be internet web-browser agnostic with at least the top four most widely used
8. Be available at all times to the Offeror's Hawaii-based staff, during normal working hours (7:45 a.m. to 4:30 p.m. H.S.T.)
9. Support electronic signature

The Offeror must develop and implement a process for database user identity verification (or re-verification), registration and access. The process developed by the Offeror and the database system provided shall be consistent with the State of Hawaii Uniform Electronic Transaction Act.

The Offeror must:

1. Be able to confirm the validity of a Beneficiary Medicaid ID number input by providers or health plans
2. Be able to provide to State staff and Medicaid providers/health plans, information on the status of requests for LOC/at risk determinations
3. Provide the State and Medicaid providers/health plans direct “look-up” access and training to access the system.

At a minimum, a quarterly report must be provided. The report must include:

- Number of LOC requests received,
- Number of LOC determinations performed, sorted by
- SNF WL, ICF WL, SNF NF, ICF NF, Sub-Acute and Hospice LOCs;
- Number of Comatose Patients by LOC;
- LOC Determination Trends;
- Functional Assessment Scores on all Functional Elements by LOC and at risk,
- Total Functional Score by LOC,
- Approval/Denial rates; and
- Deferral Rates.

A copy of the report requirements are located in Appendix J.

This report is due on the 15th of the month for the determinations of the preceding quarter. Additionally, an annual report reflecting aggregated data is due with the 4th quarter report.

The State retains the right to:

- Review and approve all policies and teaching curriculum developed by the Offeror.
- Review and monitor the quality of work performed by the Offeror
- Designate location for scheduled database system files backup in addition to the Offeror's database system backup process.

40.450 Turnover

On notification from the State, the Offeror shall be responsible for the turnover of the database system to the State or a designated agent at the conclusion of the contract term (or upon termination of the contract). The State will work closely with the Offeror during this process and must approve all Offeror's turnover approach and plans.

The Offeror shall maintain proper resources (such as staffing and licensing) throughout the Turnover Period to satisfy and maintain compliance with all requirements identified in the contract.

All items (such as hardware, hosting services, software, custom codes, data, supplies and documentation) developed, procured or managed by the Offeror shall be transferred to the State with statement by the Offeror attesting that the supplied components and materials are current, accurate and complete.

The Offeror shall furnish to the State, a statement of resources that will be required by the State or designated agent to take over the database system.

The Offeror shall provide services to turn over the database system to the State or designee. The services is to include turnover training, cutover activities, post-cutover support, removal of the database system on the Offeror systems and verification of turnover completion.

The Offeror shall provide verification in writing to the State that all items required to be transferred to the State have been transferred to the State and removed from the Offeror's system.

40.500 External Quality Review (EQR) Services

The Offeror will be required to conduct the following EQR services for the QI and CCS programs, including review of MCOs and PIHPs for compliance with all applicable current and future provisions of 42 CFR Part 438 Subpart E, as amended from time to time.

Specifically, the Offeror will be contracted with to provide the following:

- 1) Mandatory EQR activities
 - ❑ Validation of performance improvement projects required of the MCOs/PIHP by the State to comply with requirements set forth in §438.240 and that were conducted during the preceding 12 months;
 - ❑ Validation of MCO/PIHP performance measures reported as required by the State during the preceding 12 months to comply with requirements in §435.240; and
 - ❑ A review to determine the MCOs'/PIHP's compliance with standards established by the State and outlined in the BBA-required State Quality Strategy relating to access to care, structure and operations and quality assessment and improvement (§435.204)
 - ❑ An annual detailed Technical Report that provides the State with the EQR results for the prior contract year as required by CMS.
- 2) Required EQR Optional Activities

- Administration and reporting the results of the CAHPS® Consumer Survey (formerly the Consumer Assessment of Health Plans).
 - Administration and reporting the results of a provider satisfaction survey biannually
- 3) Technical Assistance to the State in quality review areas requiring improvements or updating.

40.510 *Qualifications of External Quality Review Organizations*

The Offeror must meet the minimum qualifications for external quality review organizations (EQRO) during the entire term of this Agreement and any extensions, in order to ensure FFP at the 75 percent rate.

Therefore, in accordance with 42 CFR Part 438 Subpart E, §438.354, the EQRO, and each of its subcontractors (if any) performing EQR or EQR-related activities must meet, at a minimum, the following competency and independence requirements:

- 1) Competence
 - a) Staff with demonstrated experience and knowledge of:
 - i) Medicaid beneficiaries, policies, data systems, and processes;
 - ii) Managed care delivery systems, organizations and financing;
 - iii) Quality assessment and improvement methods; and
 - iv) Research design and methodology, including statistical analysis.
 - b) Sufficient physical, technological, and financial resources to conduct EQR or EQR-related activities.

- c) Other clinical and nonclinical skills necessary to carry out EQR or EQR-related activities and to oversee the work of any subcontractor.

2) Independence of EQRO

The Offeror must be independent from the State Medicaid agency and from the MCOs/PIHPs they review. The Offeror therefore represents, and will certify that:

- a) The Offeror is independent from the State Medicaid agency and from the MCOs/ PIHP that it reviews;
 - Neither the Offeror nor the MCOs/PIHP that it reviews exerts control over the other through stock ownership; stock options and convertible debentures; voting trusts; common management, including interlocking management; or contractual relationships. For purposes of this section, the term “control” has the meaning given the term in 48 CFR§ 19.101;
- b) The Offeror does not deliver any health care services to Medicaid beneficiaries;
- c) The Offeror does not conduct, on the State’s behalf, ongoing Medicaid MCO operations related to oversight of the quality of MCOs/PIHP services except as they relate to external quality review;
- d) The Offeror does not have a present, or known future, direct or indirect financial relationship (as defined in 42 CFR §438.320) with the MCOs/PIHPs that it will review.

40.520 *EQR to Validate Performance Improvement Projects (PIPs)*

On an annual basis, the Offeror will validate two (2) PIPs conducted by each of the MCOs/PIHP. Each PIP is intended to provide a structured method to assess and improve MCO/PIHP members' quality health care outcomes, and must be systematically evaluated to determine the validity and reliability of its results. The Offeror will conduct this evaluation by using the CMS approved protocol. Examples include "Validating Performance Improvement Projects" dated September 2012, (Refer to: <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/quality-of-care/downloads/eqr-protocol-3.pdf>), or by using a protocol consistent with this CMS protocol.

The Offeror is required to submit a report to the MQD, addressing the following:

- An assessment of the MCO's/PIHP's study methodology, including:
 - Appropriateness of the study topic;
 - Clarity of defined study question;
 - Clarity of defined study indicators;
 - Accuracy in identifying the study population;
 - Validity of sampling techniques;
 - Accuracy and comprehensiveness of data collection procedures;
 - Appropriateness of improvement strategies;
 - Validity of data analysis and interpretation of study results;

- Assessment of the likelihood of real improvement; and Verification of sustained improvement;
- An evaluation of the overall validity and reliability of PIP results, including identification of threats to these results.

40.530 *Validation of performance measures*

On an annual basis, the Offeror will use an NCQA-approved process to validate the accuracy of the Healthcare Effectiveness Data and Information Set (HEDIS) Report Validation (HEDIS) measures reported by the MCOs/PIHP. The Offeror must ensure that NCQA hybrid methodology is strictly followed to validate the accuracy and reliability of the selected measures. The Offeror's protocols must be consistent with a CMS approved protocol.

The Offeror's recommended methodology and timelines to verify the HEDIS measures must be approved by the State prior to the start of the activity. Once the methodology is approved, the State and the Offeror will select plan data from the health plans for review.

The State may have other performance measures that are outside of HEDIS to include but not limited to National Quality Forum (NQF). The Offeror will need to use standardized audit techniques to validate the accuracy of these measures.

Problems found must be reported to the State upon discovery so corrections can be made. The Offeror will work with the State to evaluate and ensure that recommended corrective actions are implemented by the plan(s) to address identified deficiencies.

An annual written report is required at the conclusion of each fiscal year of the project summarizing major problems uncovered, recommended corrective actions, follow up on corrective actions, and other recommendations to improve the quality of health plan data.

For each year of the contract, the Offeror will validate all of the performance measures for the period January 1 through December 31 with the report of the previous calendar year.

40.540 *Determining Compliance of MCO/PIHP With Quality Assessment and Performance Improvement (QAPI) Standards*

The Offeror will conduct EQR activities to determine MCOs'/PIHP's compliance with standards established in the State's BBA-compliant Medicaid managed care Quality Assessment and Improvement Strategy (hereafter known as the *State's Quality Strategy*). This mandatory EQR will be conducted in accordance with 42 CFR Subpart C– Enrollee Rights and Protections; Subpart D – Quality Assessment and Performance Improvement; Subpart E – External Quality Review §438.358; Subpart F –Grievance System, and Monitoring Medicaid Managed Care Organizations (MCOs) and Prepaid Inpatient Health Plans (PIHPs): A Protocol for Determining Compliance with Medicaid Managed Care Proposed Regulations at 42 CFR Parts 400, 430, et al, Final Protocol, Version 1.0, February 11.2003, or a protocol consistent with this CMS protocol.

In addition to the federal regulations, the Offeror will base the EQR on the following State documents:

- ❑ RFP-MQD-2014-005 QUEST Integration Managed Care to Cover Medicaid and Other Individuals Medical Services RFP (Scope and Appendices) on www.spo.hawaii.gov website under Closed 103F RFPs
- ❑ RFP-MQD-2014-005 Community Care Services RFP on www.spo.hawaii.gov website under Closed 103F RFPs.

The EQRO will be required to review the components of the current State Quality Strategy, and any revisions made hereafter to improve the effectiveness of the strategy. The EQRO's focus in these areas will be to evaluate quality outcomes and timeliness of, and access to, care and services provided to QI and CCS beneficiaries.

The current quality standards requiring review are:

- ❑ Enrollee rights and protections
- ❑ Access standards, including the:
 - Availability of services
 - Adequacy of capacity and services
 - Coordination and continuity of care
 - Coverage and authorization of services
- ❑ Structure and operation standards, including:
 - Provider selection
 - Enrollee Information
 - Confidentiality
 - Enrollment and disenrollment
 - Grievance systems, and
 - Subcontractual relationships and delegation
 - Credentialing (including Disclosure and Ownership)
- ❑ Quality measurement and improvement standards, including:
 - Practice guidelines
 - Quality assessment and performance improvement program
 - Health information systems.

40.550 EQR of MCO/PIHP Corrective Action Plans (CAPs)

MCOs/PIHP will be required to develop a CAP for any standard not meeting 100% compliance and will also be required to implement changes to improve performance in these respective areas. To complete this activity, the Offeror will be responsible for:

- ❑ Preparing the CAP template to be used by each MCOs/PIHP;
- ❑ Reviewing the CAP(s) and any substantiating documentation submitted by the MCO/PIHP;
- ❑ Providing results to the MQD and the MCO/PIHP regarding the feasibility of the CAP meeting goals; and
- ❑ If it is determined that the CAP submitted by the MCO/PIHP will not meet the stated objective, the Offeror will request submittal of a revised CAP following discussion with MQD and the MCO/PIHP.

40.560 Re-Evaluation of MCO/PIHP CAPs

A re-evaluation will be conducted by the Offeror for progress and compliance with standards not meeting 100% compliance. The State retains the right to require an on-site visit by the Offeror to the MCOs/PIHP requiring assistance with CAPs and CAP implementation. The Offeror will provide a draft report of findings, including identified strengths and opportunities for improvement to each MCO/PIHP under review. The report will provide sufficient detail to define further action(s) required by the MCOs/PIHP.

The Offeror will finalize the report with input from the MCOs/PIHP every contract year. The MCO/PIHP-specific final report will be provided to the MQD and to each respective MCO/PIHP.

40.570 EQRO Annual Reporting Requirements

Annually, the EQR will provide DHS with the results. At a minimum, the Offeror must provide:

- ❑ A detailed technical report that describes the manner in which the data from all activities conducted in accordance with §438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCO/PIHP. The report must also include the following for each activity conducted:
 - Objectives.
 - Description of technical methods of data collection and analysis.
 - Description of data obtained.
 - Conclusions drawn from the data.
- ❑ An assessment of each MCO's/PIHP's strengths and opportunities for improvement with respect to the quality, timeliness, and access to health care services furnished to QI and CCS beneficiaries.
- ❑ Recommendations for improving the quality of care furnished by the MCOs/PIHP.
- ❑ An assessment of the degree to which each MCO/PIHP has effectively addressed the recommendations for quality improvement made during the previous year's EQR.
- ❑ Comparative information on all MCOs/PIHP (as the State determines methodologically appropriate).
- ❑ A draft for review and approval of the detailed technical report of the EQR and EQR-related activities performed for a State that meet all requirements stipulated in CFR 438.364(a) - External quality review results – *Information that must be produced* prior to issuing the final version; and

- A description of the composition of the Offeror's Technical Report development team, including position titles, expertise and skill.

The State is responsible for implementing the provisions of 42 CFR 438.364 (5)(b) (availability of information) and ensuring compliance with 42 CFR 438.364 (5)(c) (safeguarding patient identity).

The EQR will provide two hard copy reports and two electronic copies (on CD) of the final report to the State.

40.575 Customer Satisfaction Survey

The State of Hawaii requires annual administration of the CAHPS. The most current National Committee for Quality Assurance (NCQA) Medicaid CAHPS survey shall be used at the time of administration. The Offeror must only use a NCQA-certified independent research organization to administer and provide analysis following strict NCQA guidelines. A survey will be conducted annually of an NCQA-certified sample of members enrolled in each medical plan. There are currently five (5) QI MCOs with total, 336,680 members, of which about 143,936 are children/youth under the age of 21. The Offeror shall be responsible to include any new MCOs/PIHPs when QI contracts are implemented.

The sample size for each MCO/PIHP will allow each plan's results to stand independently. While it is expected that accuracy in member residence addresses will improve, the Offeror should plan on a 30% over-sample to make up for inaccurate member addresses.

For the QI program, the EQR will conduct two CAHPS® Consumer surveys annually. Each year, the EQR will conduct a pediatric CAHPS® Consumer Survey of the DHS' Child Health Insurance Program (CHIP) population. In addition, the other CAHPS® Consumer survey will alternate between a pediatric and an adult survey for the Medicaid QI population.

The EQR will use the English language survey. However, the Offeror will include a language block with the letter that is mailed

with the survey. The language block will offer interpreter services in languages other than English for completion of the survey.

The Offeror will be responsible for producing the survey materials, survey administration, data entry, analysis, and reports to the State. Since the survey will be both by mail and phone, the Offeror will print, mail, conduct the telephone survey, respond to questions over the telephone, and accept responses. All expenses concerning the survey such as printing costs, paper, envelopes, postage, phone lines, etc. will be the responsibility of the Offeror.

A special report that summarizes the results will be finalized and provided to the State. An electronic copy of the final report and raw data will be given to the State. Each MCO will receive a copy of their health plan-specific raw data broken down by island. Upon the State's request, the Offeror will be responsible for presenting the results to an audience of the State's choosing and a copy of any visual aids will be given to the State.

40.580 Provider Satisfaction Survey

The provider survey will be conducted every other year with the first survey occurring in fall 2016. The Offeror shall develop a provider survey tool and methodology appropriate for gauging provider satisfaction on topics such as how they feel about managed care, how satisfied they are with reimbursement, and how they evaluate the impact of MCO/PIHP utilization management on their ability to provide quality care. The provider satisfaction survey that has been conducted through the mail, will be issued to a sample of the MCOs/PIHP. Both primary care providers and specialists will be surveyed and it is anticipated that office managers will also be included. Currently, the MQD has contracted with five MCOs. Four of the MCO's provide services on a statewide basis. One MCO only provides services on Oahu and Maui. The Offeror shall be responsible to include any new MCOs when QI or CCS contracts are reprocured. The Offeror shall have responsibility to include a PIHP that the MQD adds in the future.

Based on the current number of primary care providers and specialists for each plan, there are approximately 1500 providers and provider office managers to be surveyed. The Offeror should be aware that there is a large overlap of providers on the open panel QI health plans - many providers contract with more than one health plan.

The Offeror may provide suggestions for improvement to the instrument and will work with the State to select an appropriate statistically valid sample. In addition to developing the sampling plan, the Offeror will develop the survey methodology, which includes determining an acceptable response, proposing actions to be taken to maximize the response rate, and preparing the final report. The State will review and approve the Offeror's methodology for reporting the raw data. The sample and survey methodology must be sufficient to provide individual results by plan.

The Offeror will be responsible for producing the survey materials, survey administration, data entry, analysis, and reports to the State. Since the survey will be by mail, the Offeror will print, mail, respond to questions over the telephone and accept responses. All expenses concerning the survey such as printing costs, paper, envelopes, postage, telephone lines, etc. will be the responsibility of the Offeror. Medical provider and office manager provider survey results are to be reported separately. At least one draft report will be prepared and submitted to the State for review and comments one month prior to finalization. An electronic copy of the final report and raw data will be given to the State. Each plan will receive a diskette with their plan specific raw data per island. The Offeror will be responsible for presenting the results to an audience of the State's choosing and a copy of any visual aids will be given to the State.

40.590 Technical Assistance

The Offeror will offer technical assistance to the State in the areas that require improvement and updating. These areas may be the State's Quality Strategy, readiness reviews of MCOs in

preparation of reprocured contract as well as assistance with the development and implementation of review tools.

Additionally, Offeror will offer technical assistance to MCOs/PIHPs and the State to assist in conducting activities related to the mandatory and optional activities that provide information for the EQR.

40.600 Accuracy, Completeness and Timeliness of the Data

Accuracy – data and reports shall be correct and present accurate information.

Timeliness- No later than 60-days prior to the end of the calendar year, the EQR shall submit a workplan to DHS that includes the details of completion of each of the functions identified in Section 40.500. The workplan shall include the due dates associated with completion of each function. In addition, no later than 60-days prior to the end of the calendar year, the EQR shall submit a MCO/PIHP calendar that identifies their due dates for each function identified in Section 40.500. The workplan and MCO/PIHP calendar shall be reviewed and approved by DHS.

Completeness – all requested data information must be fully disclosed with no material omissions.

Failure to submit complete and accurate reports on a timely basis to the DHS, shall be subject to a \$500 per day penalty, unless waived in writing by the DHS.

40.700 Availability/Access of the Offeror to the State

The Offeror shall maintain an office in the State and be available to the DHS staff, Monday through Friday, 7:45 a.m. through 4:30 p.m., Hawaii Standard Time. The Offeror shall describe which functions will be located locally and what components will reside outside of the State. For those functions residing outside of the State, the Offeror must describe how these functions will be accessible to the DHS, if applicable, and any limitations on availability.

40.800 Offeror's Detection of Fraud and Abuse/Neglect in Offeror's Organization

Through its Compliance Program, the Offeror shall identify cases/employees within its own organization who may be committing fraud and abuse/neglect that negatively impact the ability of the Offeror to successfully perform RFP requirements. Offeror shall report suspected cases to the State (MQD) within 30 days of discovery.

At a minimum, Offeror's report shall include information about: the source of the complaint, nature of the complaint (including date of discovery); description of preliminary investigation and findings, action(s) taken by the Offeror, and disposition of the case.

SECTION 50 TERMS AND CONDITION

50.100 General

The following documents form an integral part of the contract between the Contractor and DHS (hereafter collectively referred to as "the Contract"):

- Contract for Goods or Services: Competitive Sealed Proposals (form AG-004 Rev. 11/15/2005), including General Conditions for Goods or Services Contracts (Form AG-008-103D) see Appendix C), any special conditions, attachments and addenda;
- This RFP, including all appendices, attachments and addenda, which shall be incorporated by reference; and
- The Offeror's proposal submitted in response to this RFP form, which shall be incorporated by reference.

The contract shall be construed in accordance with the laws of the State of Hawaii.

In the event of any inconsistency between the articles, attachments, specifications, or provisions which constitute this Contract, the following order of precedence shall apply:

- Contract Form AG-004, Rev 11/15/2005, including any special conditions, attachments and addenda.
- The Special Terms & Conditions included in this section.
- The RFP (RFP-MQD-2016-002).
- The Contractor's offer (the selected Offeror's proposal in response to this RFP).

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of the Federal, State and local governments, that in any way affect its performance under the contract.

The Contractor shall pay all taxes lawfully imposed upon it with respect to the contract or any product delivered in accordance herewith. MQD makes no representations whatsoever as to the liability or exemption from liability of a Contractor to any tax imposed by any governmental entity.

The offer shall be executed by the State of Hawaii Department of Human Services in accordance with the Hawaii Revised Statutes, Chapter 103D, and the administrative rules promulgated thereunder.

50.200 Term of the Contract

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of the State of Hawaii Department of Human Services. The initial contract term shall begin on January 1, 2016 or upon execution of the contract, whichever is later and shall continue through December 31, 2016.

Unless terminated, the contract may be extended without the necessity of re-bidding, for not more than five (5) additional twelve (12) month periods or parts thereof, upon mutual agreement in writing. Any renewal or extension of the contract will be subject to the appropriation and availability of funds and acceptable performance by the Contractor (to be determined by the State).

The Contractor acknowledges that other unanticipated uncertainties may arise that may require an increase or decrease in the original scope of services from the Contractor awarded this contract. In the event that additional or decrease in services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the State for the additional or decrease in work. The supplemental agreement may also include an extension of the period of performance and a respective increase or decrease in the compensation.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however this does not affect either the State's rights or the Contractor's rights under any termination clause of the contract. The State must notify the Contractor, in writing, at least sixty (60) days prior to the expiration of the contract whether funds are available or not available for the continuation of the contract for each succeeding contract extension period. In the event of cancellation, as provided in this paragraph, the Contractor will be reimbursed for the unamortized, reasonably incurred, nonrecurring costs in accordance with HRS 103D-315(c).

50.300 Insurance

The Contractor shall maintain insurance acceptable to the MQD in full force and effect throughout the term of this contract, until the MQD certifies that the Contractor's work has been completed satisfactorily.

Prior to or upon execution of the contract and any supplemental contracts, the Contractor shall provide to the MQD certificate(s) of insurance, including any referenced endorsements, dated within thirty (30) days of the effective date of the contract necessary to satisfy the DHS that the insurance provisions of this contract have been complied with. Upon request by the MQD, the Contractor shall furnish a copy of the policy(ies) or endorsement(s) necessary for DHS to verify the coverage required by this section.

The policy or policies of insurance maintained by the Contractor shall be written by insurance companies licensed to do business in the State of Hawaii or meet the requirements of Section 431:8-301, Hawaii Revised Statutes, if utilizing an insurance company not licensed by the State of Hawaii.

The policy(ies) shall provide at least the following limit(s) and coverage:

Coverage	Limits
Commercial General Liability	<ul style="list-style-type: none"> • \$1 million per occurrence • \$2 million in the aggregate
Automobile	May be combined single limit: <ul style="list-style-type: none"> • Bodily Injury: \$1 million per person, \$1 million per accident • Property Damage: \$1 million per accident
Workers Compensation/Employers Liability (E.L.)	Workers Comp: Statutory Limits <ul style="list-style-type: none"> • E.L. each accident:\$1 million • E.L. disease: \$1 million per employee, \$1 million policy limit • E.L. \$1 million aggregate
Professional Liability	<ul style="list-style-type: none"> • \$1 million per claim • \$2 million annual aggregate

Each insurance policy required by this contract shall contain the following clauses, which shall also be reflected on the Certificate of Insurance:

- a. "The State of Hawaii is an additional insured with respect to operations performed for the State of Hawaii."
- b. "Any insurance maintained by the State of Hawaii shall apply in excess of, and not contribute with, insurance provided by this policy."

Automobile liability insurance shall include coverage for the Contractor's employees who use their own vehicles in the course of their employment.

MQD agrees to take all necessary steps to maintain the confidentiality of any such policies made available by Contractor

under the terms of this paragraph, to the extent allowed or required by law.

The Contractor shall provide prompt written notice to the MQD should any of the insurance policies be cancelled, limited in scope, or not be renewed upon expiration to the extent affecting Contractor's compliance with the requirements hereunder.

Failure of the Contractor to provide and keep in force the insurance required under this section shall be regarded as a material default under this contract, entitling the MQD to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract.

If the Contractor is authorized by the MQD to subcontract, subcontractors are not excused from the indemnification and/or insurance provisions of this contract. In order to indemnify the State of Hawaii, the Contractor agrees to require its subcontractors to obtain insurance in accordance with this section.

50.400 Offerors Progress

On-site reviews will be conducted by the DHS to verify the accuracy and appropriateness of information provided by Offerors in their proposals. DHS may request additional information or documentation from the Offeror that is reasonably required by the DHS in its evaluation of the proposal. If awarded a contract, the Offeror shall submit a plan for implementation of PRO/EQRO services and shall provide progress/performance reports every two weeks beginning two weeks after the notification of contract award. The format to be used shall be approved by the DHS. The purpose of the reports is to ensure that the Offeror will be ready to process 1147 determinations as of January 1, 2016 and that all required elements such as trained staff and the information system are in place.

50.500 Inspection of Work Performed

DHS, CMS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), and the Medicaid Fraud Control Unit of the Department of the Attorney General or their authorized representatives, during normal business hours, have the right to enter into the premises of the Contractor, all subcontractors, and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work

being performed and have access to all records. Monitoring may include but is not limited to semi-annual on-site reviews of the 1147 determination process and PASRR process and reports. All inspections and evaluations shall be performed in such a manner as to not unduly delay the contractor's work. This includes timely and reasonable access to the personnel for the records and files pertaining to the Contractor in the State of Hawaii at the Contractor's principal place of business or at a storage facility on Oahu that is accessible to the foregoing identified parties.

50.510 *Audit Requirements*

The state and federal standards for audits of the DHS designees, contractors and programs conducted under contract are applicable to this subsection and are incorporated by reference into the contract. The DHS, the HHS, or the Secretary may inspect and audit any records of the health plan and its subcontractors or providers. There shall be no restrictions on the right of the State or Federal government to conduct whatever inspections and audits are necessary to assure quality, appropriateness or timeliness of services and reasonableness of their costs.

50.600 Wages, Hours and Working Conditions of Employees Providing Services

Before an Offeror enters into a contract in excess of \$25,000, the Offeror shall certify that it complies with Section 103-55, HRS, Wages, hours and working conditions of employees of Offerors performing services. The Offeror shall complete and submit the Wage Certification as provided in Appendix E of the RFP, pursuant to Section 103-55, HRS.

50.700 Standards of Conduct

The Contractor shall execute the Provider's Standards of Conduct Declaration, a copy of which is found in Appendix D, and which shall become part of the contract between the contractor and the State.

50.800 Confidentiality of Information

In addition to the requirements of General Condition 42, the Contractor understands that the use and disclosure of information concerning applicants, beneficiaries or members is restricted to purposes directly connected with the administration of the Hawaii Medicaid program, and agrees to guard the confidentiality of an applicant's, beneficiary's or member's information as required by law. The Contractor shall not disclose confidential information to any individual or entity except in compliance with the following:

- 42 CFR Part 431, Subpart F;
- The Administrative Simplification provisions of HIPAA and the regulations promulgated thereunder, including but not limited to the Security and Privacy requirements set forth in 45 CFR Parts 160 and 164;
- Section 346-10, HRS; and

- All other applicable federal and State statutes and administrative rules, including but not limited to:
 - Section 325-101, HRS, relating to persons with HIV/AIDS;
 - Section 334-5, HRS, relating to persons receiving mental health services;
 - Chapter 577A, HRS relating to emergency and family planning services for minor females;
 - 42 CFR Part 2 relating to persons receiving substance abuse services;
 - Chapter 487J, HRS, relating to social security numbers; and
 - Chapter 487N, HRS, relating to personal information.

Access to member identifying information shall be limited by the Contractor to persons or agencies that require the information in order to perform their duties in accordance with this contract, including the U.S. Department of Health and Human Services (DHHS), the Secretary, the DHS and other individuals or entities as may be required by the DHS. (See 42 CFR Section 431.300, et seq. and 45 CFR Parts 160 and 164.)

Any other party shall be granted access to confidential information only after complying with the requirements of state and federal laws, including but not limited to HIPAA, and regulations pertaining to such access. The Contractor is responsible for knowing and understanding the confidentiality laws listed above as well as any other applicable laws. Nothing herein shall prohibit the disclosure of information in summary, statistical or other form that does not identify particular individuals, provided that de-identification of protected health information is performed in compliance with the HIPAA Privacy Rule.

The Contractor is a "business associate" of the MQD, as that term is defined under the HIPAA regulations, 45 CFR §160.103, and agree to the terms of the Business Associate Agreement (BAA) found in Appendix E.

The Contractor is cautioned that State and Federal Medicaid rules, and some other State and Federal statutes and rules, including but not limited to those listed above, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to the Contractor to the same extent as they apply to MQD.

The Contractor shall implement a secure electronic mail (email) encryption solution to ensure confidentiality, integrity, and authenticity of email communications that contain information relating to members.

50.900 Subcontractors/Provider Agreements

The Contractor may negotiate and enter into contracts or agreements with subcontractors to the benefit of the Contractor and the State as long as the subcontractor meet all established criteria and provide the services in a manner consistent with the minimum standards specified. All such agreements shall be in writing and shall specify the activities and responsibilities delegated to the subcontractor. No subcontract or agreement that the Contractor enters into with respect to the performance under the contract shall in any way relieve the Contractor of any responsibility for any performance required of it by the contract. The contracts must also include provisions for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate.

DHS reserves the right to inspect **all** subcontractor agreements at any time during the contract period. Any subcontract may be subject to the DHS's prior review and approval.

The Contractor shall notify the DHS in writing at least ninety (90) days prior to adding or deleting subcontractor agreements or making any change to any subcontractor agreements which may materially affect the Contractor's ability to fulfill the terms of the contract.

The Contractor shall provide the DHS with immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor, and prompt notice of any claim

made against the Contractor, may result in litigation related in any way to the contract with the State of Hawaii. The Contractor shall designate itself as the sole point of recovery for any subcontractor.

Additionally, no assignment by the Contractor of the Contractor's right to compensation under the contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in Section 40-58, HRS, or its successor provision.

All subcontractor agreements must, at a minimum:

- Describe the activities, including reporting responsibilities, to be performed by the subcontractor and require that the subcontractor meet all established criteria prescribed and provide the services in a manner consistent with the minimum standards specified in the Contractor's contract with the State;
- Require that the subcontractor fulfill the requirements of 42 CFR Section 438.6 that are appropriate to the service delegated under the subcontract;
- Include a provision that allows the Contractor to:
 - Evaluate the subcontractor's ability to perform the activities to be delegated;
 - Monitor the subcontractor's performance on an ongoing basis and subject it to formal review according to a periodic schedule (the frequency shall be stated in the agreement) established by the DHS and consistent with industry standards or State laws and regulations;
 - Identify deficiencies or areas for improvement; and
 - Take corrective action or impose other sanctions including, but not limited to, revoking delegation, if the subcontractor's performance is inadequate.
- Require that the subcontractor submits to the Contractor a tax clearance certificate from the Director of the DOTAX,

State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor have been paid;

- Require that the subcontractor fully adhere to the privacy, confidentiality and other related requirements stated in the RFP and in applicable federal and state law;
- Require that the subcontractor follow all audit requirements as outlined in Section 50.510 inclusive. The actual requirements shall be detailed in the agreement;
- Require that the subcontractor comply with all requirements related to confidentiality of information imposed by this RFP, to the extent subcontractor render services or perform functions that make such provisions applicable to such agreements.
- Require that the subcontractor notify the Contractor and the MQD of all breaches of confidential information. The notice to the State shall be within two (2) business days of discovery of the breach and a written report of the investigation and resultant mitigation of the breach shall be provided to the State within thirty (30) calendar days of the discovery of the breach.

51.100 Payment

The Contractor shall submit an original invoice and one copy for services performed to:

Department of Human Services
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707

51.200 Use of Funds

The Contractor shall not use any public funds for purposes of entertainment or perquisites and shall comply with any and all conditions applicable to the public funds to be paid under the contract, including those provisions of appropriate acts of the

Hawaii State Legislature or by administrative rules adopted pursuant to law.

51.300 Termination of the Contract

This contract may terminate or may be terminated by DHS for any or all of the following reasons in addition to the General Conditions in Appendix C:

- In the event of the insolvency of or declaration of bankruptcy by an Offeror.
- In the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder.

Each of these is described in the following subsections.

51.310 Termination for Bankruptcy or Insolvency

In the event that an Offeror shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate a contract under this provision it shall do so by sending notice of termination to the Offeror by registered or certified mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to the Offeror, unless otherwise specified.

51.320 Termination for Unavailability of Funds

Notwithstanding any other provision of this contract, the parties hereto agree that the charges hereunder are payable by the DHS solely from appropriations received by DHS from the Legislature of the State of Hawaii. In the event such appropriations are determined, at the sole discretion of the Director of DHS, to no

longer to exist, or to be insufficient with respect to the charges payable hereunder, this contract shall terminate without further obligation of DHS as of that moment. In such event, the Director of DHS shall certify to an Offeror the occurrence thereof, and such certification shall be conclusive.

51.400 Conformance With Federal Regulations

Any provision of the contract which is in conflict with federal Medicaid statutes, regulations, or CMS policy guidance is hereby amended to conform to the provisions of those laws, regulations, and federal policy. Such amendment of the contract shall be effective on the effective date of the statutes or regulations necessitating it, and will be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

51.500 Force Majeure

If the Contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of major epidemic, act of God, war, civil disturbance, court order or any other cause beyond its control, the Contractor shall make a good faith effort to perform such obligations through its then-existing facilities and personnel; and such non-performance shall not be grounds for termination for default.

Neither party to the contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party.

Nothing in this section shall be construed to prevent the DHS from terminating the contract for reasons other than default during the period of events set forth above, or for default if such default occurred prior to such event.

51.600 Prohibition of Gratuities

Neither the Contractor nor any person, firm or corporation employed by the Contractor in the performance of the contract shall offer or give, directly or indirectly, to any employee or designee of the State of Hawaii, any gift, money or anything of

value, or any promise, obligation, or contract for future reward or compensation at any time during the term of the contract.

51.700 Attorney's Fees

In addition to costs of litigation provided for under General Condition 8, in the event that DHS should prevail in any legal action arising out of the performance or non-performance of this contract, the Contractor shall pay, in addition to any damages, all expenses of such action including reasonable attorney's fees and costs. The term 'legal action' shall be deemed to include administrative proceedings of all kinds, as well as all actions at law or equity.

51.800 Warranty of Fiscal Integrity

An offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. An offeror shall provide sufficient financial data and information to prove its financial solvency.

In addition, in conformance with federal Medicaid statutes (in particular section 438.362) the State may amend the scope and reduce the services of the Contractor if the MCO meets the basis for exemption.

51.900 Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each party certifies that such person has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this contract, understands it, and agrees to be bound by it.

SECTION 60 TECHNICAL PROPOSAL

60.100 Introduction

The following sections described the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

60.110 Offeror Proposal

Offeror's Proposals must include the components detailed in Sections 60.100 through 60.285. No partial bids will be accepted. Any bids submitted that are deemed to be incomplete may be rejected by MQD.

Offeror's Proposals must be received by MQD on the date and time specified in Section 20.100 and 21.200.

Table 6-1 Formatting Requirements

Subject	Requirement
Paper Size	8½ X 11 inch paper (letter size) and double-sided.
Font	Text font must be no smaller than 11 points. Tables and figures may be in smaller font but must be legible.
Spacing	Proposals must be single-spaced.
Cover Page	The cover page of each Proposal document must include the following information: Name and address of the Offeror Date of submission To Provide External Quality Reviews and Peer Review Organization Services of Medicaid QUEST Integration Managed Care Organizations/Prepaid Inpatient Health Plan for the Medicaid Fee-for-Service Program RFP-MQD-2016-002
Page Limit	Although there are no page limits, Offerors should limit the amount of extra material they submit. Offerors may include material not specifically requested by MQD that provides relevant information to support their response. Additional materials will not be scored and will have no bearing on final selection. There is no guarantee that evaluators will review such materials.

Subject	Requirement
Number of Proposals	Offerors will submit two (2) Proposals including: One (1) Technical Proposal One (1) Business Proposal
Number of copies	Technical Proposal: One (1) original hard copy and two (2) identical copies of the original, each in a three-ring binder with tabbed sections One (1) electronic copy (CD-ROM) Business Proposal: One (1) original hard copy in a three-ring binder One (1) electronic copy (CD-ROM)
Shipment	All Proposals must be sealed and addressed to: Ms. Leslie Tawata , Med-QUEST Assistant Administrator Department of Human Services, Med-QUEST Division 1001 Kamokila Blvd, Suite 317 Kapolei, Hawaii 96707 Telephone: 808-692-8050
Delivery Method	The following hard copy Proposal delivery methods are acceptable: U.S. Mail: Offerors are cautioned that it is their responsibility to mail Proposals in sufficient time to ensure receipt by MQD prior to the Proposal due date and time. Express Delivery: If bids are being sent via an express delivery service, Offerors are responsible for clearly designating the Proposal delivery contact and address, including telephone number, on the outside of the delivery envelope or box. Hand Delivery: Hand-carried proposals shall be delivered to Ms. Leslie Tawata at the address above prior to the Proposal due date and time. MQD will not accept Offeror Proposals submitted by electronic e-mail or fax.

Subject	Requirement
Envelope Contents and Labeling	<p>Technical Proposals and Business Proposals must be sealed in separate envelopes or boxes within the "Sealed Proposal." Each Proposal must be submitted in a single box or envelope (or boxes / envelopes labeled 1 of 6, 2 of 6, 3 of 6, etc.). Proposals should be clearly marked "SEALED Proposal" and should include the following items:</p> <p>Indicate if it is the Technical or Business Proposal Title – EQRO/PRO-RFP-MQD-2016-002 Proposal Due Date Name of the Offeror</p>
CD-ROM	<p>The Technical Proposal and Business Proposal must be provided on separate CD(s); the CD-ROM must be placed in the envelope with the original copy of each Proposal. The Technical Proposal must be submitted as Microsoft Office (Word, Excel, and PowerPoint) format or Portable Document Format (PDF) files. Files shall not be password-protected or saved with restrictions that prevent copying, saving, highlighting, or reprinting of the contents.</p>
Request for Confidential Treatment	<p>Requests for confidential treatment of any information in a Proposal must be submitted in accordance with Section 20.970. Requests for confidential treatment of information must be submitted on the form in Appendix F. The Business Proposal will be part of the ultimate contract entered into with the successful Offeror so pricing information may not be designated as confidential material.</p>
Cross References	<p>Each Proposal section should provide a cross-reference to the pertinent section(s) in the RFP. When material is pertinent to multiple requirements, multiple cross-references must be provided.</p>

60.200 Technical Proposal Submission Requirements

The following sections describe the required content and format for submission of Technical Proposals in response to this RFP. Offerors must submit one (1) original and two (2) identical hard copies of the Technical Proposal, each in a three-ring binder with tabbed sections. The Technical Proposal should also include one (1) electronic copy in Microsoft Office (Word, Excel, and

PowerPoint) format or Adobe Acrobat Portable Document Format (PDF) saved to a CD-ROM. One hard copy of the Technical Proposal must contain original signatures and be clearly marked as the "Original Technical Proposal."

Offeror must submit Technical Proposals in the following order separated by tabs:

- **Tab 1:** Offer Form (OF-1)
- **Tab 2:** Transmittal letter
- **Tab 3:** Mandatory Technical Proposal Requirements Checklist
- **Tab 4:** Notes and Certifications
- **Tab 5:** Executive Summary
- **Tab 6:** Company Background and Experience, Subcontractor Listing
- **Tab 7:** Offeror Financial Condition
- **Tab 8:** Project Organization and Staffing
- **Tab 9:** Approach
- **Tab 10:** Work Plan
- **Tab 11:** PRO Services with Sub-Tabs for Each Section
- **Tab 12:** EQR Services with Sub-Tabs for Each Section
- **Tab 13:** Assumptions
- **Tab 14:** Anticipated Problem Areas

60.210 Tab 1: Offer Form

The Offeror Form (refer to Appendix A) shall be signed by an individual authorized to legally bind the Offeror and included in this section.

60.220 Tab 2: Transmittal Letter

The transmittal letter must be on official letterhead and be signed by an individual authorized to legally bind the Offeror. It shall include:

- A statement indicating that the Offeror is a corporation or other legal entity. All subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the prime Offeror and each subcontractors, as measured by percentage of total contract price

- A statement that the Offeror is/will be registered to do business in Hawaii and has/will obtain a State of Hawaii General Excise Tax License by the start of work. Provide the Hawaii excise tax number (if applicable)
- The Offeror's Federal Tax Identification Number
- A statement identifying all amendments and addenda to this RFP issued by the Issuing Office and received by the Offeror. If no amendments or addenda have been received, Offerors must include a statement that none were issued
- A statement that the person signing this Proposal is authorized to make decisions as to the proposed work, the prices quoted, that the offer is firm and binding, and that he or she has not participated and will not participate, in any action contrary to the RFP
- The name, telephone number, and email address of the Offeror's representative who may be contacted for all contractual matters
- A statement that the Offeror has read, understands, and agrees to all provisions of this RFP
- A statement that it is understood that if awarded the contract, the Offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and amendments
- A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, creed, ancestry, age, marital status, arrest and court records, sex, including gender identity or expression, sexual orientation, religion, national origin or mental or physical handicap, except as provided by law;
- A statement that neither cost nor pricing is included in this letter or the technical proposal

- If the use of subcontractor(s) is proposed, a statement from each subcontractor must be appended to the transmittal letter signed by an individual authorized to legally bind the subcontractor and stating the general scope of work to be performed by the subcontractor(s) including:
 - a. The scope and percentage of work to be performed by the subcontractor (measured as a percentage of the total agreement price paid directly to the subcontractor);
 - b. The subcontractor's willingness to perform the work indicated; and
 - c. The subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract.
- A statement that no attempt had been made or will be made by the Offeror to induce any other party to submit or refrain from submitting a proposal
- A statement that the Offeror is a PRO that received 75 percent federal financial participation (FFP) for PRO services in at least one other state
- A statement that the Offeror is an EQRO that received 75 percent FFP for EQR services in at least one other state
- A statement that the bid was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.
- If any page is marked "Confidential" or "Proprietary" in the Offeror's proposal, an explanation to DHS of how substantial competitive harm would occur if the information is released and inclusion of the completed form in Appendix F;
- A statement that neither the Offeror nor any proposed subcontractor has been found in default of previous contracts in the State of Hawaii

- The Offeror's assurance that the Proposal will remain in full force and effect for at least 180 days from the Proposal due date, which will be specified in the Transmittal Letter.

60.230 Tab 3: Mandatory Proposal Requirements Checklist

Offerors must complete the Mandatory Proposal Requirements Checklist (Appendix K) by putting a check-mark in the column labeled "Offeror." If the Offeror does not check all the mandatory requirements, please provide an explanation at the end of the checklist.

60.235 Tab 4: Notes and Certifications

Offerors must complete and include a signed copy of the following forms in this section:

The State of Hawaii Contractor's Standards of Conduct Declaration (Appendix D);

Disclosure Statement - Wage Certification, and Insurance Requirements Certification (COLI) Form (Appendix E);

60.240 Tab 5: Executive Summary

The Executive Summary shall summarize and highlight relevant contents of the Proposal to provide Department Administrators and the Evaluation Committee with a broad understanding of the Offeror's Technical Proposal. The Executive Summary shall clearly and concisely condense and highlight the contents of the Technical Proposal.

Offerors should summarize how their Proposal meets the requirements of this RFP and why the Offeror is best qualified to perform the work required.

The Executive Summary chapter shall highlight the Contractor's:

- Understanding of the project requirements
- Understanding of Medicaid managed care programs
- Understanding of the Medicaid PIHP programs
- Qualifications to serve as MQD contractor for the PRO and EQR activities listed in the RFP
- Overall approach to the project

- Summary of the contents of the proposal

60.245 *Tab 6: Company Background and Experience, Subcontractor Listing*

The company background and experience section shall include for the Offeror and each subcontractor (if any): details of the background of the company, and its size and resources (gross revenues, number of employees, type of businesses), and details of company experience relevant to this RFP.

60.245.1 Background of the Company

- Provide a general description of the primary business of your organization and its beneficiary base;
- Provide a brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile. Describe the areas of specialization, if applicable. An out-of-state contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed;
- Ownership (public company, partnership, subsidiary, etc.), including the officers of the corporation, and the name and address of its registered agent;
- The home office location and all other offices (by city and state);
- The location of office from which any contract would be administered;
- The name, address and telephone number of the contractor's point of contact for a contract resulting from this RFP;
- The number of employees both locally and nationally;
- The size of organization in assets, revenue and staff;
- Documentation of PRO certification;

- Documentation of EQRO certification;
 - Documentation of current license to use all InterQual criteria as well as an assurance to the State of continued licensure;
1. Additionally, to meet the EQRO-independence requirements the Offeror must be independent from the State Medicaid agency and from the MCOs/PIHPs they review. The Offeror therefore represents, and will certify that:
 - a. The Offeror is independent from the State Medicaid agency and from the MCOs/PIHP that it reviews;
 - b. Neither the Offeror nor the MCOs/PIHP that it reviews exerts control over the other through stock ownership; stock options and convertible debentures; voting trusts; common management, including interlocking management; or contractual relationships. For purposes of this section, the term "control" has the meaning given the term in 48 CFR§ 19.101;
 - c. The Offeror does not deliver any health care services to Medicaid beneficiaries;
 - d. The Offeror does not conduct, on the State's behalf, ongoing Medicaid MCO operations related to oversight of the quality of MCO's/PIHP services except as they relate to external quality review;
 - e. The Offeror does not have a present, or known future, direct or indirect financial relationship (as defined in 42 CFR §438.320) with the MCOs/PIHPs that it will review.
 2. Relating to the administration of the CAHPS: the Offeror shall provide evidence and/or an assurance that Offeror is or has used/shall use an NCQA-certified independent research organization.

60.245.2 Company Experience

The Offeror shall document the experience, resources, qualifications and credentials of the Offeror by demonstrated

experience in projects of similar scope and size. Proposals should demonstrate that the Offeror has sufficient corporate experience and has been successful in performance of similar or relevant projects.

Additionally, Offeror's description shall provide evidence that Offeror has sufficient physical, technological, and financial resources to conduct PRO and EQR-related activities as well as the clinical and non-clinical skills necessary to carry out PRO and EQR-related activities and oversee the work of subcontractors (if any).

For each PRO and EQRO activity/project listed in the RFP, the Offeror shall provide the following information:

- a. A description of the scope of the activity/project performed and a comparison to the products outlined in this RFP. Work performed shall be categorized by Medicare, Medicaid and/or private sector health care beneficiaries. Offeror shall also include:

- Time period of the project,
- Man-months expended,
- Contract cost,
- Schedule and actual completion dates,
- Identification of project staff, and

Beneficiary or customer reference: including name, job title, address and telephone number of the contact person.

- b. Documentation demonstrating acceptance of project deliverables to the satisfaction of beneficiary. Documentation demonstrating Offeror/Contractor initiatives approved and implemented by the beneficiary may also be included.
- c. A statement of the Offeror's other business or contractual obligations and a statement of Offeror's involvement in litigation that could affect this work should be included.
- d. To the extent that an Offeror intends to utilize subcontracting in order to meet the necessary experience,

organization, technical qualifications, skills or other requirements, Offeror must document a recent performance history which indicates an acceptable subcontracting system and documentation that the prospective subcontractor(s) meet said requirements.

e. Other relevant experience.

60.245.3 Subcontractor Listing

The Offeror shall identify its subcontractor(s) on each island by type of service to be provided, if applicable. For the State's current PRO/EQRO, the subcontractor listing may be based on existing contracted subcontractors unless there are proposed changes to existing subcontractors.

If the Offeror does not currently have a contract with the DHS, the Offeror may provide its network based on subcontractor's intent to contract with the Offeror. The solicitation letter used by the plan to solicit subcontractors' names for the purpose of the proposal must be included in the proposal. Within two months of notice of award, the Offeror must submit its final network of subcontractors to the DHS. Failure to meet the requirements of the contract will result in a delay in implementation of the contract.

60.250 *Tab 7: Offeror Financial Condition*

The financial status of an Offeror and related entities shall be reviewed to determine the financial solvency of the organization. Financial information for the applicable legal entity shall be provided for each of the last two years, at a minimum:

- Audited Financial Statements, including;
 - a. Balance Sheets
 - b. Profit and Loss Statements
 - c. Auditor's reports
 - d. Amounts associated with related party transactions
 - e. Management letters

If an Offeror seeks confidentiality on part of a submission, each page of the section of that submission which is sought to be protected must be marked as "Proprietary" and an explanation of

how substantial competitive harm would occur if that information was released upon request. If the explanation is sufficient, then, to the extent permitted by the exemptions in Section 92F-13, HRS, 45 CFR part 5, Office of Information Practices, or a Court, the affected section may be deemed confidential. Blanket labeling of the entire document as "Proprietary," however, is inappropriate.

60.255 *Tab 8: Project Organization and Staffing*

The project organization and staffing section shall describe the Offeror's approach to organization and staffing the required level of effort to achieve the objectives of this RFP. The information should provide the State with a clear understanding of the organization, functions of key personnel and on-site personnel during start-up and on-going operations.

60.255.1 Organization

The Offeror must describe the Offeror's and each subcontractor's (if any) project organization. At a minimum, the following must be provided:

1. Offeror's organizational chart reflecting:

- Organization chart which shows the structure of the organization and identifies the proposed staff positions to be utilized in this project, including full-time equivalents (FTE);
- Functional statement of each organizational department/section relevant to the RFP requirements;
- Identification of key personnel and delineation of their job descriptions/responsibilities to be utilized in the implementation of RFP requirements. Estimates of man hours for each individual, including a description of major areas of responsibility for each individual. At a minimum, key personnel shall include:

a) Program or Executive Director;

b) Financial Officer;

- c) Medical Director;
- d) Nurse Team Leader(s)/Coordinator(s) for PRO and EQRO review activities;
- e) Designated Nurse Coverage(s) for PRO 1147 daily reviews;
- f) Information Technology Leader;
- g) Project Director and/or key contact person.

The offeror's designated key contact person shall coordinate all activities of this contract with the State's representatives or its designees and shall maintain close and frequent communication with the State's designated contact(s).

- Names, addresses, and phone/fax numbers shall be provided for each key personnel position.

- 2. Relationship of the Offeror to related entities;
- 3. Address and phone/fax number of Hawaii-based and subcontractor's personnel, if applicable.

60.255.2 Project Staff

The Offeror shall:

- 1. Identify the number of proposed administrative support FTE's and shall provide a brief explanation of the development of the FTE estimate.
- 2. Identify the number and position titles of proposed FTE's to perform the PRO activities as well as a brief explanation of the development of the FTE estimate. Additionally, Offeror shall provide an assurance as well as documentation that staff performing these activities have demonstrated experience in and knowledge of:

- Medicaid program requirements, policies, and data collection/processing relating to the required data base;
 - Medicaid aged, blind and disabled population;
 - Medicaid long-term care services;
 - Level of care determinations;
 - At risk category determinations;
 - Nursing facility Pre-admission Screening/Resident Reviews (PASRR);
 - Monitoring quality and appropriate utilization of medical care services.
3. Identify the number of proposed FTE's needed to perform the EQR activities as well as a brief explanation of the development of the FTE estimate. Additionally, Offeror shall provide an assurance as well as documentation that staff performing the EQR activities meet EQR competency requirements and have demonstrated experience and knowledge of:
- Medicaid beneficiaries, policies, data systems, and processes;
 - Managed care delivery systems, organizations and financing;
 - 1997 BBA Medicaid Managed Care provisions;
 - Quality assessment and improvement methods, and
 - Research design and methodology, including statistical analysis.

60.255.3 Personnel Qualifications

Resumes are required for all key professional staff. Resumes shall describe the following:

- Experience with the Medicare, Medicaid, QI and CCS programs;
- Experience in managed care systems and quality improvement/utilization review;
- Length of time and description of experience with the PRO/EQRO or related organization;
- Length of time in the healthcare industry;
- Previous relevant experiences especially related to quality improvement studies and surveys;

- Relevant education and training;
- Names, positions titles and telephone numbers of at least two references who can provide information on the individuals' experience and competence; and
- Other relevant experience.

60.260 *Tab 9: Approach*

This section will provide a general description of the Offeror's approach to performing the scope of work and developing the deliverable products specified in this RFP. The approach should demonstrate the Offeror's overall understanding of the RFP requirements. Additionally, this discussion should identify any major issues and open policy decisions which will affect the achievement of the overall objectives of each PRO and EQR activity.

The contractor shall identify anticipated problems areas that might reasonably be expected, and describe their approach for resolving them.

This section will describe the assumptions made by the contractor in submitting the proposal.

60.265 *Tab 10: Work Plan*

For each activity outlined in this RFP, the Offeror shall provide a work plan that shall include:

- Detailed descriptions of the major phases, tasks, and subtasks necessary to accomplish the requirements of this RFP;
- Include specific timeline(s) for major phases, tasks, and subtasks necessary to accomplish the requirements of this RFP;
- Identification of the responsible party (MQD versus the Offeror) for each major phase and task; and
- Discussion of the flexibility of the work plan to meet changes in program requirements and cope with delays should they occur.

The work plan shall demonstrate an understanding of the relationship of relevant entities that are affected by the objectives sought in this RFP.

60.270 *Tab 11: Ability to Perform PRO Services Outlined in RFP*

60.270.1 Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities (40.410)

The Offeror shall submit a description of their experience related to its ability to perform all activities identified in this section. Offeror's may submit samples of tools for performing these functions.

- Reviews of a sample of medical records of beneficiarys in nursing facilities (NFs) to determine if they received appropriate and timely Level 1 Screening, Level II evaluations and/or determination, and resident reviews.against critieria set by the State;
- Monthly reports to the State, with the particulars of each non-compliant case that did not meet the timeliness or screening critieria;
- Immediate notification upon discovery of DHS if a NF does not comply with appropriate actions to correct the non-compliance;
- A description of Offeror's Inter Rater Reliability process to ensure consistent understanding of State criteria/program requirements.

60.270.2 Long-Term Services and Supports (LTSS) Level of Care (LOC) and At Risk Determinations (40.420)

The Offeror shall submit a description of their experience for providing all services required in this section:

- Describe your process for determining LTSS LOC and making an at risk determinations to include approval and denials;

- Describe what documents would you need to determine LTSS LOC and make an at risk determination;
- Describe your process on reviewing cases considered “borderline” and cases in which referring facilities/physicians disagree with your LTSS LOC or at risk determinations;
- Provide processes that result in improved efficiencies relating to LTSS LOC and at risk determination protocols; and
- A description of Offeror’s Inter Rater Reliability process to ensure consistent understanding of State criteria/program requirements.

60.270.3 Determinations Database (40.440)

The Offeror shall submit a description of the database to be employed to meet this criteria. This description shall at the minimum include:

- A description of the database including it’s capabilities, systems, communicating with HPMMIS, and overall configuration;
- Sample screen shots of the relevant user interface screens;
- A detailed plan as to how the database will be implemented and ready for use on the first day of the contract.

Additionally, Offeror shall provide:

- An assurance that the Offeror will be able to provide database reports requested by the State;
- An assurance of accessibility of the database to State staff during normal State business hours;
- An assurance of training of State staff to access this database; and

- An assurance that Offeror's database can accommodate additional data elements as directed by the State.
- An assurance that the electronic signature program meet Federal and State requirements.

60.275 *Tab 12: Ability to Perform External Quality Review (EQR) Services Outlined in the RFP (40.500)*

61.275.1 EQR mandatory requirements described in Section 40.500

- The Offeror shall submit a description of their philosophy, experience, and ideas that reflect compliance or consistency with the CMS protocol for meeting the mandatory CMS requirements;
- The Offeror shall describe their approach for performing each of the mandatory requirements ;
- The Offeror may submit an example of the following items to meet the mandatory requirements:
- its review tool(s)/worksheet(s; and
- sample reports.

60.275.2 EQR optional requirements described in Section 40.500

- The Offeror shall submit a description of their philosophy, experience, and ideas that reflect compliance or consistency with the CMS protocol for meeting the optional CMS requirements;
- The Offeror shall describe their approach for performing each of the optional requirements ;
- The Offeror may submit an example of the following items to meet the optional requirements:
- its review tool(s)/worksheet(s; and

- sample reports.

60.275.3 Performance Measure validation (40.530)

The Offeror shall submit:

- ❑ A description of their experience to be compliant or consistent with the CMS protocol related to the EQRO's HEDIS Report Validation activities;
- ❑ A description of their experience with validating other performance measures than HEDIS (i.e., National Quality Forum);
- ❑ A description of experience that the Offeror has with guiding states on using their performance measures to improve quality in the Medicaid population; and
- ❑ A description of experience that the Offeror has with supporting states as they use performance measures to incentivize MCOs to improve on quality provided to Medicaid populations.

60.280 *Tab 13: Assumptions*

This section will describe the assumptions made by the Offeror in submitting the proposal. If no assumptions are included, the Offeror shall include a statement to that effect.

60.285 *Tab 14: Anticipated Problem Areas*

The Contractor shall identify the problems that might reasonably be expected, and describe their approach for resolving problems.

SECTION 70 BUSINESS PROPOSAL

70.100 Introduction

The business proposal shall include the following section:

- Annual rate (Appendix G-1)

70.200 Annual Rate

Assumptions used in the calculation of the rates shall be described in this section of the proposal. The utilization data should include information on the average number of services provided, average number of beneficiaries requiring the services, and any other utilization data relied upon to calculate the annual rate.

The cost data should include information on the average unit costs for the services to be provided. The average cost per year for conducting the following activities:

- 1147 processed (projected 16,500 reviews annually),
- PASRR review (projected 500 reviews annually),
- compliance review,
- validation of PIPs (projected 12 PIPs),
- CAHPS survey cost (2 per year),
- Provider survey cost (1 every other year),
- Performance measure validation (HEDIS and other measures chosen by the state),
- technical assistance,
- technical report, and
- database maintenance.

Detail of the annual costs must be provided to the State. Detail shall include all cost data including, but not limited to salaries, fringe benefits, travel, and all other cost items. All costs models will be kept confidential. Submit business proposal on format provided in Appendix G.

SECTION 80 PROPOSAL EVALUATION AND PRICE ANALYSIS

80.100 Introduction

MQD shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. The DHS shall be the sole judge in the selection of the Offeror(s). A Proposal Review Committee will evaluate the proposal based on the technical content and cost. Proposals will be awarded points based on meeting the specific requirements of the RFP. Each technical criterion shall receive a score not to exceed the maximum points assigned to that criterion.

The evaluation of the proposals shall be conducted in the following steps:

- Step I-Mandatory Requirements (Appendix K)
- Step II-Evaluation of Technical Proposal

Once the technical proposals have been evaluated and the qualifying Offeror(s) identified, the process shall continue with the following steps:

- Step III-Evaluation of Business Proposal
- Step IV- Contract Award

Each Offeror must submit all documentation as required in the Technical Proposal of this RFP for all mandated PRO and EQRO services as well as all optional PRO and EQRO services as mandated by the State.

Each Offeror must assure the State that it is able to perform each function described in the Technical Proposal as presented in this RFP for PRO and EQRO services.

Each Offeror shall submit any additional material and supporting documentation reasonably required by the State in its evaluation of the proposal.

Failure of the Offeror to comply with the instructions of this RFP or failure to submit a complete proposal shall be grounds for deeming the proposal non-responsive to the RFP.

Proposals deemed by the evaluation committee(s) to be incomplete or not in accordance with the specified requirements shall be disqualified.

80.200 Step I - Mandatory Requirements

The purpose of this phase of the evaluation is to determine if each Technical Proposal responds to the mandatory terms and conditions of the RFP. A responsive proposal shall comply with all instructions listed in this RFP at Section 20 – RFP Schedule and Procurement Requirements and Section 60 – Technical Proposal. If a proposal does not meet all the Mandatory Proposal Submission Requirements, as listed in Appendix K of this RFP, it may be eliminated from further consideration.

Failure of the Offeror to comply with the instructions of this RFP or failure to submit a complete proposal shall be grounds for the proposal being nonresponsive to the RFP. However, DHS reserves the right to waive minor irregularities in proposals provided such action is in the best interest of the State. Where DHS may waive minor irregularities such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

All proposals submitted will become the property of MQD and will be considered a matter of public record after Contract negotiations are complete.

Receipt of Offeror proposals by the specified date and time will be verified by the MQD Procurement Officer. Proposals received in a timely and appropriate manner will be opened and reviewed by the Evaluation Committee for evaluation of detailed compliance with the requirements of this RFP.

Technical Proposals will first be reviewed to determine if they comply with the Mandatory Technical Proposal Submission Requirements detailed in this RFP at Section 20 - Procurement Requirements and Section 60 – Technical Proposal.

The Evaluation Committee will review each Technical Proposal to identify areas where additional clarification may be required in order that MQD fully understand the ramifications of an action proposed by an Offeror.

Proposals deemed by the evaluation team to be incomplete or not in accordance with the specified requirements shall be disqualified and the proposal returned to the Offeror with a letter of explanation.

80.300 Step II – Evaluation of Technical Proposal

Only those proposals found to be responsive under Step I shall be evaluated in Step II.

During the course of the Step II evaluation, MQD may conduct reference checks. MQD, however, reserves the right to make an award without further clarification of the proposals received.

The evaluation of Technical Proposals will involve the point scoring of each proposal that is declared responsive in Step I. A maximum of 100 points will be available for each Technical Proposal.

Technical Proposals will be evaluated on criteria established and documented prior to receipt of proposals. Point distributions by category for Technical Proposals are shown in the following table.

Table 8-1 Point Distribution for Technical Proposals

CATEGORY / CRITERIA	PROPOSAL CATEGORY	POINTS
1	Offeror's Financial Stability	Pass/Fail
2	Transmittal Letter	5
3	Executive Summary	5
4	Company Background and Experience	15
5	Project Organization and Staffing	15
6	Approach	10
7	Work Plan	10
8	Performance of PRO Services	20
9	Performance of EQRO Services	20

MQD will evaluate the Offeror's response to each of the proposal submission requirements that are identified in this RFP. High-level descriptions of each domain and what will be evaluated are described in this section. These descriptions are provided as guidance to Offerors in preparing proposals and are not all-inclusive of evaluation criteria or factors to be considered by the Evaluation Committee in assigning scores for each are.

The Offeror's proposal will be scored against specified criteria as defined in the following table:

Table 8-2 Scoring

SCORE	DEFINITION
0	No response provided.
1	The response has multiple major deficiencies that do not appear to be correctable.
2	The response has one major deficiency and/or multiple minor deficiencies that do not appear to be easily correctable.
3	The response has no major deficiencies and only minor deficiencies that are easily correctable.
4	The response has no deficiencies and describes how the requirements will be minimally met.
5	The response has no deficiencies and provides a detailed and comprehensive description that demonstrates the ability to more than minimally meet the contractual requirements.

The Evaluation Committee scores each criterion with a 0, 1, 2, 3, 4, or 5. No fractional scores will be allowed. Scores will be based on the content as communicated in the proposal. Unclear and disorganized presentation of information may impact the evaluators' ability to clearly understand the responsiveness to proposal requirements.

A comment section is provided on the Technical Evaluation Scoring Form. The Evaluation Committee must record a comment for any score of 1, 2, 3 or 5. Comments for criteria receiving a score of 4 are not required.

80.310 *Offeror's Financial Stability*

In this section, the Offeror will be evaluated on a Pass/Fail basis depending on whether the Offeror provides all the financial materials detailed in Appendix K under tab 7. A passing score will be awarded to the Offerors who submit all the required financial documentation detailed in Appendix K.

80.320 *Transmittal Letter (5 points possible)*

The transmittal letter must be on an official letterhead and signed by an individual authorized to legally bind the Offeror. The letter shall include all statements as specified in Section 60.220. If the transmittal letter is incomplete no points will be awarded.

80.330 *Executive Summary (5 points possible)*

Does the executive summary provide a broad understanding of the proposal?

80.340 *Company Background and Experience (15 points possible)*

Does the proposal describe the company background and experience? Has the company demonstrated that the scope of services under this RFP can be completed by the Offeror? Proposals will be evaluated on the basis of relevant experience and client references. MQD reserves the right to contact previous and current clients. The experience of the subcontractors, if applicable, will be evaluated as well. The experience of the subcontractor does not substitute for the relevant corporate experience of the Offeror. All required financial documents have been submitted, and the Offeror's information demonstrates that it has the necessary financial means to support their proposed services.

80.350 *Project Organization and Staffing (15 Points Possible)*

Proposals must demonstrate that Offeror has sufficient relevant program experience and has been successful in performing projects of similar scope to that described herein. Included in this evaluation will be an assessment of past and current management experience for similar services of like projects in scope.

The competence of proposed key professionals and other employees in the project will account for a majority of the points. Qualifications of personnel will be evaluated according to their education and experience with previous EQR and PRO

contracts, length of time with the organization, and Hawaii Medicaid experience. Resumes of all key personnel must be provided.

80.360 *Approach (10 Points Possible)*

The Offeror demonstrates an understanding of the requirements of the RFP.

The Offeror will include a logical, clear, and detailed statement of their methodology and overall organizational approach for successful completion of the project objectives. The rationale and methodology for achieving objectives will be considered as well as the Offeror's organizational approach to the project. The Offeror's will include an understanding of current program structure and the extent to which each proposed component will interact with existing program elements. The Offerors assumptions made are reasonable and has identified problem areas that may be reasonably expected.

80.370 *Detailed Work Plan (10 Possible Points)*

The Offeror shall submit a detailed work plan for the entire project. The work plan shall be in sufficient detail, including the required items in section 60.265, to allow the DHS to determine that the Offeror's plan is a viable plan. The plan shall demonstrate that the Offeror will be able to achieve its objectives in a timely and efficient manner. The work plan shall be reviewed for organization, clarity, articulation of objectives, completeness, efficiency, understanding of existing program resources and use of Offeror and Department resources.

80.380 *Performance of PRO Services (20 Points Possible)*

The Offeror shall submit their experience related to Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities:

- Review of medical records;
- Development of monthly reports;

- Steps for immediate notification to the state when NF does not comply with appropriate actions;
- Inter Rater Reliability process to assure meeting state criteria.
- Submission of sample tools that meet these requirements will be evaluated for comprehensiveness.
- Experience related to determining the Long Term Care Level of Care (LOC)/At Risk Determinations.
- Other factors identified in Section 60.270.

80.390 *Performance of EQRO Services (20 Points Possible)*

The Offeror shall submit:

- Experience related to conducting mandatory EQR requirements
- Experience related to conducting optional EQR requirements
- Experience related to performance measure validation
- Other factors identified in Section 60.275.

80.400 **Step III – Evaluation of Business Proposal**

The Evaluation Committee will:

- Validate that prices have been calculated correctly;

If the Evaluation Committee seeks clarification from any Offeror who is a determined to be a priority-listed Offeror, an Evaluation Committee member will be assigned responsibility for following up with the Offeror(s). The designated person will be responsible for contacting the Offeror by telephone to provide advance notice of the request for clarification. The telephone call will be followed by a written (email) notice sent to the Offeror. The Offeror will be requested to respond in writing to the clarification request within a specified time period. Only written clarifications within the time period will be accepted. All other clarifications will be rejected. If an Offeror's clarifications are rejected, the original proposal response will be evaluated.

Once clarifications have been received, the Evaluation Committee will review the responses against the specified criteria and re-score criteria. The scores of the clarified responses will replace the original scores.

80.410 *Business Proposal Review*

Each proposal will be examined to ensure that all required pricing schedules have been included by the Offeror. Proposals will be evaluated to ensure that reasonable firm fixed prices have been assigned. Once all of the Business Proposal have been evaluated and validated, the Business Proposal with the lowest price as stated as the Total Proposed Cost on Appendix G will be awarded (20) points. Cost scores then be normalized to one another, based on the lowest Business Proposal evaluated. The normalization formula is as follows:

Offeror's Cost Score = (Lowest Business Proposal Price divided by the Offeror's Business Proposal Price) X 20.

Example:

OFFEROR 1	COST	POINTS
Total Evaluated Proposal Price (Lowest)	\$1,500	20

OFFEROR 2	COST	POINTS
Total Evaluated Proposal Price	\$2,000	15

(Lowest Business Proposal Price) = \$1,500/(Offeror 2's Evaluated Proposal Price) \$2,000 = 0.75

20 points X 0.75 = 15 points for Offeror 2

80.410.1 Best and Final Offers

MQD reserves the right to require best and final offers from those Offerors whose Technical Proposals are eligible for consideration under Step III and who have been identified as "priority-listed Offerors." If MQD decides to pursue best and final offers, it will follow the process outlined in Hawaii

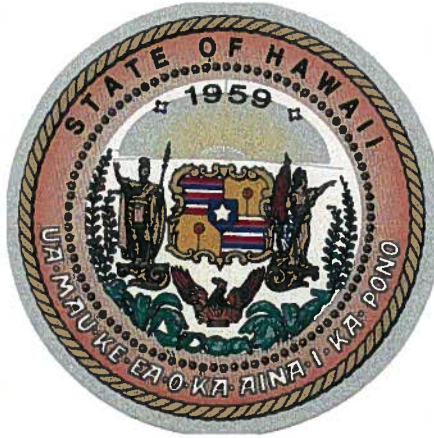
Administrative Rules §3-122-54 Best and Final Offers. If best and final offers are required after opening the Business Proposals, the Evaluation Committee will be responsible for contacting Offerors by telephone to provide advance notice of the request for best and final offers. The telephone call will be followed by a written (email) notice sent to the Offeror. The Offeror will be requested to respond in writing with a best and final offer by submitting revised Business Proposals within a specified time period. Only best and final offers received within the time period will be accepted. If an Offeror's best and final offer is rejected, the original proposal response will be evaluated.

Once clarifications have been received, the Evaluation Committee will review the best and final offers represented in the revised Business Proposals against the specified criteria and re-score the Business Proposals. The Business Proposal scores based on the best and final offers will replace the original scores on the Business Proposal Evaluation Form (Appendix G).

80.500 STEP IV – Contract Award

The Offeror with the highest combined total points in Steps I, II, and III shall be awarded the contract.

Upon receipt and acceptance of the proposals, DHS shall initiate the contracting process. This RFP shall become part of the contract. The Offeror shall be notified in writing that DHS intends to contract with the Offeror. This letter shall serve as notification that the Offeror should begin to develop its program, materials, policies and procedures for the services described in this RFP.



STATE OF HAWAII
Department of Human Services
REQUEST FOR PROPOSAL (RFP)

**To Provide External Quality Reviews and Peer Review
Organization Services of Medicaid QUEST Integration
Managed Care Organizations/Prepaid Inpatient Health
Plan for the Medicaid Fee-for-Service Program**

RFP-MQD-2016-002

APPENDICES



Med-QUEST Division – Finance Office

Table of Contents

APPENDIX A -	OFFER FORM
APPENDIX B -	WRITTEN QUESTIONS FORM
APPENDIX C -	GENERAL CONDITIONS
APPENDIX D -	CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION
APPENDIX E -	FORMS
APPENDIX E.1 -	WAGE CERTIFICATION
APPENDIX E.2 -	INSURANCE REQUIREMENTS CERTIFICATION
APPENDIX E.3 -	BUSINESS ASSOCIATE AGREEMENT
APPENDIX F -	CONFIDENTIAL AND PROPRIETARY INFORMATION
APPENDIX G -	BUSINESS PROPOSAL
APPENDIX H -	OFFEROR REFERENCES
APPENDIX I -	PASRR FORMS AND PROCESS
APPENDIX J -	LONG TERM CARE LEVEL OF CARE FORMS AND PROCESS
APPENDIX J.1 -	DHS 1147 (Interim Rev. 05-14)
APPENDIX J.2 -	DHS 1147 Instruction (Interim Rev. 05-14)
APPENDIX K -	MANDATORY PROPOSAL SUBMISSION CHECKLIST

APPENDIX A – OFFER FORM

EQRO/PRO (RFP-MQD-2016-002)

Ms. Leslie Tawata
c / o Dona Jean Watanabe
Department of Human Services, Med-QUEST Division
1001 Kamokila Blvd. Suite 317
Kapolei, Hawaii 96707

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Conditions, Form AG-008-103D, by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived without collusion.

Offeror is:

☐ Sole Proprietor ☐ Partnership ☐ *Corporation ☐ Joint Venture

☐ Other _____

*State of incorporation _____

Federal I.D. No.: _____

Hawaii General Excise Tax License I.D. No.: _____

Payment address (other than street address below): _____

City, State, Zip Code: _____

Business address (street address): _____

City, State, Zip Code: _____

Respectfully submitted,

(x) _____

Authorized (Original) Signature

Date: _____

Name and Title (Please Print or Type)

Telephone No.: _____

Fax No: _____

Exact Legal Name of Company (Contractor)

Email Address:

*If Offeror is a "d.b.a." or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

APPENDIX B – WRITTEN QUESTIONS FORMAT

EQRO/PRO RFP-MQD 2016-002

OFFEROR NAME	DATE SUBMITTED	QUESTION TEXT	RFP SECTION	RFP PAGE	PARAGRAPH NUMBER	QUESTION TEXT

APPENDIX C – GENERAL CONDITIONS

GENERAL CONDITIONS

Table of Contents

	<u>Page(s)</u>
1. Coordination of Services by the STATE.....	2
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.....	2
3. Personnel Requirements	3
4. Nondiscrimination	3
5. Conflicts of Interest	3
6. Subcontracts and Assignments.....	3
7. Indemnification and Defense.....	4
8. Cost of Litigation.....	4
9. Liquidated Damages	4
10. STATE'S Right of Offset.....	4
11. Disputes	4
12. Suspension of Contract.....	4
13. Termination for Default.....	5
14. Termination for Convenience.....	6
15. Claims Based on the Agency Procurement Officer's Actions or Omissions.....	8
16. Costs and Expenses	8
17. Payment Procedures; Final Payment; Tax Clearance.....	9
18. Federal Funds	9
19. Modifications of Contract.....	9
20. Change Order.....	10
21. Price Adjustment	11
22. Variation in Quantity for Definite Quantity Contracts	11
23. Changes in Cost-Reimbursement Contract.....	11
24. Confidentiality of Material	12
25. Publicity.....	12
26. Ownership Rights and Copyright	12
27. Liens and Warranties.....	12
28. Audit of Books and Records of the CONTRACTOR.....	13
29. Cost or Pricing Data	13
30. Audit of Cost or Pricing Data	13
31. Records Retention.....	13
32. Antitrust Claims.....	13
33. Patented Articles.....	13
34. Governing Law	14
35. Compliance with Laws	14
36. Conflict between General Conditions and Procurement Rules	14
37. Entire Contract.....	14
38. Severability	14
39. Waiver	14
40. Pollution Control	14
41. Campaign Contributions.....	14
42. Confidentiality of Personal Information.....	14

GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
- a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
 - (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.
- b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:
- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
 - (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.
- c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.
- d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

- a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.
- b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; and
- (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

- d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

- a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:
- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;
 - (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or
 - (C) Within such further time as may be allowed by the Agency procurement officer in writing.
- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;
- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and
- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

- b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

- c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.
 - b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
 - c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.
17. Payment Procedures; Final Payment; Tax Clearance.
- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
 - b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
 - c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
 - d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.
18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.
19. Modifications of Contract.
- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
 - b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:
 - (A) Changes in the work within the scope of the Contract; and
 - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
 - d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
 - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
 - f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
 - g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.
 - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
 - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
 - (2) Method of delivery; or
 - (3) Place of delivery.
- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
 - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
 - (5) Method of shipment or packing of supplies; or
 - (6) Place of delivery.
 - b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
 - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
 - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.
24. Confidentiality of Material.
- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
 - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

- a. The cost or pricing data, and
- b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
 - (2) Driver's license number or Hawaii identification card number; or

- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.
- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
 - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
 - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
 - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

APPENDIX D – STANDARD OF CONDUCT DECLARATION



STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of _____, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☐ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____

APPENDIX E – FORMS

Appendix E - Forms contains the following disclosure statements:

- Appendix E.1 – Wage Certification
- Appendix E.2 – Insurance Requirements Certification
- Appendix E.3 – Business Associate Agreement

Appendix E.1 - WAGE CERTIFICATION

Pursuant to Section 103-55, Hawaii Revised Statutes, I hereby certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than wages paid to the public officers and employees for similar work, if similar positions are listed in the classification plan of the public sector.
2. All applicable laws of the Federal and State governments relating to worker's compensation, unemployment insurance, payment of wages, and safety will be fully complied with.

I understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wages required by Section 103-55, HRS.

Offeror: _____

Signature: _____

Title: _____

Date: _____

Appendix E.2 INSURANCE REQUIREMENTS CERTIFICATION

Proposals submitted in response to the RFP must include a Certificate of Liability Insurance (COLI) that meets the requirements of the RFP, summarized in the Checklist and sample Form Acord 25 attached hereto. The successful bidder will be required to provide an updated COLI upon contract award.

Time is of the essence in the execution and performance of the contract resulting from this RFP. Therefore, the Offeror must ensure that the COLI submitted with the proposal and, if applicable, the resulting contract, fully and timely complies with the insurance requirements of this RFP.

By signing below, the Offeror certifies that it has completed the attached Checklist and:

(Check and complete one)

- ☐ Offeror has included a current COLI with its proposal that fully meets the insurance coverage requirements contained in the RFP and in the attached Checklist.
- ☐ Offeror has included a current COLI with its proposal that meets the insurance coverage requirements contained in the RFP and in the attached Checklist and Form, *except for the following* (explain in detail):

If Offeror is awarded a contract, then Contractor certifies that the foregoing deficiencies will be corrected within 30 days after contract award.

Name of Offeror

Authorized Representative Signature

Date

Print Name and Title

CERTIFICATE OF LIABILITY INSURANCE (COLI)
CHECKLIST & SAMPLE FORM (ACORD 25 Form (2009/09)¹)

This Checklist must accompany the completed COLI submitted with the proposal and subsequent contract. In the event of a conflict between this Checklist and the terms of the contract, the latter shall prevail.

If a requirement noted below is reflected in a current policy endorsement, a copy of the endorsement may be submitted in lieu of the statement on the COLI. Insurance requirements are subject to oversight by the State of Hawaii Department of Accounting and General Services, Risk Management Office.

NO.	CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS	✓
(1)	The date the COLI was issued should not be more than 15 days from date of the request. The COLI should not be issued over 30 days from the date of submission.	
(2)	The name of the "Insured" must match the name of the Contractor/Provider.	
(3)	The insurer must be licensed to do business in the State of Hawaii or meet the requirements of Section 431:8-301, Hawaii Revised Statutes.	
(4)	The "Commercial General Liability" coverage should indicate coverage on a "Per Occurrence" basis.	
(5)	A "Policy Number" or binder number should be indicated.	
(6)	The "Effective Date" should be no later than the contract date or the first date that the Contractor commences work for the State.	
(7)	The "Expiration Date" should be after the effective date of the agreement or supplemental agreement, as applicable, and be monitored to ensure that renewal COLI are received on a timely basis.	
(8)	The Limits of Liability for the following types of coverage should be for at least as much as required by the contract, normally in the following amounts (check contract language for specifics):	

¹ The Contractor should use the Acord form currently in use at the time of submission with the contract.

NO.	CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS	✓
	<p>a. Commercial General Liability \$1 million per occurrence, and \$2 million in the aggregate</p> <p>b. Automobile – may be combined single limit: Bodily Injury: \$1 million per person, \$1 million per accident Property Damage: \$1 million per accident</p> <p>c. Workers Compensation/Employers Liability (E.L.) E.L. each accident: \$1 million E.L. disease: \$1 million per employee, \$1 million policy limit E.L. \$1 million aggregate</p> <p>d. Professional Liability \$1 million per claim, and \$2 million annual aggregate</p>	
(9)	"Any Auto" coverage is required, or if not marked, "Hired Autos" and "Non-Owned Autos" should be indicated. If there are no corporate-owned autos, then the "Hired & Non-Owned Auto" may be endorsed to the Commercial General Liability to satisfy this requirement.	
(10)	If the limits of liability shown for General Liability or Automobile Liability are less than required by contract, then Umbrella Liability with combined limit may satisfy the minimum requirement and the State listed as "Additional Insured" on the Umbrella Policy or the Umbrella policy is noted as "Follow Form" on the certificate.	
(11)	NOTE: The State requires higher limits of \$1 million, as compared to the basic limits required by State law regarding Workers Compensation coverage.	
(12)	The required "Professional Liability" coverage should be indicated in this section.	
(13)	The "ADDL INSR" box should be checked to indicate that the State is an additional insured under the policy(ies), or noted in the Description of Operation box at the bottom of the form.	
(14)	The "Certificate Holder" should be the name and address of the State of Hawaii/Department of Human Services/Med-QUEST	

NO.	CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS	✓
	Division, 1001 Kamokila Blvd, Suite 317, Kapolei, Hawaii 96707.	
(15)	<p>The COLI should be signed by the insurance agent or an insurance company representative.</p> <p>DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES box: This section should contain the following language:</p> <p style="padding-left: 40px;">The State of Hawaii is an additional insured with respect to operations performed for the State of Hawaii.</p> <p style="padding-left: 40px;">Any insurance maintained by the State of Hawaii shall apply in excess of, and not contribute with, insurance provided by this policy.</p>	

Appendix E.3 BUSINESS ASSOCIATE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

The STATE has determined that it is a Covered Entity or a Health Care Component of a Covered Entity under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), as amended, and its implementing regulations at 45 CFR parts 160 and 164 (the HIPAA Rules).

The CONTRACTOR or PROVIDER under the Contract to which this Exhibit A is attached (the Contract) will provide to STATE certain services described in the Contract and may have access to Protected Health Information (as defined below) in fulfilling its responsibilities under the Contract. To the extent the CONTRACTOR or PROVIDER needs to create, receive, maintain or transmit Protected Health Information to perform services under the Contract, it will be acting as a Business Associate¹ of STATE and will be subject to the HIPAA Rules and the terms of this Business Associate Agreement (this Agreement). The CONTRACTOR or PROVIDER, as applicable, is, therefore, referred to as "BUSINESS ASSOCIATE" in this Agreement.

In consideration of STATE's and BUSINESS ASSOCIATE's continuing obligations under the Contract, and the mutual agreements below, the parties agree as follows:

1. DEFINITIONS.

Except for terms otherwise defined herein, and unless the context indicates otherwise, any other capitalized terms used in this Agreement and the terms "person," "use," and "disclosure" are defined by the HIPAA Rules. A change to the HIPAA Rules that modifies any defined term, or which alters the regulatory citation for the definition, shall be deemed incorporated into this Agreement.

Breach² means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule or as provided for by this Agreement, which compromises the security or privacy of the PHI.

An acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rule is presumed to be a breach unless the BUSINESS ASSOCIATE demonstrates to the STATE's satisfaction that there is a low probability that the PHI has been compromised based on a risk assessment that identifies at least the following: (i) the nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification; (ii) the unauthorized person who used the PHI or to whom the disclosure was made; (iii) whether the PHI was actually acquired or viewed; and (iv) the extent to which the risk to the PHI has been mitigated.

Breach excludes:

- A. Any unintentional acquisition, access or use of PHI by a Workforce member or person acting under the authority of the BUSINESS ASSOCIATE if such acquisition, access, or

¹ Business Associate is defined at 45 CFR §160.103

² Breach: 45 CFR §164.402.

use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule.

- B. Any inadvertent disclosure by a person who is authorized to access PHI at the BUSINESS ASSOCIATE to another person authorized to access PHI at the same BUSINESS ASSOCIATE, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the Privacy Rule.
- C. A disclosure of PHI where the BUSINESS ASSOCIATE has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

Designated Record Set means records, including but not limited to PHI maintained, collected, used, or disseminated by or for the STATE relating to (i) medical and billing records about Individuals maintained by or for a covered Health Care Provider, (ii) enrollment, Payment, claims adjudication, and case or medical management records systems maintained by or for a Health Plan, or (iii) that are used in whole or in part by the STATE to make decisions about Individuals.³

Electronic Protected Health Information (EPHI) means PHI that is transmitted by Electronic Media or maintained in Electronic Media.⁴

HIPAA Rules shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Parts 160 and Part 164.

Individual means the person who is the subject of Protected Health Information, and shall include a person who qualifies as a personal representative under 45 CFR §164.502(g) of the HIPAA Rules.⁵

Privacy Rule means the HIPAA Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160, and part 164, subparts A and E.

Protected Health Information (PHI) means any oral, paper or electronic information, data, documentation, and materials, including, but not limited to, demographic, medical, genetic and financial information that is created or received by a Health Care Provider, Health Plan, Employer, or Health Care Clearinghouse, and relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual; or the past, present, or future payment for the provision of health care to an Individual; and that identifies the Individual or with respect to which there is a reasonable basis to believe the information can be used to identify the Individual. For purposes of this Agreement, the term Protected Health Information is limited to the information created, maintained, received, or transmitted by BUSINESS ASSOCIATE on behalf of or from the STATE under the Contract. Protected Health Information includes without limitation EPHI, and excludes education records under 20 U.S.C. §1232(g), employment records held by the STATE as an

³ Designated Record Set: 45 CFR §164.501.

⁴ Electronic Protected Health Information: 45 CFR §160.103

⁵ Individual: 45 CFR §160.103; 164.502(g)

employer, and records regarding an Individual who has been deceased for more than 50 years.⁶

Security Rule means the HIPAA Security Standards for the Protection of Electronic Protected Health Information at 45 CFR part 160, and part 164, subpart C.

Unsecured Protected Health Information or Unsecured PHI means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of technology or methodology specified by the Secretary under section 13402(h)(2) of Public Law 111-5.⁷

2. BUSINESS ASSOCIATE'S OBLIGATIONS.

BUSINESS ASSOCIATE agrees to:

- a. Not use or disclose PHI other than as permitted or required by this Agreement or as Required By Law. In no event may BUSINESS ASSOCIATE use or further disclose PHI in a manner that would violate the Privacy Rule if done by the STATE, except as expressly provided in this Agreement.⁸
- b. Implement appropriate safeguards, and comply, where applicable, with the Security Rule to ensure the confidentiality, integrity, and availability of all EPHI the BUSINESS ASSOCIATE creates, receives, maintains, or transmits on behalf of the STATE; protect against any reasonably anticipated threats or hazards to the security or integrity of EPHI; prevent use or disclosure of PHI other than as provided for by this Agreement or as Required by Law; and ensure compliance with the HIPAA Rules by BUSINESS ASSOCIATE's Workforce.⁹ These safeguards include, but are not limited to:
 - (i) Administrative Safeguards. BUSINESS ASSOCIATE shall implement policies and procedures to prevent, detect, contain, and correct security violations, and reasonably preserve and protect the confidentiality, integrity and availability of EPHI, as required by 45 CFR §164.308, and enforcing those policies and procedures, including sanctions for anyone not found in compliance;¹⁰
 - (ii) Technical and Physical Safeguards. BUSINESS ASSOCIATE shall implement appropriate technical safeguards to protect PHI, including access controls, authentication, and transmission security, as well as implement appropriate physical safeguards to protect PHI, including workstation security and device and media controls;¹¹ and

⁶ Protected Health Information: 45 CFR §160.103

⁷ Unsecured Protected Health Information: 45 CFR §164.402

⁸ 45 CFR §§164.502(a)(3), 164.504(e)(2)(ii)(A)

⁹ 45 CFR §164.306(a)

¹⁰ 45 CFR §164.308

¹¹ 45 CFR §§ 164.310, 164.312

- (iii) Training. BUSINESS ASSOCIATE shall provide training to relevant Workforce members, including management, on how to prevent the improper access, use or disclosure of PHI; and update and repeat training on a regular basis.¹²
- c. In accordance with 45 CFR §164.316, document the required policies and procedures and keep them current, and shall cooperate in good faith in response to any reasonable requests from STATE to discuss, review, inspect, and/or audit BUSINESS ASSOCIATE's safeguards. BUSINESS ASSOCIATE shall retain the documentation required for six (6) years from the date of its creation or the date when it last was in effect, whichever is later.¹³
- d. Ensure that any subcontractor of BUSINESS ASSOCIATE that creates, receives, maintains, or transmits PHI on behalf of BUSINESS ASSOCIATE agrees in writing to the same restrictions, conditions and requirements that apply to BUSINESS ASSOCIATE through this Agreement with respect to such PHI.¹⁴
- e. Notify the STATE following discovery of any use or disclosure of PHI not permitted by this Agreement of which it becomes aware, or any Breach of Unsecured PHI.¹⁵
- (i) BUSINESS ASSOCIATE shall immediately notify the STATE verbally.
- (ii) BUSINESS ASSOCIATE shall subsequently notify the STATE in writing, without unreasonable delay, and in no case later than two (2) business days following discovery of the impermissible use or disclosure of PHI, or Breach of Unsecured PHI.
- (iii) A Breach of Unsecured PHI shall be treated as discovered by the BUSINESS ASSOCIATE as of the first day on which such breach is known to the BUSINESS ASSOCIATE or, by exercising reasonable diligence, would have been known to the BUSINESS ASSOCIATE. BUSINESS ASSOCIATE shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of the BUSINESS ASSOCIATE.¹⁶
- f. Take prompt corrective action to mitigate, to the extent practicable, any harmful effect that is known to BUSINESS ASSOCIATE of a Security Incident or a misuse or unauthorized disclosure of PHI by BUSINESS ASSOCIATE in violation of this Agreement, and any other action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations. BUSINESS ASSOCIATE shall reasonably cooperate with the STATE's efforts to seek appropriate injunctive relief or

¹² 45 CFR §164.308(a)(5)

¹³ 45 CFR §§164.306 – 164.316; 164.504(e)(2)(ii)(B)

¹⁴ 45 CFR §§164.308(b), 164.314(a)(2), 164.502(e), 164.504(e)(2)(ii)(D)

¹⁵ 45 CFR §§164.314(a)(2), 164.410(a), 164.504(e)(2)(ii)(C)

¹⁶ 45 CFR §164.410(a)(2)

otherwise prevent or curtail potential or actual Breaches, or to recover its PHI, including complying with a reasonable corrective action plan.¹⁷

- g. Investigate such Breach and provide a written report of the investigation and resultant mitigation to STATE within thirty (30) calendar days of the discovery of the Breach.
- h. Provide the following information with respect to a Breach of Unsecured PHI, to the extent possible, as the information becomes available, to the STATE's DHS Information Security / HIPAA Compliance Manager:
 - (i) The identification of each Individual whose Unsecured PHI has been, or is reasonably believed by BUSINESS ASSOCIATE to have been accessed, acquired, used, or disclosed during the breach; and
 - (ii) Any other available information that the STATE is required to include in notification to the Individual under the HIPAA Rules, including, but not limited to the following:¹⁸
 - A. Contact information for Individuals who were or who may have been impacted by the HIPAA Breach (e.g., first and last name, mailing address, street address, phone number, and email address);
 - B. A brief description of the circumstances of the Breach, including the date of the Breach and date of discovery, if known;
 - C. A description of the types of Unsecured PHI involved in the Breach (such as whether the full name, social security number, date of birth, address, account number, diagnosis, diagnostic, disability and/or billing codes, or similar information was involved);
 - D. A brief description of what the BUSINESS ASSOCIATE has done or is doing to investigate the Breach, mitigate harm to the Individual(s) impacted by the Breach, and protect against future Breaches; and
 - E. Contact information for BUSINESS ASSOCIATE's liaison responsible for investigating the Breach and communicating information relating to the Breach to the STATE.
- i. Promptly report to STATE any Security Incident of which BUSINESS ASSOCIATE becomes aware with respect to EPHI that is in the custody of BUSINESS ASSOCIATE, including breaches of Unsecured PHI as required by §164.410, by contacting the DHS Information Security / HIPAA Compliance manager.¹⁹
- j. Implement reasonable and appropriate measures to ensure compliance with the requirements of this Agreement by Workforce members who assist in the performance of

¹⁷ 45 CFR §§164.308(a)(6); 164.530(f)

¹⁸ 45 CFR §§164.404(c)(1), 164.408, 164.410(c)(1) and (2)

¹⁹ 45 CFR §§164.314(a)(2), 164.410

functions or activities on behalf of the STATE under this Agreement and use or disclose PHI, and discipline such Workforce members who intentionally violate any provisions of these special conditions, which may include termination of employment.²⁰

- k. Make its internal policies, procedures, books and records relating to the use and disclosure of PHI received from, or created or received by BUSINESS ASSOCIATE on behalf of, the STATE available to the Secretary or to STATE if necessary or required to assess BUSINESS ASSOCIATE's or the STATE's compliance with the HIPAA Rules. BUSINESS ASSOCIATE shall promptly notify STATE of communications with the U.S. Department of Health and Human Services (HHS) regarding PHI provided by or created by STATE and shall provide STATE with copies of any information BUSINESS ASSOCIATE has made available to HHS under this paragraph.²¹
- l. Upon notice from STATE, accommodate any restriction to the use or disclosure of PHI and any request for confidential communications to which STATE has agreed in accordance with the Privacy Rule.²²
- m. Make available PHI held by BUSINESS ASSOCIATE, which the STATE has determined to be part of its Designated Record Set, to the STATE as necessary to satisfy the STATE's obligations to provide an Individual with access to PHI under 45 CFR §164.524, in the time and manner designated by the STATE.²³
- n. Make available PHI held by BUSINESS ASSOCIATE, which the STATE has determined to be part of its Designated Record Set, for amendment and incorporate any amendments to PHI that the STATE directs or agrees to in accordance with 45 CFR §164.526, upon request of the STATE or an Individual.
- o. Document disclosures of PHI made by BUSINESS ASSOCIATE, which are required to be accounted for under 45 CFR §164.528(a)(1), and make this information available as necessary to satisfy the STATE's obligation to provide an accounting of disclosures to an Individual within two (2) business days notice by the STATE of a request by an Individual of a request for an accounting of disclosures of PHI. If an Individual directly requests an accounting of disclosures of PHI from BUSINESS ASSOCIATE, BUSINESS ASSOCIATE shall notify STATE of the request within two (2) business days, and STATE shall either direct BUSINESS associate to provide the information directly to the Individual, or it shall direct that the information required for the accounting be forwarded to STATE for compilation and distribution to the Individual.²⁴
- p. Comply with any other requirements of the HIPAA Rules not expressly specified in this Agreement, as and to the extent that such requirements apply to Business Associates under the HIPAA Rules, as the same may be amended from time to time.

²⁰ 45 CFR §§164.308(a), 164.530(b) and (e)

²¹ 45 CFR §504(e)(2)(ii)(I)

²² 45 CFR §164.522

²³ 45 CFR §§164.504(e)(2)(ii)(E), 164.524

²⁴ 45 CFR §§164.504(e)(2)(ii)(G) and (H), 164.528; HAR ch. 2-71, subch. 2.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

BUSINESS ASSOCIATE may, except as otherwise limited in this Agreement:

- a. General Use and Disclosure. Create, receive, maintain or transmit PHI only for the purposes listed in the Contract and this Agreement, provided that the use or disclosure would not violate the HIPAA Rules if done by the STATE or violate the Minimum Necessary requirements applicable to the STATE.²⁵
- b. Limited Use of PHI for BUSINESS ASSOCIATE's Benefit. Use PHI received by the BUSINESS ASSOCIATE in its capacity as the STATE's BUSINESS ASSOCIATE, if necessary, for the proper management and administration of the BUSINESS ASSOCIATE or to carry out the legal responsibilities of the BUSINESS ASSOCIATE. BUSINESS ASSOCIATE's proper management and administration does not include the use or disclosure of PHI by BUSINESS ASSOCIATE for marketing purposes or for sale of PHI.²⁶
- c. Limited Disclosure of PHI for BUSINESS ASSOCIATE's Benefit. Disclose PHI for BUSINESS ASSOCIATE's proper management and administration or to carry out its legal responsibilities only if the disclosure is Required By Law, or BUSINESS ASSOCIATE obtains reasonable assurances from the person to whom PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies BUSINESS ASSOCIATE of any instances of which it is aware in which the confidentiality of PHI has been breached.²⁷
- d. Minimum Necessary. BUSINESS ASSOCIATE shall only request, use, and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use, or disclosure.²⁸
- e. Data Aggregation. Use PHI to provide Data Aggregation services relating to the STATE's Health Care Operations as permitted by 45 CFR §164.504(e)(2)(i)(B).
- f. Disclosures by Whistleblowers. Use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).

4. STATE'S OBLIGATIONS.

- a. STATE shall not request BUSINESS ASSOCIATE to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by STATE.
- b. STATE shall not provide BUSINESS ASSOCIATE with more PHI than is minimally necessary for BUSINESS ASSOCIATE to provide the services under the Contract and

²⁵ 45 CFR §§164.502(a) & (b), 154.504(e)(2)(i)

²⁶ 45 CFR §§164.502(a)(5)(ii), 164.504(e)(2)(i)(A), 164.504(e)(4)(i), 164.508(a)(3) and (a)(4)

²⁷ 45 CFR §164.504(e)(4)(ii)

²⁸ 45 CFR §164.502(b)

STATE shall provide any PHI needed by BUSINESS ASSOCIATE to perform under the Contract only in accordance with the HIPAA Rules.

5. TERM AND TERMINATION.

- a. This Agreement shall be effective as of the date of the Contract or Contract amendment to which this Agreement is attached, and shall terminate on the date the STATE terminates this Agreement or when all PHI is destroyed or returned to the STATE.
- b. In addition to any other remedies provided for by this Agreement or the Contract, upon the STATE's knowledge of a material Breach by BUSINESS ASSOCIATE of this Agreement, the BUSINESS ASSOCIATE authorizes the STATE to do any one or more of the following, upon written notice to BUSINESS ASSOCIATE describing the violation and the action it intends to take:
 - (i) Exercise any of its rights to reports, access and inspection under this Agreement or the Contract;
 - (ii) Require BUSINESS ASSOCIATE to submit a plan of monitoring and reporting, as STATE may determine necessary to maintain compliance with this Agreement;
 - (iii) Provide BUSINESS ASSOCIATE with a reasonable period of time to cure the Breach, given the nature and impact of the Breach; or
 - (iv) Immediately terminate this Agreement if BUSINESS ASSOCIATE has breached a material term of this Agreement and sufficient mitigation is not possible.²⁹
- c. Effect of Termination.³⁰
 - (i) Upon any termination of this Agreement, until notified otherwise by the STATE, BUSINESS ASSOCIATE shall extend all protections, limitations, requirements and other provisions of this Agreement to all PHI received from or on behalf of STATE or created or received by BUSINESS ASSOCIATE on behalf of the State, and all EPHI created, received, maintained or transmitted by BUSINESS ASSOCIATE on behalf of the STATE.
 - (ii) Except as otherwise provided in subsection 5(c)(iii) below, upon termination of this Agreement for any reason, BUSINESS ASSOCIATE shall, at the STATE's option, return or destroy all PHI received from the STATE, or created or received by the BUSINESS ASSOCIATE on behalf of, the STATE that the BUSINESS ASSOCIATE still maintains in any form, and BUSINESS ASSOCIATE shall retain no copies of the information. This provision shall also apply to PHI that is in the possession of subcontractors or agents of BUSINESS ASSOCIATE. BUSINESS ASSOCIATE shall notify the STATE in writing of any and all conditions that make return or destruction of such information not feasible and shall provide STATE with any requested information related to the STATE's

²⁹ 45 CFR §164.504(e)(2)(iii)

³⁰ 45 CFR §164.504(e)(2)(ii)(J)

determination as to whether the return or destruction of such information is feasible.

- (iii) If the STATE determines that returning or destroying any or all PHI is not feasible or opts not to require the return or destruction of such information, the protections of this Agreement shall continue to apply to such PHI, and BUSINESS ASSOCIATE shall limit further uses and disclosures of PHI to those purposes that make the return or destruction infeasible, for so long as BUSINESS ASSOCIATE maintains such PHI. STATE hereby acknowledges and agrees that infeasibility includes BUSINESS ASSOCIATE's need to retain PHI for purposes of complying with its work product documentation standards.

6. MISCELLANEOUS.

- a. Amendment. BUSINESS ASSOCIATE and the STATE agree to take such action as is necessary to amend this Agreement from time to time for compliance with the requirements of the HIPAA Rules and any other applicable law.
- b. Interpretation. In the event that any terms of this Agreement are inconsistent with the terms of the Contract, then the terms of this Agreement shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Rules, as amended, the HIPAA Rules shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of this Agreement shall control. Any ambiguity in this Agreement shall be resolved to permit STATE to comply with the HIPAA Rules. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to supercede any federal or State law or regulation related to confidentiality of health information that is More Stringent than the HIPAA Rules.
- c. Indemnification. BUSINESS ASSOCIATE shall defend, indemnify, and hold harmless the STATE and STATE's officers, employees, agents, contractors and subcontractors to the extent required under the Contract for incidents that are caused by or arise out of a Breach or failure to comply with any provision of this Agreement or the HIPAA Rules by BUSINESS ASSOCIATE or any of BUSINESS ASSOCIATE's officers, employees, agents, contractors or subcontractors.
- d. Costs Related to Breach. BUSINESS ASSOCIATE shall be responsible for any and all costs incurred by the STATE as a result of any Breach of PHI by BUSINESS ASSOCIATE, its officers, directors, employees, contractors or agents, or by a third party to which BUSINESS ASSOCIATE disclosed PHI under this Agreement, including but not limited to notification of individuals or their representatives of a Breach of Unsecured PHI,³¹ and the cost of mitigating any harmful effect of the Breach.³²
- e. Response to Subpoenas. In the event BUSINESS ASSOCIATE receives a subpoena or similar notice or request from any judicial, administrative or other party which would require the production of PHI received from, or created for, the STATE, BUSINESS

³¹ 45 CFR Part 164, Subpart D

³² 45 CFR §164.530(f)

ASSOCIATE shall promptly forward a copy of such subpoena, notice or request to the STATE to afford the STATE the opportunity to timely respond to the demand for its PHI as the STATE determines appropriate according to its state and federal obligations.

- f. Survival. The respective rights and obligations of STATE and BUSINESS ASSOCIATE under sections 5.c, Term and Termination, 6.c., Indemnification, and 6.d, Costs Related to Breach, shall survive the termination of this Agreement.
- g. Notices. Whenever written notice is required by one party to the other under this Agreement, it should be mailed, faxed and/or e-mailed to the appropriate address noted below. If notice is sent by e-mail, then a confirming written notice should be sent by mail and/or fax within two (2) business days after the date of the e-mail. The sender of any written notice required under this Agreement is responsible for confirming receipt by the recipient.

STATE:

DHS Information Security / HIPAA
Compliance Manager
P.O. Box 700190
Kapolei, Hawaii 96709-0190
Fax: (808) 692-8173
Email: LYong@dhs.hawaii.gov

BUSINESS ASSOCIATE:

Fax: (_____) _____
Email: _____

APPENDIX F – CONFIDENTIAL AND PROPRIETARY INFORMATION
RFP-MQD-2016-002
EQRO/PRO

By signing below, the Offeror confirms that those pages that are indicated in the table and marked throughout the response should be considered as "Confidential" or "Proprietary". For all areas that are listed, the Offeror must provide an explanation to MQD of how substantial competitive harm would occur if the information is released. Please list these "Confidential" or "Proprietary" areas and provide explanations below.

Signature

Title

PAGE #	SECTION	EXPLANATION

APPENDIX G – BUSINESS PROPOSAL

Appendix G
Business Proposal

EQRO and PRO Scope of Work (1)	2016	2017	2018	Pricing Assumptions
EQRO ACTIVITIES				
Validation of PIPs				Validate 2 PIPs per plan (6 plans/6 reports) for 12 total PIPs; TA to plans/MQD on new PIP process [2014=validated total 16 PIPs/8 plans, previous PIP methodology]
HEDIS Audit/Performance Measure Validation				*Validate all MQD-required measures per plan (8 plans/5 reports) [2014=validated 6 measures/same # plans/reports]
Compliance Review				For CCS, on-site review of remaining half of BBA standards, review/approve CAP, and reevaluate compliance following CAP approval. (1 plan/1 report) [2014=performed 5 on-site reviews for 8 plans and CAP follow-ups]
Child CAHPS 5.0H and CHIP Child CAHPS 5.0H (w/o CCC)				Child CAHPS survey (without CCC) with plan-specific results for 5 plans (5 plan reports plus one aggregate report). Statewide CHIP survey (without CCC) with one aggregate report. Survey includes language block with access to translation in the 4 predominant non-English languages. [2014=performed Adult survey and CHIP survey, same # plans/reports, no translation service]
Provider Survey				1,500 providers sampled across 5 health plans; 1 aggregate report with plan-specific results. [2013=\$44,748; same sample size and number of plans/reports]
Technical Assistance				
Technical Report				
TOTAL EQRO				
PASRR Reviews				500 reviews annually; reports monthly, quarterly, annually.
LTC LOC Determinations				16,500 reviews annually; reports monthly, quarterly, annually.
Determinations Data Base				Database maintenance; monthly, quarterly, annual, and ad hoc reporting.
TOTAL PRO				
GRAND TOTAL				

(1) Assumes 5 QUEST Integration plans (MCOS): AlohaCare, HMSA, Kaiser, 'Ohana, UHC CP, and 1 BH PIHP; 'Ohana CCS

(* Exception to above assumption: HEDIS audit/PMV will be performed on measurement year 2014 data, when there were 5 QUEST plans, 2 QEXA plans, and 1 CCS plan.)

APPENDIX G-1
BUSINESS PROPOSAL

I, _____ (Name of Official authorized to commit,
copy attached) hereby enter the official proposal prices indicated below on behalf
_____ (Name of Firm entering proposal), and warrant that
all terms and conditions of the RFP for External Quality Reviews of the Medicaid
QUEST Integration Managed Care Organizations/Prepaid Inpatient Health Plan, and Peer
Review Organization Services are met.

Payment Schedule

(January 1, 2016 to December 31, 2018)

Annual Cost of Contract 2016: \$ _____

(To be Divided into Twelve Equal Payments to Billed Monthly)

Annual Cost of Contract 2017: \$ _____

(To be Divided into Twelve Equal Payments to Billed Monthly)

Annual Cost of Contract 2018: \$ _____

(To be Divided into Twelve Equal Payments to Billed Monthly)

Total Cost of Proposal : \$ _____

Cost justification information as set forth in section 70.200 shall be attached to this
section or referenced separately as deemed appropriate by the respondent.

APPENDIX H – OFFEROR REFERENCES

The Offeror is required to supply MQD with names, addresses, and telephone numbers of three (3) organizations for which the Offeror has supplied products and services that are similar to those being requested in this RFP. All work for these references must have been performed within the past two (2) years. Only three (3) references should be submitted.

Client Name: _____

Client Address: _____

Reference Name and Title: _____

Current Phone: _____

Email: _____

Description of Services Provided: _____

Client Name: _____

Client Address: _____

Reference Name and Title: _____

Current Phone: _____

Email: _____

Description of Services Provided: _____

Client Name: _____

Client Address: _____

Reference Name and Title: _____

Current Phone: _____

Email: _____

Description of Services Provided: _____

APPENDIX I – PASRR FORMS AND PROCESS

STATE OF HAWAII

Department of Human Services

Med-QUEST Division

PREADMISSION SCREENING RESIDENT REVIEW (PAS/RR) LEVEL I SCREEN	PATIENT'S NAME: <i>(Last Name, First, M.I.)</i>	DATE OF BIRTH: <i>(mm/dd/yy)</i>
	SOCIAL SECURITY NUMBER:	MEDICAID I.D. NUMBER:
	REFERRAL SOURCE: <i>(Physician's Name; Nursing Facility; Hospital; Etc.)</i>	

PART A: SERIOUS MENTAL ILLNESS (SMI):	YES	NO
1. Does the individual, currently meet the criteria for SMI? Must have a current diagnosis of a Major Mental Disorder, which is:	()	()
a. A SCHIZOPHRENIC disorder, MOOD disorder, DELUSIONAL (PARANOID) disorder, PANIC OR OTHER SEVERE ANXIETY disorder, SOMATOFORM disorder, PERSONALITY disorder, <u>or</u> PSYCHOTIC disorder not elsewhere classified that may lead to a chronic disability; BUT		
b. NOT a primary or secondary diagnosis of DEMENTIA , including ALZHEIMER'S DISEASE OR A RELATED DISORDER.		
2. Has psychoactive drug(s) been prescribed on a regular basis for the individual within the last two (2) years for SMI?	()	()

PART B: INTELLECTUAL DISABILITY/DEVELOPMENTAL DISABILITIES (ID/DD):	YES	NO
1. The individual has a diagnosis of ID or has a history indicating the presence of ID prior to age 18.	()	()
2. The individual has a diagnosis of DD or has a history indicating the presence of DD prior to age 22.	()	()

DETERMINATION:

1. If any of the answers in Parts A or B are **YES**, **COMPLETE PART C (page 2)** of this form.
2. If all of the answers in Parts A or B are **NO**, **SIGN** and **DATE** BELOW:

LEVEL I SCREEN IS NEGATIVE FOR SMI OR MR/DD THE PATIENT MAY BE ADMITTED TO THE NF:	DATE AND TIME COMPLETED:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 60%;"> _____ SIGNATURE OF PHYSICIAN </div> <div style="width: 30%; text-align: center;"> MD </div> </div>	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 60%;"></div> <div style="width: 30%; text-align: center;"> mm/dd/yy </div> </div>
_____ PRINT NAME OF PHYSICIAN	<div style="text-align: center;"> _____ time </div>

PART C:**YES****NO**

- | | | | |
|----|--|-----|-----|
| 1. | Is this individual being discharged from an acute care hospital and admitted to the NF for recovery from an illness or surgery not to exceed 120 days and is not considered a danger to self and/or others? | () | () |
| 2. | Is this individual certified by his physician to be terminally ill (prognosis of a life expectancy of 6 months or less) and is not considered a danger to self and/or others? | () | () |
| 3. | Is this individual comatose, ventilator dependent, functioning at the brain stem level or diagnosed as having a severe physical illness , such as, COPD, Parkinson's Disease, Huntington's Chorea, or amyotrophic lateral sclerosis; which result in a level of impairment so severe that the person cannot be expected to benefit from specialized services? | () | () |
| 4. | Does this individual require provisional admission pending further Assessment in cases of delirium where an accurate diagnosis cannot be made until the delirium clears? | () | () |
| 5. | Does this individual provisional admission not to exceed 7 days for further assessment for emergency situations requiring protective services? | () | () |
| 6. | Does this individual require admission for a brief stay of 30 days for respite care ? <u>The individual is expected to return to the same caregivers following this brief NF stay.</u> | () | () |

CHECK ONLY ONE:

- [] If **any** answer to Part C is Yes, **NO REFERRAL for LEVEL II evaluation and determination is necessary at this time. NOTE TIME CONSTRAINTS!**
- [] If **all** answers to Part C are No, **REFERRAL for LEVEL II evaluation and determination MUST BE MADE.**

SIGN and DATE this form.

DATE & TIME COMPLETED:_____
SIGNATURE OF PHYSICIAN MD_____
mm/dd/yy_____
PRINT NAME OF PHYSICIAN_____
time

APPENDIX J – LONG TERM CARE LEVEL OF CARE FORMS AND PROCESS

Appendix J.1	DHS 1147 (Interim Rev.05-14)
Appendix J.2	DHS 1147 Instruction (Interim Rev. 05-14)

Appendix J

Long Term Care Level of Care (LOC) Determinations

1147 Quarterly Report

Quarter: ____ Year: ____

1. Number of LOC requests received summary. Indicate number:
Received, not approved, deferred, approved, pending review, no longer meeting level of care
2. Requests sorted by Managed Care Plan. Indicate Health Plan:
NA, Aloha Care, HMSA, Kaiser, Ohana, UHC CP
3. Total forms LOC approved. Indicate LOC:
Acute Waitlisted Subacute
SNF Waitlisted LOC
ICF Waitlisted LOC
SNF LOC
ICF LOC
Sub-Acute, Group 1, 2
Hospice
4. Comatose Scores/number of Comatose Patients and in which LOC:
Functional Status Average Points. Indicate LOC:
Acute Waitlisted Subacute
SNF Waitlisted LOC
ICF Waitlisted LOC
SNF LOC
ICF LOC
Sub-Acute, Group 1, 2
Hospice
5. Functional Status Average Points on nursing facility LOC. Indicate LOC. Indicate functional category (vision, hearing, speech, communication, memory, etc.). Approved only and do not report comatose approvals.
6. Functional Status Average Points on at risk category.
7. Denial Rates by reason (administrative, does not meet LOC requested, incomplete information, approved at different LOC).
8. Deferral Rates

STATE OF HAWAII
Level of Care (LOC) and At Risk Evaluation

1. PLEASE PRINT OR TYPE <input type="checkbox"/> Initial Request <input type="checkbox"/> Annual Review <input type="checkbox"/> Reconsideration <input type="checkbox"/> Other review				
2. PATIENT NAME (Last, First, M.I.)	3. BIRTHDATE Month/Day/Year	4. SEX	5. MEDICARE Part A <input type="checkbox"/> Yes <input type="checkbox"/> No Part B <input type="checkbox"/> Yes <input type="checkbox"/> No ID#: _____	6. MEDICAID ELIGIBLE? <input type="checkbox"/> Yes ID # _____ <input type="checkbox"/> No Date Applied _____
7. PRESENT ADDRESS: Present Address is <input type="checkbox"/> Home <input type="checkbox"/> Hospital <input type="checkbox"/> NF <input type="checkbox"/> Care Home <input type="checkbox"/> EARCH <input type="checkbox"/> CCFFH <input type="checkbox"/> Other: _____				8. Medicaid Provider Number: (If applicable) _____
9. ATTENDING PHYSICIAN/PRIMARY CARE PROVIDER (PCP) (Last Name, First Name, Middle Initial) _____ Phone : () _____ Fax: () _____				
10. RETURN FORM TO (SERVICE COORDINATOR/CONTACT PERSON): _____ MANAGED CARE PLAN NAME (IF APPLICABLE): _____ [] VIA FAX (Print Fax Number Below) Phone () _____ Fax () _____ Email _____				
11. REFERRAL INFORMATION (Completed by Referring Party)			12. ASSESSMENT INFORMATION (Completed by RN, Physician, PCP)	
A. SOURCE(S) OF INFORMATION <input type="checkbox"/> Client <input type="checkbox"/> Records <input type="checkbox"/> Other _____ B. RESPONSIBLE PERSON Name _____ Last First MI Relationship _____ PHONE () _____ FAX () _____ C. Language <input type="checkbox"/> English <input type="checkbox"/> Other _____			A. ASSESSMENT DATE ____ / ____ / ____ B. ASSESSOR'S NAME Name _____ Last First MI Title _____ Signature _____ <input type="checkbox"/> Hard copy signature on file. PHONE: () _____ FAX: () _____ EMAIL: _____	
13. REQUESTING				
CHECK ONE BOX: [] Nursing Facility (ICF) [] Nursing Facility (SNF) [] Nursing Facility (HOSPICE) [] Nursing Facility (Subacute I) [] Nursing Facility (Subacute II) [] Acute Waitlist (ICF) [] Acute Waitlist (SNF) [] Acute Waitlist (Subacute) [] At Risk			BEGIN and END DATES: _____ TO _____ LENGTH OF APPROVAL REQUESTED (CHECK ONE BOX): [] 1 month [] 3 months [] 6 months [] 1 year [] Other: _____	
14. MEDICAL NECESSITY DETERMINATION – DO NOT COMPLETE				
APPROVAL: [] Nursing Facility (ICF) [] Nursing Facility (SNF) [] Nursing Facility (HOSPICE) [] Nursing Facility (Subacute I) [] Nursing Facility (Subacute II) [] Acute Waitlist (ICF) [] Acute Waitlist (SNF) [] Acute Waitlist (Subacute) [] At Risk			BEGIN AND END DATES: _____ TO _____ LENGTH OF APPROVAL (CHECK ONE BOX): [] 1 month [] 3 months [] 6 months [] 1 year [] Other: _____	
DEFERRED: [] Current 1147 Version Needed [] Missing Information [] Clinical Question				
NOT APPROVED: [] DOES NOT MEET LEVEL OF CARE REQUESTED [] DOES NOT MEET AT RISK CRITERIA [] INCOMPLETE INFORMATION TO MAKE DETERMINATION				
NOTE: THIS IS NOT AN AUTHORIZATION FOR PAYMENT OR APPROVAL OF CHARGES. PAYMENT BY THE MEDICAID PROGRAM IS CONTINGENT ON THE INDIVIDUAL BEING ELIGIBLE, THE SERVICES BEING COVERED BY MEDICAID AND THE PROVIDER BEING MEDICAID CERTIFIED AT THE TIME SERVICES ARE RENDERED. INDIVIDUAL'S ELIGIBILITY MUST BE VERIFIED BY THE PROVIDER AT THE TIME OF SERVICE.				
DHS REVIEWER'S / DESIGNEE'S SIGNATURE: _____ DATE: _____				

STATE OF HAWAII
Level of Care (LOC) and At Risk Evaluation

APPLICANT/CLIENT BACKGROUND INFORMATION (Please Type or Print)

<p>1. NAME (Last, First, Middle Initial) _____</p>	<p>2. BIRTHDATE _____</p>																																													
<p>3. FUNCTIONAL STATUS RELATED TO HEALTH CONDITIONS</p> <p>I. LIST SIGNIFICANT CURRENT DIAGNOSIS(ES):</p> <p>PRIMARY: _____</p> <p>SECONDARY: _____</p> <p>II. COMATOSE <input type="checkbox"/> No <input type="checkbox"/> Yes If "Yes," go to XVIII.</p> <p>III. VISION / HEARING / SPEECH:</p> <p>[0] a. Individual has normal or minimal impairment (with/without corrective device) of: <input type="checkbox"/> Hearing <input type="checkbox"/> Vision <input type="checkbox"/> Speech</p> <p>[1] b. Individual has impairment (with/without corrective device) of: <input type="checkbox"/> Hearing <input type="checkbox"/> Vision <input type="checkbox"/> Speech</p> <p>[2] c. Individual has complete absence of: <input type="checkbox"/> Hearing <input type="checkbox"/> Vision <input type="checkbox"/> Speech</p> <p>IV. COMMUNICATION:</p> <p>[0] a. Adequately communicates needs/wants.</p> <p>[1] b. Has difficulty communicating needs/wants.</p> <p>[2] c. Unable to communicate needs/wants.</p> <p>V. MEMORY:</p> <p>[0] a. Normal or minimal impairment of memory.</p> <p>[1] b. Problem with [] long-term or [] short-term memory.</p> <p>[2] c. Individual has a problem with both long-term and short-term memory.</p> <p>VI. MENTAL STATUS / BEHAVIOR: (only one selection for orientation – items a through c. Aggressive and/or abusive and wandering may also be checked with appropriate orientation.)</p> <p>[0] a. Oriented (mentally alert and aware of surroundings).</p> <p>[1] b. Disoriented (partially or intermittently; requires supervision).</p> <p>[2] c. Disoriented and/or disruptive.</p> <p>[3] d. Aggressive and/or abusive.</p> <p>[4] e. Wanders at [] Day [] Night [] Both, or in danger of self-inflicted harm or self-neglect.</p> <p>VII. FEEDING:</p> <p>[0] a. Independent with or without an assistive device.</p> <p>[1] b. Needs supervision or assistance with feeding.</p> <p>[2] c. Is spoon / syringe / tube fed, does not participate.</p> <p>VIII. TRANSFERRING:</p> <p>[0] a. Independent with or without a device.</p> <p>[2] b. Transfers with minimal /stand-by help of another person.</p> <p>[3] c. Transfers with supervision and physical assistance of another person.</p> <p>[4] d. Does not assist in transfer or is bedfast.</p> <p>IX. MOBILITY / AMBULATION: (Check a maximum of 2 for items b through e. If an individual is either mobile or unable to walk, no other selections can be made.)</p> <p>[0] a. Independently mobile with or without device.</p> <p>[1] b. Ambulates with or without device but unsteady / subject to falls.</p> <p>[2] c. Able to walk/be mobile with minimal assistance.</p> <p>[3] d. Able to walk/be mobile with one assist.</p> <p>[4] e. Able to walk/be mobile with more than one assist.</p> <p>[5] f. Unable to walk.</p> <p>X. BOWEL FUNCTION / CONTINENCE:</p> <p>[0] a. Continent.</p> <p>[1] b. Continent with cues.</p> <p>[2] c. Incontinent (at least once daily).</p> <p>[3] d. Incontinent (more than once daily, # of times _____).</p>																																														
<p>XI. BLADDER FUNCTION / CONTINENCE:</p> <p>[0] a. Continent.</p> <p>[1] b. Continent with cues.</p> <p>[2] c. Incontinent (at least once daily).</p> <p>[3] d. Incontinent (more than once daily, # of times _____).</p> <p>XII. BATHING:</p> <p>[0] a. Independent bathing.</p> <p>[1] b. Unable to safely bathe without minimal assistance and supervision.</p> <p>[3] c. Cannot bathe without total assistance (tub, shower, whirlpool or bed bath).</p> <p>XIII. DRESSING AND PERSONAL GROOMING:</p> <p>[0] a. Appropriate and independent dressing, undressing and grooming.</p> <p>[1] b. Can groom/dress self with cueing. (Can dress, but unable to choose or lay out clothes).</p> <p>[2] c. Physical assistance needed on a regular basis.</p> <p>[3] d. Requires total help in dressing, undressing, and grooming.</p> <p>Complete questions XIV to XVII for At Risk only:</p> <p>XIV. HOUSECLEANING:</p> <p>[0] a. Independent</p> <p>[2] b. Needs Assistance</p> <p>[3] c. Unable to safely clean the home</p> <p>XV. SHOPPING:</p> <p>[0] a. Independent</p> <p>[2] b. Needs Assistance</p> <p>[3] c. Unable to safely go shopping</p> <p>XVI. LAUNDRY:</p> <p>[0] a. Independent</p> <p>[1] b. Needs Assistance</p> <p>[2] c. Unable to safely do the laundry</p> <p>XVII. MEAL PREPARATION:</p> <p>[0] a. Independent</p> <p>[1] b. Needs Assistance</p> <p>[2] c. Unable to safely prepare a meal</p> <p>XVIII. TOTAL POINTS:</p> <p>Comatose = 30 points</p> <p>Total Points Indicated: _____</p> <p>XIX. MEDICATIONS/TREATMENTS:</p> <p>(List all Significant Medications, Dosage, Frequency, and mode) Attach additional sheet if necessary</p> <table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th></th><th>Administers Independently</th><th>Requires Supervision/ Monitoring</th><th>Requires Admin</th><th>PRNs Only Actual Freq</th></tr></thead><tbody><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr><tr><td>_____</td><td>[]</td><td>[]</td><td>[]</td><td>_____</td></tr></tbody></table>			Administers Independently	Requires Supervision/ Monitoring	Requires Admin	PRNs Only Actual Freq	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____	_____	[]	[]	[]	_____
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<p>XX. ADDITIONAL INFORMATION CONCERNING PATIENT'S FUNCTIONAL STATUS:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>																																														

APPLICANT/CLIENT BACKGROUND INFORMATION (Please Type or Print)

1. NAME (PRINT Last, First, Middle Initial)

2. BIRTHDATE

XXI. SKILLED PROCEDURES: D = Daily Indicate number of times per day L = Less than once per day N = Not applicable / Never

D	L	N	
#	✓	✓	
___	[]	[]	PROFESSIONAL NURSING ASSESSMENT/CARE RELATED TO MANAGEMENT OF:
___	[]	[]	Tracheostomy care/suctioning in ventilator dependent person
___	[]	[]	Tracheostomy care/suctioning in non-ventilator dependent person
___	[]	[]	Nasopharyngeal suctioning in persons with no tracheostomy
___	[]	[]	Total Parenteral Nutrition (TPN) (Specify number of hours per day): _____
___	[]	[]	Maintenance of peripheral/central IV lines
___	[]	[]	IV Therapy (Specify agent & frequency): _____
___	[]	[]	Decubitus ulcers (Stage III and above)
___	[]	[]	Decubitus ulcers (less than Stage III); wound care (Specify nature of ulcer/wound and care prescribed)
___	[]	[]	Wound care (Specify nature of wound and care prescribed)
			<input type="checkbox"/> debridement <input type="checkbox"/> Irrigation <input type="checkbox"/> packing <input type="checkbox"/> wound vac.
___	[]	[]	Instillation of medications via indwelling urinary catheters (Specify agent): _____
___	[]	[]	Intermittent urinary catheterization
___	[]	[]	IM/SQ Medications (Specify agent.): _____
___	[]	[]	Difficulty with administration of oral medications (Explain): _____
___	[]	[]	Swallowing difficulties and/or choking
___	[]	[]	Stable Gastrostomy/Nasogastric/Jejunostomy tube feedings; Enteral Pump? <input type="checkbox"/> Yes <input type="checkbox"/> No
___	[]	[]	Gastrostomy/Nasogastric/Jejunostomy tube feedings in persons at risk for aspiration (Specify reason person at risk for aspiration)
___	[]	[]	Initial phase of Oxygen therapy
___	[]	[]	Nebulizer treatment
___	[]	[]	Complicating problems of patients on [] renal dialysis, [] chemotherapy, [] radiation therapy, [] with orthopedic traction
			(Check problem(s) and describe) : _____
___	[]	[]	Behavioral problems related to neurological impairment (Describe): _____
___	[]	[]	Other (Specify condition and describe nursing intervention): _____
<input type="checkbox"/> Yes <input type="checkbox"/> No			Therapeutic Diet (Describe): _____
<input type="checkbox"/> Yes <input type="checkbox"/> No			Restorative Therapy (check therapy and submit/attach evaluation and treatment plan): <input type="checkbox"/> PT <input type="checkbox"/> OT <input type="checkbox"/> Speech
<input type="checkbox"/> Yes <input type="checkbox"/> No			The patient is able to participate in therapy a minimum of 45 minutes per session 5 days a week.

XXII. SOCIAL SITUATION:

- A. Person can return home ☐ Yes ☐ No ☐ N/A Community setting can be considered as an alternative to facility? ☐ Yes ☐ No ☐ N/A
- B. If person has a home; caregiving support system is willing to provide/continue care. ☐ Yes ☐ No
- Caregiver requires assistance? ☐ Yes ☐ No
- Assistance required by Caregiver: _____

C. Caregiver name:

Name: _____ Relationship: _____

Last First MI

Address: _____ Phone: () Fax ()

XXIII. COMMENTS ON NURSING REQUIREMENTS OR SOCIAL SITUATION:

I HAVE REVIEWED AND AGREE WITH THIS ASSESSMENT.

PHYSICIAN/PCP/RN SIGNATURE: _____

☐ Hard copy signature on file. This plan of care has been discussed with the MD/PCP/RN.

DATE: ____/____/____

Physician/PCP/RN Name (PRINT): _____

INSTRUCTIONS
DHS FORM 1147
Rev. 05/14

LEVEL OF CARE (LOC) AND AT RISK EVALUATION

1. **Check the appropriate box for the evaluation:** Check type of request - initial, annual, reconsideration or other review, i.e. 3 month review to determine continued stay.
2. **Patient Name:** Self-explanatory.
3. **Birthdate:** Self-explanatory.
4. **Gender:** Indicate whether the patient is "M" for male or "F" for female.
5. **Medicare:** Check the appropriate box indicating whether patient has Medicare Part A and B and enter patient's Medicare I.D. number, if eligible for either Part A or B.
6. **Medicaid Eligible:** Check "Yes" or "No" to indicate whether the patient is currently Medicaid eligible. Enter Medicaid I.D. number assigned by the Department of Human Services, if eligible. If the patient has applied for Medicaid but has not yet been deemed eligible, print or type in "pending" for I.D. # and print or type in date applied. Forms will be processed only if patient has a Medicaid number or has the date of the Medicaid application.
7. **Present Address:** Indicate patient's present address, i.e. Home, Hospital, Nursing Facility (NF), Care Home, Extended Adult Residential Care Home (EARCH – Type I & Type II), Community Care Family Foster Home (CCFFH), or other.

Home: Patient is at his or her residential home or is homeless.

Hospital: Patient is currently residing in an Acute Care Hospital, i.e. waitlisted at an acute waitlisted level of care.

Nursing Facility (NF): Patient is currently residing in a nursing facility.

Care Home: Patient is currently residing in a care home – not at nursing facility level of care.

Extended Adult Resident Care Home (EARCH): Patient is currently residing in a Department of Health or Shared Home with the Department of Human Services which include Patients at a care home and nursing facility level of care.

Community Care Foster Family Home (CCFFH): Patient is currently residing in a Department of Human Services Foster Home which includes Patients at a nursing facility level of care.

Other: Check this box if the patient's present address is not listed above. Write in the description.

8. **Medicaid Provider Number:** Enter only if applicable. Patient must be pending Medicaid and currently NOT a patient in a managed care health plan.
9. **Attending Physician/Primary Care Provider (PCP):** Enter the name of the attending physician or primary care provider, telephone and fax number.

10. **Return Form to:** Enter the name of the service coordinator or the contact person. Indicate the managed care plan name if applicable, telephone, fax number and email address of the person able to provide additional information about the patient.

11. **Referral Information:** Complete all sections for an initial request. Skip this section, if this is an annual or "other" review.

A. **Source(s) of Information:** Identify the source(s) of patient information received.

B. **Responsible Person:** Provide the name, relationship, phone and fax numbers of the family member/personal agent who will be making decisions for the patient.

C. **Language:** Check the box of the primary language spoken by the patient. If checking "Other," indicate the language spoken. Information is used to obtain interpreters.

12. **Assessment Information:** Complete all sections.

A. **Assessment Date:** Indicate the date of the most current assessment.

B. **Assessor's Name, Title, Signature, Phone and Fax Numbers:** A registered nurse (RN), physician or primary care provider must perform the assessment. Enter the name, title and telephone, fax number and email address of the assessor. The assessor must sign the form.

Electronic submittal of form(s) will be accepted with the box checked that a signature of the RN, physician or primary care provider has signed a hard copy of this form and the hard copy of the form(s) can be found in the patient's file.

13. **Requesting:** Check what is being requested (either level of care or at risk). Indicate the begin and end date of the request. If hospice services have been elected by the patient AND the services will be provided in a nursing facility, attach the hospice election and physician verification form. Hospice services in other settings do not require an 1147 form.

Indicate the length of approval requested. Check one box.

14. **Medical Necessity Determination:** Completed by DHS reviewer or designee. Leave Blank. DO NOT COMPLETE.

PAGE 2 AND 3--APPLICANT/PATIENT BACKGROUND INFORMATION

1. **Name:** Self-explanatory.

2. **Birthdate:** Self-explanatory.

3. **Functional Status Related to Health Conditions:** Complete all sections.

- I. **List significant current diagnosis(es):** List the primary and secondary diagnosis(es) or medical conditions related to the patient's need for long-term care.
- II. **Comatose:** If patient is comatose, check "Yes" box and go directly to Section XVIII. If patient is not comatose, check "No" and complete rest of section.
- III. **Vision/Hearing/Speech through XIII Dressing and Personal Grooming:** Select the description that best describes the patient's functioning.
- Note: Make only one selection in all sections except VI. Mental Status/Behavior and IX. Mobility/Ambulation. For Mental Status/Behavior, make only one selection for orientation (items a through c). Aggressive and/or abusive and wandering may also be checked with the appropriate orientation. For Mobility/Ambulation, check a maximum of 2 for items b through e. If an individual is either mobile or unable to walk, no other selections can be made.
- XIV. **Housecleaning through XVII Meal Preparation (complete only for At-Risk criteria):**
- Select the description that best describes the patient's functioning.
- a) Independent
 - b) Able to complete some tasks with some assistance, includes oversight/cuing
 - c) Unable to complete tasks on own or needs assistance
- XVIII. **Total Points:** Add the points from each section to obtain total. Comatose patients are assigned 30 points.
- XIX. **Medications/Treatments:** List the significant medications prescribed by a physician. They may be chronic and given on a fixed schedule (such as antihypertensives), or short term (such as antibiotics), or significant PRN medications (such as narcotics and sedatives). Do not list stool softeners, enemas, and other agents to treat constipation, acetaminophen, non-steroidal anti-inflammatory agents (NSAIDs) unless they are given at least daily. If a patient has more than significant medications than available lines, attach orders or treatment sheet.
- XX. **Additional Information Concerning Patient's Functional Status:** Use the space to provide additional information on the patient's functional status. This section may be used to identify the extent of the assistance (minimal, with assistance or total) that is required. Attach a separate sheet if more space is required. See attachment Functional Status related to Health Conditions on scoring this section.
- XXI. **Skilled Procedures:** Check the particular skilled procedure(s) that the patient requires. If the care is daily (D), indicate the number of times per

day that care is required. If care is less than once per day check "L". If the care is not applicable, check "N".

If restorative therapy is being requested, attach the evaluation and treatment plan(s) AND indicate whether the patient is able to participate in therapy a minimum of 45 minutes per session 5 days a week.

XXII. Social Situation:

- A. **Person can return home:** Identify whether the patient can return home. The home can be a family member's (daughter, son, brother, sister, parents, etc.) home as well as the patient's own home. Check "NA" if the patient is already in a home environment. If the individual does not have a home, indicate whether the patient can be placed in a community setting. Check "NA" if the patient is already in a community setting.
- B. **Caregiving support:** If the patient has a home, identify whether the caregiving support is willing/able to provide care. If caregiver requires assistance, identify the assistance required.
- C. **Caregiver name.** Provide the caregiver's name, relationship, address, phone and fax numbers.

XXIII. Comments on Nursing Requirements or Social Situation: Provide any additional information that would help explain the Patient's nursing requirements or social situation.

Physician/PCP/RN Signature: Self-explanatory.

Electronic submittal of form(s) will be accepted with the box checked that the physician, the primary care provider, or the registered nurse has signed a hard copy of the form(s) and that the plan of care has been discussed with the physician, primary care provider, or registered nurse. The hard copy of the form(s) must be kept in the Patient's file.

Date: Indicate the date of the physician, Primary Care Provider, or Registered Nurses' signature.

Physician's/PCP/RN Name (Print): Self-explanatory.

Filing Instructions: Mail, fax, or send forms electronically to:

Health Services Advisory Group, Inc.
1440 Kapiolani Blvd., Suite 1110,
Honolulu, HI 96814
Phone: (808) 440-6000 Fax: (808) 440-6009

APPENDIX K – MANDATORY PROPOSAL SUBMISSION CHECKLIST

This appendix includes the Mandatory Technical Proposal Requirements Checklist. Offeror to complete the column labeled "Offeror Check" and include completed signed form in proposal. MQD will verify Offeror's submission.

Mandatory Technical Proposal Requirements Checklist

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
1	Offeror Proposal General Requirements		
1.1	Offerors Proposal was received on time at Department of Human Services, Med-QUEST Division by date and time specified in the RFP.		
1.2	Proposals are sealed and labeled on the outside of the package "SEALED PROPOSAL" and shows the title, "EQRO/PRO, RFP-MQD-2016-002" and includes the name of the Offeror.		
1.3	Technical Proposals and Business Proposals are sealed in separate envelopes or boxes within the "SEALED PROPOSAL". Each Proposal is clearly marked "Technical Proposal" or "Business Proposal".		
1.4	Delivery Method – Proposals were received via U.S. Mail, Express Delivery or Hand Delivery.		
1.5	Number of Copies- Technical Proposal includes: One (1) original hard copy with original signatures and is clearly marked as the "Original Technical Proposal " in a three-ring binder Two (2) identical hard copies of the original each in a three-ring binder One (1) electronic copy (CD—ROM) in Microsoft Office (Word, Excel and PowerPoint) format or Adobe Acrobat (PDF) format.		
1.6	Paper/font Size – Technical Proposal is printed on 8½ X 11 inch paper (letter size) and double sided. Proposals are single-spaced and the text font is no smaller than 11 points.		

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
1.7	Order/Tabs – Technical Proposal is ordered and includes tabs for the following sections: Tab 1: Offer Form (OF-1) Tab 2: Transmittal letter Tab 3: Mandatory Technical Proposal Requirement Checklist Tab 4: Notes and Certifications Tab 5: Executive Summary Tab 6: Company Background and Experience, Subcontractor Listing Tab 7: Offeror Financial Condition Tab 8: Project Organization and Staffing Tab 9: Approach Tab 10: Work Plan Tab 11: PRO Services with Sub-Tabs for Each Section Tab 12: EQR Services with Sub-Tabs for Each Section Tab 13: Assumptions Tab 14: Anticipated Problem Areas		
1.8	Cost Information – Offeror's Technical Proposal contains no cost information.		
1.9	Cover Page – Cover page of Technical Proposal includes the following information: Name and address of the Offeror Date of submission Title "Technical Proposal for External Quality Reviews and Peer Review Organization Services of Medicaid QUEST Integration Managed Care Organizations/Prepaid Inpatient Health Plan for the Medicaid Fee-for-Service Program "		
2	Offer Form (Tab 1)		
2.1	A completed Offer Form (OF-1) signed by an individual authorized to legally bind the Offeror.		
3	Transmittal Letter (Tab 2)		
3.1	Transmittal Letter is submitted as Tab 2 on official business letterhead and contains the firm's name and address.		

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
3.2	Transmittal Letter is signed in ink on the "Original Technical Proposal" by the individual authorized to commit the Offeror to the proposed scope of work and clearly indicates the name and title.		
3.3	The Transmittal Letter contains a statement indicating that the Offeror is a corporation or other legal entity. All subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the prime Offeror and each subcontractor, as measured by percentage of total contract price.		
3.4	The Transmittal Letter contains a statement that the Offeror is/will be registered to do business in Hawaii and has/will obtain a State of Hawaii General Excise Tax License by the start of work. Offerors should provide the Hawaii excise tax number (if available).		
3.5	The Transmittal Letter contains the Offeror's Federal Tax Identification Number.		
3.6	The Transmittal Letter contains a statement identifying all amendments and addenda to this RFP issued by MQD and received by the Offeror. If no amendments or addenda have been received, Offerors must include a statement that none were issued.		
3.7	The Transmittal Letter contains a statement that the person signing this Proposal is authorized to make decisions as to the proposed work, the prices quoted, that the offer is firm and binding, and that he or she has not participated, and will not participate, in any action contrary to the RFP.		
3.8	The Transmittal Letter contains the name and telephone number of the Offeror's representative who may be contacted for all contractual matters.		
3.9	The Transmittal Letter contains a statement that the Offeror has read, understands and agrees to all provisions of this RFP.		
3.10	The Transmittal Letter contains a statement that it is understood that if awarded the contract, the Offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and amendments.		

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
3.11	The Transmittal Letter contains a statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, creed, age, sex, national origin or mental or physical handicap, except as provided by law.		
3.12	The Transmittal Letter contains a statement that neither cost nor pricing is included in the transmittal letter or any part of the Technical Proposal.		
3.13	<p>If the use of subcontractor(s) is proposed, the transmittal letter contains a statement from each subcontractor must be appended to the transmittal letter. The statement must be signed by an individual authorized to legally bind the subcontractor and state the general scope of work to be performed by the subcontractor(s) including:</p> <ul style="list-style-type: none"> • The scope and percentage of work to be performed by the subcontractor (measured as a percentage of the total agreement price paid directly to the subcontractor); • The subcontractor's willingness to perform the work indicated; • and the subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract 		
3.14	The Transmittal Letter contains a statement that no attempt has been made or will be made by the Offeror to induce any other party to submit or refrain from submitting a Proposal.		
3.15	The Transmittal Letter contains a statement that the Offeror is a PRO that received 75% federal financial participation (FFP) for PRO services in at least one other state.		
3.16	The Transmittal Letter contains a statement that the Offeror is an EQRO that received 75% FFP for EQR services in at least one other state.		
3.17	The Transmittal Letter contains a statement that the bid was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.		

RFP REQUIREMENT		OFFEROR CHECK	MQD VERIFICATION
3.18	If any page is marked "Confidential" or "Proprietary" in the Offeror's Proposal, The Transmittal Letter contains an explanation to MQD of how substantial competitive harm would occur if the information is released and inclusion of the completed form in Appendix F.		
3.19	The Transmittal Letter contains a statement that neither the Offeror nor any proposed subcontractor has been found in default of previous contracts in the State of Hawaii.		
3.20	The Transmittal Letter contains the Offeror's assurance that the Proposal will remain in full force and effect for at least 180 days from the Proposal due date, which will be specified in the Transmittal Letter.		
4	Mandatory Technical Proposals Requirement Checklist (Tab 3)		
4.1	The signed Mandatory Technical Proposals Requirement Checklist is submitted as Tab 3.		
5	Notes and Certifications (Tab 4)		
5.1	Offerors have included a signed copy of the State of Hawaii Contractor's Standards of Conduct Declaration (Appendix D)		
5.2	Offerors have included a signed copy of the Disclosure Statement, Wage Certification, and Insurance Requirements Certification (COLI) Certification Forms (Appendix E)		
6	Executive Summary (Tab 5)		
6.1	The Technical Proposal includes an Executive Summary as Tab 5 of the Technical Proposal		
7	Company Background and Experience, Subcontractor Listing (Tab 6) Offeror includes the following identification information as Tab 6 of the Technical Proposal:		
7.1	The organization's full company or corporate name. General description of the primary business.		

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
7.2	A brief history and current company ownership including the ultimate parent organization and major shareholders and principals. If an out-of-state Contractor, intent must be made clear to become duly qualified to do business in the State of Hawaii before a contract is executed.		
7.3	Ownership, including the officers of the corporation, and the name and address of its registered agent.		
7.4	The home office location and all other offices (by city and state)		
7.5	The names and addresses of any parent organization, any partially or wholly owned subsidiaries, and any other related organizations.		
7.6	The location of office from which any contract would be administered		
7.7	The address of the Offeror's office location responsible for performance under the resulting contract if awarded the Contract.		
7.8	The number of employees both locally and nationally.		
7.9	The size of organization in assets, revenue and staff.		
7.10	Documentation of PRO certification.		
7.11	Documentation of EQRO certification.		
7.12	Documentation of current license to use all InterQual criteria as well as an assurance to the State of continued licensure.		
7.13	Meets criteria listed in Section 60.245.1 #1-EQRO Independence requirements.		
7.14	Meets criteria listed in Section 60.245.1 #2-Relating to administration of the CAHPS.		
7.15	<p>If the Offeror intends to subcontract any part of the scope of work to be performed under this Contract, the Offeror must indicate the following for each subcontractor:</p> <ul style="list-style-type: none"> The subcontractor's name, address, and telephone number The subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract 		

RFP REQUIREMENTS		OFFEROR	MOD
		CHECK	VERIFICATION
8	Offeror Financial Condition (Tab 7)		
8.1	Offeror has provided financial information about the stability and financial strength of the organization such as a current Dun and Bradstreet Report, an Annual Report containing a Compiled Income Statement and Balance Sheet verified by a CPA firm, or tax returns and financial statements including income statements and balance sheets for the most recent two (2) years and any available credit reports.		
8.2	Offeror has disclosed any and all judgments, pending or expected litigation, or other real potential financial reversals, which might materially affect the viability or stability of the Offeror's organization; or certified that no such condition is known to exist.		
8.3	If the Offeror is either substantially or wholly owned by another corporate entity, the Offeror has included similar financial information for the parent organization and a statement that the parent will unconditionally guarantee performance by the Offeror in each and every term, covenant, and condition of such contract as may be executed by the parties.		
8.4	Required financial information is provided for any proposed subcontractor whose percentage of work to be performed (measured as percentage of total contract price) equals or exceeds 20 percent.		
9	Offeror Organization and Staffing (Tab 8) Offeror includes the following section as Tab 8 of the Technical Proposal.		
9.1	If the Offeror have sufficient relevant program experience.		
9.2	Assessment of past and current management experience for similar services of like projects in scope.		
9.3	Project organization chart and position description.		
9.4	Resumes of key personnel		
10	Approach (Tab 9) Offeror includes the following sections as Tab 9 of the Technical Proposal:		

RFP REQUIREMENT		OFFEROR CHECK	MQD VERIFICATION
10.1	Offeror demonstrates an understanding of the requirements of the RFP.		
10.2	Offeror includes a logical, clear, and detailed statement of their methodology and overall organizational approach for successful completion of the project objectives.		
10.3	Offeror included their rationale and methodology for achieving objectives		
10.4	Offeror organizational approach to the project.		
11	Work Plan (Tab 10)		
11.1	Offeror includes a Work Plan and Schedule for all major activities, tasks and subtasks, showing the responsible party.		
12	PRO Services (Tab 11)		
12.1	Offeror submits a description of their experience for Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities.		
12.2	Offeror submits description of LTSS LOC and at Risk Determinations.		
12.3	Offeror submits a description of the database to be employed.		
13	EQRO Services (Tab 12)		
13.1	Offeror submits a description to perform EQR Services.		
13.2	Offeror submits a description of their performance measure validation.		
14	Assumptions (Tab 13)		
14.1	The Offeror's Proposal includes a list of assumptions or a statement that no assumptions are made as Tab 13.		

RFP REQUIREMENT		OFFEROR CHECK	MOD VERIFICATION
15	Anticipated Problem Areas (Tab 14)		
15.1	The Offeror's Proposal describes their approach for resolving problems.		

Signature

Title