



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

**Medicaid Promoting Interoperability Program  
State Level Repository (SLR) Operations**

**RFP-MQD-2020-007**



Med-QUEST Division

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

**RFP Release Date: September 25, 2019**

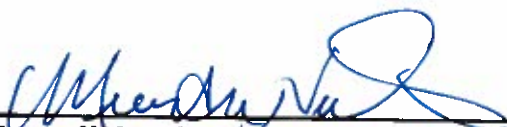
**REQUEST FOR PROPOSALS**

**No. RFP-MQD-2020-007**  
**Competitive Sealed Proposal:**

**Medicaid Promoting Interoperability Program State Level  
Repository Operations**

**will be received up to 2:00 p.m. Hawaii Standard Time (H.S.T.)  
on November 6, 2019**

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

  
\_\_\_\_\_  
**Meredith Nichols, Assistant Administrator**  
**Department of Human Services/Med-QUEST Division**



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## **Section 10 ADMINISTRATIVE OVERVIEW**

### **10.10 Purpose of the Request for Proposal (RFP)**

The purpose of this Request for Proposal (RFP) is to obtain competitive responses from qualified organizations to plan, transfer, test, convert, operate and maintain the State Level Repository (SLR) and administer the payments of the Medicaid Promoting Interoperability (PI) Program, previously known as the Medicaid Electronic Health Record (EHR) Incentive Program on behalf of the State of Hawaii, Department of Human Services (DHS), Med-QUEST Division (MQD).

Requirements for the State's Medicaid Promoting Interoperability (PI) Program include:

- Process attestations for the State's Medicaid PI Program as defined in 42 C.F.R. §412, §413, and §422 and §495 et. seq.
- Determine eligibility for the State's Medicaid PI Program utilizing automated and manual verifications of provider information, eligibility, utilization of EHR, and payment;
- Calculate Medicaid PI Program incentive payment automatically using inputs;
- Support post-payment audit and recoupment functions;
- Incorporate automated functionalities through the capability to interface with Federal and State systems required for administration of the program;
- Comply with federal rule requirements of the Centers for Medicare and Medicaid Services (CMS);
- Incorporate document management functionality for the purposes of verifying information and managing pre- and post-payment auditing activities;
- Provide support services required for administration and oversight activities, including the pre-payment review of attestations, provider outreach, and approval for MQD release to pay;
  - Provider Outreach shall include, but not limited to email, telephone calls, and training (on-site and/or virtual).



- Support future requirements of CMS as published in the federal rules;
- Provide Help desk functionality for use by Medicaid PI Program participants throughout the attestation process;
- Provide database and dashboard capabilities to support program administration related to eligibility and payment for the State's Medicaid PI Program; and MQD access to data
- Provide Medicaid PI Program participant outreach utilities;
- Provide ongoing operations and support and Contractor hosting of the SLR solution;
- Provide ongoing business process operations throughout the duration of the Medicaid PI Program, including (but not limited to) providing outreach services, processing attestations, and conducting pre-payment verification of eligibility; and
- Transition the SLR operations and data from the current vendor.

In addition to the functions listed above, MQD seeks contractor support for the takeover of the administrative tasks related to the Hawaii Medicaid PI Program. These tasks include:

- Overseeing and conducting all project management activities related to the Hawaii Medicaid PI Program and any newly mandated federal or state programs or requirements that arise during the contract period that are within the scope of the contract;
- Planning for and documenting disaster recovery;
- Maintaining federal and state mandated privacy and security infrastructure to ensure that the SLR data is not improperly accessed or distributed;
- Planning for SLR testing activities prior to transition and throughout operations for quality assurance;
- Conducting provider relations on behalf of MQD to ensure that providers are aware of SLR changes and procedures including, but not limited to outreach telephonically and



written, and/or on-site at a provider's place of business;  
and

- Distributing incentive payments for the Hawaii Medicaid PI Program upon receipt of funds from the State based on a schedule determined by MQD

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, and addenda, and the corresponding proposal shall be part of the contract with the successful Offeror. MQD reserves the right to modify, amend, change, add, or delete any requirements in this RFP 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.

#### **10.20 Authority for Issuance of the 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 the authority thereof, and the provisions of the Hawaii Revised Statutes (HRS) Title 9, Chapter 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 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. MQD reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

#### **10.30 Issuing Officer**

This RFP is issued by the State of Hawaii, Department of Human Services, Med-QUEST Division. The Issuing Officer within MQD is the sole point of contact from the date of release of this RFP until the selection of a successful Offeror.

The Issuing Officer is:



Meredith Nichols, Assistant Med-QUEST Administrator  
Department of Human Services, Med-QUEST Division  
1001 Kamokila Blvd, Suite 317  
Kapolei, Hawaii 96707  
Telephone: 808-692-8050  
Fax: 808-692-8173

#### **10.40 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 60 percent of the work to be performed. The project leader (Project Manager) shall be an employee of the prime Offeror and meet all the relevant requirements. All other participants shall be designated as subcontractors. Major subcontractors shall be identified by name, and for each proposed subcontractor, the Offeror shall provide overview information describing what functions or tasks the subcontractor(s) would perform under this RFP. The prime Offeror shall be wholly responsible for the entire performance whether or not subcontractors are used. The prime Offeror shall sign the Contract with MQD.

#### **10.50 Organization of the RFP**

This RFP is composed of eight sections:

- 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 MQD, the State's current Medicaid and health information technology environment, and the extent of EHR adoption to date.
- Section 40 – Scope of Services – Provides information on the services to be provided under the Contract.
- Section 50 – Operations Requirements – Provides an overview of the requirements that the Offeror must meet for the SLR operations.



- Section 60 – Special Terms and Conditions – Describes the terms and conditions under which the work shall be performed.
- Section 70 – Proposal Submission Requirements – Defines the requirements for Offerors' Technical and Cost Proposals and the information to be provided in the proposals.
- Section 80 – Evaluation, Selection, and Approvals – Defines the evaluation process and gives an overview of the evaluation categories as well as the process for obtaining State and Federal approvals required for the Contract.

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



## Section 20 RFP SCHEDULE AND PROCUREMENT REQUIREMENTS

### 20.10 RFP Timeline

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

Table 2-1 Estimated Procurement Schedule

ACTIVITY	DATE
Legal Ad Date / Issue RFP	September 25, 2019
Notice of Intent to Propose	October 4, 2019 - 2:00 p.m., HST
Submission of Written Questions	October 9, 2019 - 2:00 p.m., HST
Written Responses to Questions	October 18, 2019
Proposals Due	November 6, 2019 – 2:00 p.m., HST
Estimated Contract Award	November 27, 2019
Estimated Contract Start Date	December 20, 2019

### 20.20 Written Questions

MQD will accept written questions related to this RFP until the dates and times specified in Table 2-1. The written questions must reference the RFP section, page, and paragraph number in the format provided in Appendix B of this RFP.

Offerors may email written questions to the procurement email address at:

Renee Souza: [rsouza2@dhs.hawaii.gov](mailto:rsouza2@dhs.hawaii.gov)

Subject Line: RFP-MQD-2020-007 – Medicaid PI Program SLR Operations

MQD will respond to all written questions and issue addenda (if necessary) on the date specified in Table 2-1. Only written responses to questions and/or information included in formal addenda to this RFP shall be considered as official.



## **20.30 Notice of Intent**

Offerors shall submit their Notice of Intent to Propose by the date and time specified in Table 2-1. Submission of a Notice of Intent to Propose is not a prerequisite for the submission of a proposal, but is necessary to assure proper distribution of amendments, questions and answers, and other communication regarding this RFP.

The Notice of Intent to Propose must identify a single contact person for the RFP process, an email address, and phone number for that person. All communication between the Offeror and MQD must be through that single point of contact. MQD is not responsible for proposal correspondence not received by the Offeror.

Offerors should email or mail their Notice of Intent to:

Ms. Meredith Nichols  
c/o Renee Souza  
Department of Human Services, Med-QUEST Division  
1001 Kamokila Blvd., Suite 317  
Kapolei, Hawaii 96707  
Email Address: rsouza2@dhs.hawaii.gov

## **20.40 References**

Offerors will list, using the form in Appendix J, organizations for whom services similar to those requested herein were performed within the last five (5) years, or are currently being performed as required in Section 70.27.2. The State reserves the right to contact the references provided.

## **20.50 Documentation**

Offerors may review information describing Hawaii's Medicaid program, QUEST Integration and other Medical Assistance services and benefits by visiting MQD's website: <https://medquest.hawaii.gov/>. Information regarding administrative rules may be found at: <http://humanservices.hawaii.gov/admin-rules-2/admin-rules-for-programs/>.





## **20.60 Compliance with HRS §103D-310(c)**

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

- HRS Chapter 237, tax clearance;
- HRS Chapter 383, unemployment insurance;
- HRS Chapter 386, workers' compensation;
- HRS Chapter 392, temporary disability insurance;
- HRS Chapter 393, prepaid health care; and
- One of the following:
  - Be registered and incorporated or organized under the laws of the State (hereinafter referred to as a "Hawaii business"); or
  - Be registered to do business in the State (hereinafter referred to as a "compliant non-Hawaii business").
- Offerors are advised that there are costs associated with compliance under this section. Any costs are the responsibility of the Offeror. Proof of compliance is shown by providing the Certificate of Vendor Compliance issued by the Hawaii Compliance Express.

## **20.70 Hawaii Compliance Express (HCE)**

The State 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>

## **20.80 Rules of Procurement**

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

### **20.81 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.

### **20.82 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 emailed to Offerors submitting a Notice of Intent to Propose.

### **20.83 RFP Amendment**

MQD reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal.

### **20.84 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.



20.85 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.

20.86 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 receipt 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 MQD 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.

20.87 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.

20.88 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", and the material designated as confidential shall be readily separable from the proposal in order to facilitate inspection of the non confidential portion of the proposal. Proprietary or confidential information includes, but is not limited to, business, financial information,



medical records, and patient information. An explanation to MQD 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 70.22. MQD shall maintain the confidentiality of the information to the extent allowed by law. Blanket labeling of the entire document as "Proprietary," however, is inappropriate.

## **20.90 Acceptance of Proposals**

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

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

Where MQD 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.

MQD 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.

If MQD needs to contact the Offeror to seek clarification of a proposal, MQD reserve the right to generate a priority list in accordance with HAR 3-122-53 before conducting discussions with any Offeror. The procurement officer shall establish procedures and schedules for conducting discussions and keep a record of the date, place, purpose of meeting, and those attending. "Priority-listed Offerors" shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. Any substantial oral communication of a proposal shall be reduced to writing by the by the "priority-listed Offeror". Please note that discussions may be conducted with "priority-listed Offerors" pursuant to section 3-122-53, but that proposals may be accepted without discussions.



## **20.100 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 Cost Proposals. The format and content of each are specified in Section 70 of this RFP.

The Technical Proposal shall be submitted in a separate envelope or box from the Cost Proposal. One (1) hard copy bound original and three (3) bound copies in 3-ring binder with tabbed sections and one (1) electronic version on a CD in either PDF or Word 2010 or lower; and one (1) bound original and one (1) electronic version on a CD of the Cost Proposal shall be received by the DHS Issuing Officer no later than 2:00 p.m. H.S.T, on the date identified in Table 2-1.

Any proposals received after the deadline will be rejected and returned to the Offeror. Proposals shall be mailed or delivered to:

Meredith Nichols  
c/o Renee Souza  
Department of Human Services, Med-QUEST Division  
1001 Kamokila Blvd. Suite 317  
Kapolei, Hawaii 96707



The outside cover of the package containing the Technical Proposal copied shall be marked:

Hawaii SLR Operations  
RFP-MQD-2020-007  
Technical Proposal  
(Name of Offeror)

The outside cover of the package containing the Cost Proposal copied shall be marked:

Hawaii SLR Operations  
RFP-MQD-2020-007  
Cost Proposal  
(Name of Offeror)

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

#### **20.110 Proposal Opening and Inspection**

During the proposal evaluation and award recommendation period, proposals shall not be available for inspection. Proposals shall not be opened publicly but shall be opened in the presence of two or more State officials. The register of proposals and Offerors' proposals shall be open to public inspection after a contract has been awarded and executed by all parties.

#### **20.120 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 its proposal after the proposal due date;
- 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 MQD requirements from previous contracts; or
- An Offeror's lack of sufficient experience to perform the work contemplated.

#### **20.130 Irregular Proposals**

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

- If either the Transmittal Letter or Offer Form is unsigned by an Offeror or does not include 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; or
- 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.

#### **20.140 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, pursuant to HAR Section 3-122-96



through 3-122-97. 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.

#### **20.150 Additional Materials and Documentation**

Upon request from the State purchasing agency, each Offeror shall submit any additional materials and documentation reasonably required by the State purchasing agency in its evaluation of the proposal.

#### **20.160 Award Notice**

The notice of intended contract award, if any, shall be sent to the selected Offeror on or about the date specified in Table 2-1: Estimated Procurement Schedule.

The Contract award is subject to availability of funding.

Successful Offeror receiving award shall enter into a formal written contract.

No work is to be undertaken by the Contractor prior to the commencement date. The State is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official starting date.

Any contract arising out of an offer is subject to the approval of MQD 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**

This section provides background information on the organizations and programs that will participate in the activities procured in this RFP. It includes:

- Organization of MQD and Related Departments;
- Current Hawai'i Information Technology Landscape; and
- Extent of EHR Adoption to Date.

### **30.10      Organization of MQD and Related Departments**

This section includes a description of the organization of MQD and other departments that administer programs related to this RFP.

#### **30.11      Department of Human Services (DHS)**

DHS is comprised of four (4) divisions with about 1,800 positions and an annual operating budget of over \$2.2 billion. Each of its divisions provides assistance to its beneficiaries in Hawaii.

- MQD provides health coverage, primarily through managed care organization health plans, to low-income families, children and individuals, and the aged and disabled.
- The Benefit, Employment and Support Services Division (BESSD) provides SNAP, Temporary Assistance for Needy Families (TANF), State financial assistance programs, Low-Income Home Energy Assistance (LIHEAP), employment support, dependency diversion and prevention services, and childcare licensing.
- The Social Services Division (SSD) provides protective services for abused adults and children, family strengthening, and child abuse and neglect prevention services.
- The Vocational Rehabilitation and Services for the Blind Division (VRSBD) helps persons with disabilities and the blind to become employed, start their own businesses, and live independently.

The four (4) divisions of DHS, along with the two (2) administratively attached agencies are assisted by five staff support offices. Staff support offices provide administrative



hearings for applicants/beneficiaries, fiscal management, information technology systems support, management services, research, personnel and other services. DHS maintains statewide offices in 88 locations.

#### 30.12 Med-QUEST Division (MQD)

MQD administers the State's Medicaid and other health coverage programs. Medicaid, a Federal program created by Congress in 1965, was designed to provide access to medical care for the low-income population. In FY 2018, MQD spent approximately \$2.2 billion for benefits and administration of the Medicaid program.

MQD provides health coverage through several Medicaid programs under Title XIX of the Social Security Act (Act), as well as the Children's Health Insurance Program (CHIP) under Title XXI of the Act. The health coverage includes the Medicaid Fee-For-Service (FFS) program and the comprehensive Medicaid managed care programs QUEST Integration. Other smaller programs include the Breast and Cervical Cancer Treatment and Prevention (BCCTP) Program and special programs for Medicare beneficiaries, as well as State-funded medical assistance programs. By providing payment for medical, dental, and other medically necessary health care services, these programs collectively enable low-income adults and children to maintain and improve their health. MQD also administers the State's Death Payments program.

#### 30.20 Information Technology (IT) Landscape

This section describes the Hawaii Information Technology (IT) landscape as it relates to this RFP.

#### 30.21 Hawaii Prepaid Medical Management Information System (HPMMIS) and Kauhale On-Line Eligibility Assistance (KOLEA) System

Hawaii's medical enrollment, encounter, and claims processing functions are supported by the HPMMIS. Its role consists primarily of collecting and storing eligibility data from the KOLEA System, processing enrollment, and managing per member per month capitation calculations. The HPMMIS is managed by the Arizona Health Care Cost Containment System (AHCCCS) for



Hawaii under an Interstate Agreement. The HPMMIS is a legacy mainframe system. HPMMIS is described in the table below.

**Table 3-1 HPMMIS Today**

<b>HAWAII PREPAID MEDICAID MANAGEMENT INFORMATION SYSTEM (HPMMIS)</b>	
Programs Supported	Federal (Medicaid) and State medical assistance programs
Programming Language	COBOL
Database Management System	CA DATACOM Database
Operating System	IBM mainframe system operated by the Arizona Health Care Cost Containment System (AHCCCS)
Batch Job Executions	HPMMIS communicates with KOLEA through batch processes. It has batch interfaces with the CMS. For Arizona, the PMMIS is integrated with the State's web front-end in real-time using web services.
Hosting Environment	AHCCCS systems and their subsystems are maintained in a data center operated by the Arizona Department of Administration. The hosting environment uses established industry-standard security.
Integration	HPMMIS is integrated with contractor and provider systems through the HIPAA standard transactions.
Major Functions	HPMMIS collects and stores eligibility data from KOLEA, processes enrollment, and manages per member per month capitation calculations. HPMMIS processes Fee for Service (FFS) claims from registered health care providers and collects service encounter data from the Health Plans. HPMMIS has several subsystems to perform these functions.

### **30.30 Current Extent of EHR Adoption**

At the inception of the program, MQD estimated that 540 Eligible Professionals (EPs) would qualify for an incentive payment in the Medicaid PI Program year one. In the subsequent five years MQD estimated that a total of approximately 1450 providers will participate.

MQD also estimated that all of the 14 acute care hospitals and 9 critical access hospitals (CAHs) will participate in this program.

To date, over 700 EPs and 21 Eligible Hospitals (EHs) have attested to the Medicaid PI Program and received an incentive



payment; and many have attested to more than one Program Year. Over 1800 payments have been made to EPs and approximately 70 payments to EHs.



## **Section 40      SCOPE OF SERVICES**

### **40.10      Introduction**

This section describes the scope of the services required for the State Level Repository (SLR) functions. This section also describes the scope of services required for operations of the SLR responsibilities. Please note that the detailed solution requirements are described in Appendices O and P.

The Contractor shall be responsible for providing computer hardware and software resources to support the completion of all tasks. No State computer resources will be available to the Contractor except those necessary to transmit data for testing and interfaces. The Contractor shall use and maintain a word processing system and spreadsheet software compatible with MQD's software.

The Contractor shall provide the State with online access to the Solution's database(s), all applications, and report generation capabilities as detailed in Section 50 and Appendices O and P.

### **40.11      Section Overview**

In this RFP, MQD is seeking a qualified Contractor to perform the following activities for the Medicaid PI Program:

- Software;
- Configuration;
- Implementation;
- Administration and oversight;
- Maintenance and operation
- Transfer
- Program sunset

In this RFP, MQD is seeking a qualified Contractor to provide the following contract tasks to support administrative tasks associated with the maintenance and operations of SLR functions:

- Project management;
- Disaster recovery;



- Privacy and Security;
- Testing;
- Provider relations and attestation support;
- Provider hotline/call center
- Payment;
- Document management;
- Reporting; and
- Appeals.

Each activity includes the description of work, deliverables, and Contractor and State responsibilities required to successfully complete that activity.

## **40.20 State Level Repository**

The following section provides a description of the work, deliverables, and Contractor and State responsibilities required to plan and execute the SLR solution development, design and implementation activities identified in this RFP.

### **40.21 Software**

The following section provides the description, deliverables and Contractor and State responsibilities associated with the SLR solution.

#### **40.21.1 Software Description**

MQD has a preference to acquire software as a service (SaaS). The Contractor shall be responsible for presenting MQD with SaaS options that meet the needs of MQD as detailed in Appendix O.

The Contractor shall implement a SaaS SLR solution that is effective in implementing and managing the Hawaii Medicaid Promoting Interoperability Program provider attestations, approvals and payments. The solution will provide technical architecture to serve as the framework for incentive payment decision making. This solution will also include business processes and operational capabilities that include, but are not limited to, communication of the program to providers



throughout the State, making incentive payments, and providing appropriate pre-payment reviews for compliance with CMS and State policies. This will require the Contractor to understand the State's SMHP, organizational structure and requirements for the State's Medicaid PI Program.

At a minimum, software tasks include:

(a) SLR Requirements Specification Document

The Contractor shall provide a Requirements Specification Document (SLR RSD) using a structure and format pre-approved by MQD. The requirements must be traceable back to the requirements specified in Appendix O. At a minimum, the Contractor shall:

- Identify how and where the requirements are met in the proposed SLR solution;
- Define whether the requirement can be met through standard functionality of the proposed solution, a configuration, or a development activity; and
- Identify and verify all capabilities for data exchange between federal and state systems as specified by MQD.

(b) Test/Production Environment

The Contractor shall provide a web-based testing and production environment housed and hosted at the Contractor site with access granted to MQD at the appropriate phases of the project. The Contractor shall develop an approach for building, supporting, and maintaining all environments associated with the solution. This approach shall include the following:

- An outline of the requirements to support the setup, maintenance, and any changes of all proposed environments; and
- A list of approved users by role for MQD.

40.21.2 Software Deliverables

- SLR Requirements Specification Document; and
- Test/Production Environment.



### 40.21.3 Contractor and State Software Responsibilities

**Table 4-1 Contractor and State Software Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver deliverable expectation documents (DEDs) for all deliverables as defined in Section 40.21.1-Software Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.21.1-Software Description	Review and approve

### 40.22 Configuration

The following section provides the description, deliverables, and Contractor and State responsibilities associated with configuring the SLR solution.

#### 40.22.1 Configuration Description

MQD has a preference for a commercial off the shelf (COTS) SaaS SLR solution. The Contractor shall be responsible for configuring the SLR solution to meet the needs of MQD as detailed in Appendix O. This will include developing configuration items from the COTS product for the SLR solution, including the technical, business, and operational processes.

The Contractor shall use tools and established methodologies for maintaining control of the configuration process. The Contractor shall ensure that the configuration of the systems, services and architecture conforms to the requirements and specifications documented by MQD. The Contractor shall coordinate the establishment of testing strategies during the configuration activity to ensure the flow of testing from unit testing to acceptance testing is cohesive. This will include unit testing to verify that each basic component of the SLR solution is configured correctly in accordance with MQD specifications.

The Contractor shall be responsible for all configuration activities. At a minimum, specific configuration tasks include:





#### (a) Configurations Traceability Matrix

The Contractor shall develop, deliver, maintain, and update a Configurations Traceability Matrix (CTM) for all configurable items. The Contractor must assure all requirements are configured, tested, and approved by MQD. The Contractor shall specify configurable / non-configurable requirements. The CTM should be updated after each major activity and submitted to MQD for review and approval.

#### 40.22.2 Configuration Deliverables

- Configurations Traceability Matrix.

#### 40.22.3 Contractor and State Configuration Responsibilities

**Table 4-2 Contractor and State Configuration Responsibilities**

<b>CONTRACTOR RESPONSIBILITIES</b>	<b>STATE RESPONSIBILITIES</b>
Develop and deliver DEDs for all deliverables as defined in Section 40.22.1- Configuration Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.22.1- Configuration Description	Review all draft deliverables and provide feedback  Approve all deliverables prior to configuration

#### 40.23 Implementation

The following section provides the description, deliverables, and Contractor and State responsibilities associated with implementing the SLR solution. The Contractor is responsible for implementation of the SLR. MQD may add additional responsibilities for implementation of the SLR as needed.

##### 40.23.1 Implementation Description

The Contractor shall be responsible for deploying the SLR SaaS solution and operations after successfully completing all configurations and confirming that all system components, data, business processes and infrastructure of the SLR solution successfully fulfill all requirements as detailed in Appendix O.



At a minimum, specific implementation tasks include:

(a) Implementation Plan

The Contractor shall develop an Implementation Plan that describes and provides procedures for how the SLR solution will be deployed and transitioned into an operational system. The Implementation Plan shall include information on all aspects of the solution, including technical operations and business process flow for how the Contractor plans to administer and oversee the program in alignment with MQD requirements.

40.23.2 Service Level Agreements

A Service Level Agreement (SLA) is the agreement between MQD and the Contractor quantifying the minimum acceptable service to MQD. In order to monitor compliance with SLAs, MQD will use a performance reporting system to be implemented by the Contractor. MQD requires compliance with all Service Level Agreements (SLA). Failure to comply with SLAs may result in an assessment of liquidated damages. The following list of SLAs will be prioritized by MQD during contract negotiations, however, MQD seeks additional SLAs provided by the Contractor that establishes minimum acceptable services the Contractor agrees to perform. Key Performance Indicators (KPI) and liquidated damages will be identified within each SLA upon contract negotiations and are to be measured and reported each month by the Contractor. The SLAs to be completed are:

- SLR Configuration Management;
- Payment Tasks;
- System Operational Testing Support;
- Operational Problem Management; and
- Provider Relations Tasks;

The Contractor is expected to monitor performance against MQD-specified KPIs and is to develop operations reports to demonstrate compliance with applicable KPIs. Specifically, the Contractor is to submit a monthly Performance Report Card on all KPIs, regarding the prior month's performance, no later than the 10<sup>th</sup> of the month, with out-of-bounds metrics visually highlighted in the report. The Contractor may include additional



information regarding SLA compliance in its report. The Contractor is to make available to MQD upon request all reports, or data used in the determination of SLA compliance and calculation of KPIs.

When a KPI is not met, the Contractor is expected to provide MQD with a written detailed Corrective Action Report which describes: the missed KPI, a full description of the issue, the cause of the problem, risks related to the issue, the resolution, including any failed solution implemented prior to resolution, and the proposed corrective action going forward to avoid missing the KPI in the future. Upon receipt of the report, MQD may request a meeting to further discuss issues. The Contractor is to implement proposed corrective action only upon approval of MQD.

MQD and the Contractor agree that failure by the Contractor to perform in accordance with established SLA KPIs, agreed upon during contract negotiations, results in a loss to the State. If the Contractor fails to meet the KPIs identified in the SLAs listed in this RFP and developed and agreed to during contract negotiations MQD may assess and collect liquidated damages deducted from payments otherwise due to the Contractor for the failure to comply with KPI.

#### 40.23.3 Implementation and Data Transfer Deliverables

- Implementation Plan; and
- Service Level Agreements with Key Performance Indicators.

#### 40.23.4 Contractor and State Implementation Responsibilities

**Table 4-3 Contractor and State Implementation Responsibilities**

<b>CONTRACTOR RESPONSIBILITIES</b>	<b>STATE RESPONSIBILITIES</b>
Develop and deliver DEDs for all deliverables as defined in Section 40.23.1- Implementation Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.23.1- Implementation Description	Review all draft deliverables and provide feedback Approve all deliverables



#### 40.24 Administration & Oversight

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Administration & Oversight of the SLR solution.

##### 40.24.1 Administration & Oversight Description

The Contractor shall be responsible for performing activities related to administration and oversight of the Hawaii Medicaid Promoting Interoperability Program as detailed in Appendix O.

Administration and oversight include, but is not limited to the following:

- Providing program outreach and communication on behalf of MQD, including notifying providers of the Medicaid PI Program and information regarding federal and state policies and procedures;
- Ensuring that providers attesting to the Medicaid PI Program have accurately completed attestations to MQD's policy standards;
- Reviewing and preliminary approval of incentive payment attestations;
- Communicating with providers about their attestation; and

The Contractor shall provide MQD with reports of all provider outreach activities. The format of the report shall be negotiated upon contract signing.

At a minimum, administration and oversight activities include:

##### (a) Administration & Oversight Operations Plan

The Contractor shall submit a written SLR Administration & Oversight Operations Plan (SLR Ops Plan) to MQD for approval. The SLR Ops Plan shall include business process flows, document templates and required actions necessary for the complete review and approval of attestations for incentive payments. The Contractor shall include all processes necessary for administration & oversight processes as they relate to the Hawaii SMHP Administration & Oversight and Audit Strategy sections. The Contractor shall write the SLR Ops Plan with the



understanding that the Contractor shall have sole responsibility for all pre-payment review and payment of attestations. MQD plans to provide a final approval of each attestation immediately prior to D16 batch files being submitted to CMS for duplicate payment check.

#### (b) Communication Plan

The Contractor shall write a Communications Plan outlining the strategy that the Contractor plans to use to communicate with providers about the Hawaii Medicaid PI Program, including:

- Eligibility Requirements;
- Meaningful Use (MU) Requirements;
- Incentive Payment Amounts;
- Attestation Process.

The Contractor shall execute the Communication Plan centered around providing information to eligible providers on the Hawaii Medicaid PI Program. Communication shall focus on eligibility requirements, the CMS registration process, the attestation process, MU requirements, and documentation that is required to secure payment.

#### (c) Subject Matter Expertise

The Contractor shall assign a subject matter expert (SME) to the Hawaii Medicaid PI Program Administration & Outreach activities. The SME shall provide the Hawaii Medicaid PI Program with expertise on federal requirements of the Medicaid PI Program and those requirements specific to the Hawaii SMHP.

#### (d) Outreach Website

The Contractor shall host and maintain a provider outreach website promoting the Hawaii Medicaid PI Program. The outreach website shall contain written and visual materials related to the attestation process, links to federal and state resources related to the program, and any documents required by MQD for successful attestation. The Contractor shall make all program-related material available on the outreach website



accessible by eligible providers and their representatives. Approved version control shall be applied to all updated documents.

(e) Completed Attestation Review

The Contractor shall review each completed attestation submitted by eligible providers throughout the duration of the program. The Contractor shall validate and verify each attestation as required by MQD. Once all validations and verifications have been approved for accuracy, the Contractor shall conditionally approve each attestation for final approval by MQD.

The Contractor shall follow all guidance made available by CMS in their *Pre-Payment Audit Toolkit* and by MQD in the Hawaii SMHP, including:

- Tracking pre-payment validations and notes for each attestation reviewed, including all validations set forth as required by CMS and MQD;
- Tracking pre-payment verifications and notes for each attestation reviewed, including all verifications set forth as required by CMS and MQD;
- Reporting to the MQD and CMS, as requested or required on pre-payment verifications performed and subsequent results; and
- Additional activities as requested by MQD or CMS as part of pre-payment verifications.

(f) Provider Assistance – Incomplete/Incorrect Submissions

In the event that an eligible provider or eligible hospital has incorrectly provided information in their completed attestation, the Contractor shall contact provider for corrective action, including pending the attestation back to the provider for editing. The Contractor shall handle all provider questions related to pended attestations returned to the provider and relay instructions specific to the provider's attestation issue as it relates to MQD or CMS requirements.



(g) Department Notification of Conditional Approval

The Contractor shall serve as the conditional approver for all attestations submitted to the SLR for incentive payment. The Contractor shall mark conditionally approved attestations for review and final approval by MQD. The Contractor shall notify MQD that an attestation has been conditionally approved using a batching method proposed by the Contractor.

(h) D16 Send for CMS Approval

The Contractor shall send final D16 approval files to CMS for national level repository (NLR) duplication checks once a provider has been approved for payment by MQD. The Contractor shall schedule D16-checks on a weekly basis and as approved by MQD. The Contractor shall also contact the provider in the case that a D16 file is rejected by CMS.

(i) Attestation Reporting

The Contractor shall pull reports on status of attestations as requested by MQD, an eligible provider, representative or other authorized external party.

(j) Assessment

The Contractor shall assess the SLR Ops Plan on an annual basis for review and approval by MQD. The Contractor shall assess the SLR Ops Plan and resulting business processes for efficiency and effectiveness to review attestations on a timely basis, perform outreach with minimal burden to providers, and disburse incentive payments within the timeframe required by CMS. The Contractor shall report assessment findings to MQD for review and approval of any proposed changes to the SLR Ops Plan. Upon approval of changes by MQD, the Contractor shall make necessary updates to the SLR Ops Plan for submission to MQD.

40.24.2 Administration & Oversight Deliverables

- SLR Ops Plan;
- Promoting Interoperability Incentive Payment Program Sunset Plan;



- Communication Plan;
- Outreach Website; and
- Attestation Reports, as requested
- Support activities relating to Audits

#### 40.24.3 Contractor and State Administration & Oversight Responsibilities

**Table 4-4 Contractor and State Administration & Oversight Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.24.1- Administration & Oversight Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.24.1- Administration & Oversight Description	Review all draft deliverables and provide feedback  Approve all deliverables
Review and conditionally approve all attestations submitted to the Hawaii Medicaid EHR Incentive Program  Submit all Department-approved attestations for D16 Duplicate Payment Check  Submit all CMS-Approved attestations for incentive payment disbursement	Approve all attestations submitted to MQD by Contractor for State approval as notified by the Contractor
Compile and deliver reports to MQD for the purposes of tracking administration and oversight activities	Review and approve reports
Provide qualified staff to perform in a timely manner all activities related to Administration & Oversight	Provide final State approval on conditionally approved attestations

#### 40.25 Maintenance & Operations

The following section provides the description, deliverables, and Contractor and State responsibilities associated with the Maintenance & Operations activities of the SLR solution.





#### 40.25.1 Maintenance & Operation Description

The Contractor shall be responsible for performing Maintenance and Operation (M&O) support throughout the duration of the Hawaii Medicaid Program. The Contractor shall perform activities related to M&O of the SLR solution as detailed in Appendix O.

M&O support for the SLR solution shall include the following:

- **Operations** - Operations shall include the operation of the SLR solution. The Contractor shall provide qualified personnel, resources, facilities, and supplies to support the operation of the SLR solution as described in this RFP, specifically Section 40.25.
- **Maintenance** - Maintenance shall include supporting the system, once implemented in the production environment, for the duration of the contract. This support shall include the following activities:
  - Activities necessary to maintain the SLR solution in the condition that it was approved;
  - Activities necessary to meet CMS requirements;
  - Scheduled ongoing tasks to ensure system tuning, performance, response time, database stability and processing;
  - Updates to software, operating systems or other system components requiring version updates, manufacturer "patches," and other routine manufacturers' updates to software;
  - Maintenance of security for user accounts; and
  - Responses to production problems and emergency situations according to MQD-approved guidelines.
- **Modifications** - The SLR solution is subject to ongoing modifications due to Federal and State regulatory and policy changes.

The Contractor shall perform software modifications for all components of the SLR solution following completion of implementation activities and approved Start of Operations, as requested by MQD. The Contractor shall provide information needed for inclusion in the advance planning documents (APDs) required by CMS.



System and software upgrades available to all users/owners of the SLR solution shall not be considered as modifications and shall be available to the state without additional cost.

At a minimum, specific M&O tasks include:

(a) Problem Management

The Contractor shall provide operational problem management to manage SLR solution problems as they occur during M&O. The Contractor shall provide software tools to enable the tracking of a specific defect from identification through correction, including all testing performed to ensure the correct fix is in place. The Contractor shall categorize and resolve errors as determined by priority level.

(b) Release / Deployment Management

The Contractor shall be responsible for performing Release / Deployment Management for the Solution. The Contractor shall define and manage the processes, systems and functions to package, build, test, and deploy a release into production. At a minimum, the Contractor shall do the following:

- Assure that software releases are planned and approved by MQD;
- Apply version upgrades in a controlled manner to prevent disruption to attesters and staff; and
- Inform MQD when emergency security patches are made available and the Contractor shall develop a plan to apply those patches as soon as possible following plan review and approval by MQD.

(c) Regulatory Compliance

The Contractor shall ensure that System M&O support components acquired through this procurement are fully compliant with State and Federal requirements in effect as of the date of release for the RFP, as well as all changes that subsequently occur, unless otherwise noted by MQD.



(d) Internal Quality Assurance

The Contractor shall monitor operations to ensure compliance with MQD-specific performance requirements and configurations. The quality assurance function shall include providing automated reports of operational activities, quality control sampling of specific transactions, and ongoing workflow analysis to determine improvements needed to ensure the Contractor not only meets the performance requirements for its operational area, but also identifies and implements improvements to its operations on an ongoing basis.

(e) Resource Capacity Utilization and Capacity Planning

The Contractor shall perform resource capacity utilization and capacity planning for the SLR solution. The Contractor shall implement needed expansions of software at the Contractor's own expense, subject to MQD approval, before resource degradation impacts SLR performance through the life of the contract.

(f) Audit Support

The Contractor shall support and provide assistance with any State and Federal audits and compliance as MQD requests.

(g) Eligible Provider Support

The Contractor shall provide direct support to attesters, including answering technical questions and resolving issues. At a minimum, specific support services shall include:

- Answering attester questions about the application;
- Investigation into possible problems identified by the attester;
- Investigating and ensuring attester access to attestation system;
- User Manuals (detailed below);
- Online User Aids (detailed below); and
- Help Desk (detailed below).



### **User Manuals**

The Contractor shall develop, deliver, and maintain an SLR Attestation Manual that describes how to use the SLR from an attester's perspective.

### **Online User Aids**

The Contractor shall produce Online User Aids including help topics and channels (pop-up text, audio, video recording, etc.) to be determined during configuration requirements.

The Contractor shall develop, test, implement and provide postproduction support for online help. The Contractor shall update online materials regularly, based on changes to the Solution, policy and feedback received from attesters or MQD.

### **Help Desk**

The Contractor shall provide a Help Desk service as a primary point of help for attesters. At system implementation, the Contractor shall manage attester issues related to the application, data, and SLR solution implementation.

As a part of the Help Desk function, the Contractor shall:

- Provide Help Desk support staff during normal business hours (Monday through Friday, 8 a.m. – 5 p.m. HST, except for observed State Holidays) during implementation, maintenance, and operations;
- Provide Help Desk staff knowledgeable enough to guide attesters through the attestation process and preliminarily troubleshoot attester issues;
- Escalate issues that cannot be resolved by first tier staff;
- Handle routine customer service requests (CSRs) such as logon id, password, and security profile issues immediately;
- Forward non-SLR related issues to the appropriate contractor or MQD contact;
- Forward CSRs that cannot be resolved immediately to the appropriate staff, and, develop and communicate end user workarounds for such requests; and
- Capture and track help desk CSRs (i.e., "tickets").



(h) Modification Service Requests (MSR)

The Contractor shall implement service requests that MQD has identified as a "Modification." The Modification process will be determined during configuration sessions with MQD.

40.25.2 M&O Deliverables

- M&O Status Meetings (as necessary);
- M&O Manual and Updates;
- Release Schedules;
- Operational Help Desk Telephone Number/Email;
- User Manual; and
- Modification Service Requests.

40.25.3 Contractor and State M&O Responsibilities

**Table 4-5 Contractor and State M&O Responsibilities**

<b>CONTRACTOR RESPONSIBILITIES</b>	<b>STATE RESPONSIBILITIES</b>
Develop and deliver DEDs for all deliverables as defined in Section 40.25.1- Maintenance & Operations Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.25.1- Maintenance & Operations Description	Review all draft deliverables and provide feedback  Approve all deliverables
Notify MQD immediately of any unscheduled downtime  Identify changes to business processes required as a result of fixes or other maintenance	Facilitate coordination of activities involving other staff or programs
Provide qualified systems staff to perform Enhancements and modifications in a timely and prioritized manner that will include: <ul style="list-style-type: none"><li>▪ Making enhancements to system functionality</li></ul>	



## 40.26 Transfer

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Transfer activities of the SLR.

### 40.26.1 Transfer Description

The Contractor shall be responsible for performing activities related to SLR transfer as detailed in Appendix O DETAILED SLR REQUIREMENTS MATRIX. The transfer of functions from the current contractor will require coordination between the current contractor, MQD, and the new Contractor. At a minimum, the transfer activities include:

#### (a) Transfer Strategy

The Contractor shall provide a Transfer Strategy for approval by MQD. The Transfer Strategy should first identify all documents and procedures performed by the current contractor. The Transfer Strategy should then define the following for each document and procedure performed by the current contractor:

- Cutover strategy;
- Pre-cutover changes to current processes that will facilitate the transition;
- Tasks associated with the transition; and
- Associated provider communications.

The Transfer Strategy shall detail the conversion of any files or databases necessary for transferring the SLR operations.

### 40.26.2 Transfer Deliverables

- Transfer Strategy.



#### 40.26.3 Contractor and State Transfer Responsibilities

**Table 4-6 Contractor and State Transfer Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.26.1- Transfer Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.26.1- Transfer Description	Review all draft deliverables and provide feedback  Approve all deliverables

#### 40.27 Program Sunset

- The Contractor shall be responsible for the following: SLR Data Transfer Plan to minimally include database transfer supporting the SLR.
- Data Transfer
- SLR System and Procedural Documentation

#### 40.30 Administrative Tasks

The following section provides a description of the work, deliverables, and Contractor and State responsibilities required to plan, develop, implement, and operate the SLR solutions.

The Contractor shall execute administrative tasks as outlined in this RFP. The Contractor shall propose SLR solutions with all requirements related to the administrative tasks detailed in Appendix P.

#### 40.31 Project Management

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Project Management activities.



#### 40.31.1 Project Management Description

The Contractor shall manage activities identified in this RFP using project management principles agreed upon during contract negotiations. Project management activities consist of the Contractor's approach to initiating, planning, monitoring, reporting, and meeting resource requirements throughout the life of the contract. The Contractor is expected to present a clear understanding of the methods and tools used to ensure that resources are managed and required tasks and deliverables are completed. The Contractor shall be responsible for proposing SLR solutions with project management tasks related to the requirements detailed in Appendix P.

Project management includes the following:

- Project Initiation- Perform the initial tasks associated with determining the nature and scope of the project;
- Project Planning - Plan time, cost, and resources adequately to estimate the work needed to effectively manage risks;
- Project Monitoring and Controlling - Monitor and control all areas of the project defined in this RFP; and
- Project Closing - Ensure the orderly closeout of the Contract.

At a minimum, specific project management tasks include:

##### (a) Preliminary Planning

The Contractor shall perform preliminary planning tasks to ensure that MQD fully prepared initiate project activities on the Contract start date without delays. Activities for this stage include initiating project communications, introducing respective project teams, detailing specific items negotiated in the contracted scope of work, and preparing project plans for the SLR operations.

##### (b) Project Kick-Off

The Contractor shall plan and lead project kick-off activities, which will focus on setting the foundation for project management throughout the life of the contract. The Contractor shall propose kick-off meeting(s) to be attended by State and Contractor representatives, subject to MQD approval. The





Contractor shall be prepared to provide an overview of how it intends to accomplish the tasks of the project and discuss the project plan for the SLR implementation.

(c) Weekly Status Reports

The Contractor shall provide weekly project status reports that conform to the reporting standards outlined in the most current version of PMBOK®. At a minimum the weekly project status report shall include the following:

- Summary of work completed during the previous week and any results achieved (by deliverable, milestone and relevant work breakdown elements);
- Summary of the proposed tasks and deliverables to be performed for the upcoming week;
- Contractor's analysis of critical issues, including any schedule slippage;
- Issue and risk tracking and assessment, with mitigation strategies; and
- Documentation of issue management and change management along with recommended corrective actions.

(d) Internal Status Meetings

The Contractor shall attend status meetings or conference calls on a weekly basis, or more frequently if requested by MQD. At status meetings, the Contractor and MQD shall provide updates on project progress, issues related to the project, and project risks. The status meetings shall take place with the MQD Project Manager and other staff members, as appropriate.

(e) Deliverable Expectation Documents

The Contractor shall provide DEDs for deliverables, as requested by MQD. The Contractor shall explain the DED the deliverable's objective, scope and key milestones. If the DED includes content outside of the general knowledge of the SLR, the DED should include an explanation of complex terms and/or concepts.



#### 40.31.2 Project Staffing

The Offeror shall provide a project manager and a SLR SME. The Offeror shall provide the Offeror's project organization chart and shall provide resumes for all proposed project staff.

##### (a) References

The Offeror shall provide three (3) references for the project manager and SLR SME.

##### (b) Project Staff Changes

During the life of the contract, if project staff changes the Contractor shall submit proposed replacement staff resumes and shall not change staff unless and until MQD approves replacement staff.

#### 40.31.3 Project Management Deliverables

- Project Kick-Off Meeting(s);
- Project Plan – SLR;
- Weekly Status Reports;
- Internal Status Meetings; and
- DEDs, as requested by MQD.

#### 40.31.4 Contractor and State Project Management Responsibilities

**Table 4-7 Contractor and State Project Management Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all Project Management deliverables as defined in Section 40.31.1 – Project Management Description	Review all DEDs and provide feedback  Approve all DEDs prior to Contractor development
Develop, deliver, maintain, and execute all Project Management deliverables as defined in Section 40.31.1 – Project Management Description	Review all draft deliverables and provide feedback  Approve or reject deliverables



CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
<p>Submit electronic versions of all deliverables and documentation in conformance with the most current version of State software standards</p> <p>Provide version control for all documentation to maintain historical document archives</p>	
<p>Update and submit all applicable documentation on a regular basis as required</p>	<p>Review and approve all documentation updates</p>
<b>Project Kick-Off (Section (b))</b>	
<p>Make staff available to ensure adequate planning occurs prior to project start</p>	<p>Make State staff available to ensure adequate planning occurs prior to project start</p>
<p>Provide MQD with recommended agenda topics for Kick-Off Meetings</p>	<p>Approve and finalize agenda topics for Kick-Off Meetings</p>
<p>Plan and lead project Kick-Off activities.</p>	<p>Coordinate State participation for Kick-Off and Project Status Meetings</p> <p>Attend Kick-Off and Project Status Meetings</p>
<b>Project Status Reports (Section (c))</b>	
<p>Develop Project Status Reports for delivery to MQD</p>	<p>Review Status Reports and provide feedback</p> <p>Keep the Contractor apprised of ongoing changes to the related programs</p> <p>Provide coordination with CMS, and report any relevant information, instructions or requirements to the Contractor</p>
<b>Status Meetings (Section (d))</b>	
<p>Organize and attend regular Project Status Meetings and provide project updates</p>	<p>Finalize schedule and location for project status meetings, and notify the Contractor</p>



## 40.32 Disaster Recovery

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Disaster Recovery.

### 40.32.1 Disaster Recovery Description

The Contractor shall be responsible for executing and maintaining disaster recovery activities for the SLR solution as detailed in Appendix P.

The Contractor shall protect MQD against hardware and software failures, human error, natural disasters, and other emergencies that could interrupt services and operations of the SLR solution. The Contractor must have onsite backup utilities and communications to support local operations until the recovery site is available. The Contractor must provide the hardware and software necessary to create the disaster recovery backup solution.

In the event of a natural or human-causes disaster, all data and files must be protected in an offsite location. The alternate SLR solution shall be operational within (3) business days from the time that the primary business site is declared unsafe or inoperable.

At a minimum, specific disaster recovery tasks include:

#### (a) SLR Disaster Recovery Plan

The Contractor shall develop, deliver, maintain and execute a Disaster Recovery Plan (DRP) and backup plan that addresses recovery of business functions, business units, business processes, human resources and the technology infrastructure of the SLR solution. The DRP shall include recovery from any significant interruption in service. The Contractor shall test the DRP annually and report findings to MQD.

The Contractor shall provide MQD with a hard and soft copy of the plan, including all revisions.

The Contractor shall address only the SLR solution-related issues in the plan.



At a minimum, the DRP shall address the following:

- Checkpoint and restart capabilities;
- Retention and storage of backup files and software;
- Contractor voice and data telecommunications equipment;
- Continued processing of Medicaid PI Program attestations;
- Accommodations for the loss of communication between the Contractor's staff and MQD;
- Detailed file backup plan and procedures, including offsite storage of crucial claims transaction and attestation files, plans and procedures of a detailed schedule for backing up crucial files, and protections against unauthorized access or disclosure of information; and
- Maintenance of current system documentation and program libraries.

#### 40.32.2 Disaster Recovery Deliverables

- SLR DRP;
- Annual Updates.

#### 40.32.3 Contractor and State Disaster Recovery Responsibilities

**Table 4-8 Contractor and State Disaster Recovery Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for disaster recovery deliverables as defined in Section 40.32.1 – Disaster Recovery Description	Review all DEDs and provide feedback
Develop, deliver, maintain, and execute all disaster recovery deliverables as defined in Section 40.32.1 – Disaster Recovery Description	Review all draft deliverables and provide feedback  Approve or reject deliverables

#### 40.33 Privacy & Security

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Privacy & Security activities.



#### 40.33.1 Privacy & Security Description

The Contractor shall be responsible for ensuring that the SLR solution meets privacy & security standards mandated by federal and state law. The Contractor shall be responsible for privacy & security activities as detailed in Appendix P.

At a minimum, specific privacy and security tasks include:

##### (a) SLR Privacy & Security Plan

The Contractor shall develop, deliver, maintain and execute an SLR Privacy & Security Plan. The SLR Privacy & Security Plan shall outline how the Contractor plans to avoid the unauthorized use of the SLR solution. The SLR Privacy & Security Plan shall be reviewed and updated annually based on risk assessments performed throughout the program year.

#### 40.33.2 Contractor and State Privacy & Security Responsibilities

**Table 4-9 Contractor and State Privacy & Security Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.33.1 – Privacy & Security Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.33.1 – Privacy & Security Description	Approve all deliverables

#### 40.34 Testing

The following section provides the description, deliverables, and Contractor and State responsibilities associated with testing the SLR solution.

##### 40.34.1 Testing Description

The Contractor shall be responsible for ensuring that the SLR solution is tested and approved by MQD prior to each release. This will include testing all configuration items as customized by MQD and ensuring that all technical and operational pieces are functional. The Contractor shall use tools and established



methodologies for maintaining control of the testing process. The Contractor shall ensure that the testing of the systems, services and architecture conforms to the requirements and design specifications documented in this RFP and detailed in Appendix P.

The Contractor shall establish user acceptance testing based on each phase of the project as a part of the SLR implementation. This includes unit testing to verify that each basic component of the SLR is constructed correctly in accordance with the specifications as outlined in this RFP.

At a minimum, specific testing tasks include:

(a) Test Environment

The Contractor shall make the testing environment available to MQD for user acceptance testing, as required during each phase of the SLR project.

(b) Test Plan

The Contractor shall design, develop and refine test plans for the SLR solution prior to implementation. The Contractor shall work with MQD to prioritize identified requirements and schedule testing activities to support the functional requirements at each phase of the project.

(c) Test Cases

The Contractor shall develop and execute test cases based on the definition of requirements for the SLR for submission and approval by MQD. The Contractor shall document and maintain test cases in a form, format and location that allows for traceability from requirements to test cases, to test case execution and test case results. The Contractor shall also consider, during the design of test cases, the process flow and relation to administration and operation of the Hawaii Medicaid PI Program functions.

The Contractor shall execute all test cases approved by MQD. Upon completion, the test cases and results shall be delivered to MQD for User Acceptance Testing (UAT) and approval for implementation.



(d) Release Plan

The Contractor shall develop a Release Plan that describes functionality included in each release of the SLR, including specific requirements that are addressed by the release and whether those requirements are addressed fully or partially by the release. Release plans shall be submitted and maintained in form, format and location proposed by the Contractor and approved by MQD.

(e) UAT Training Plan

The Contractor shall develop, deliver, maintain and execute a UAT Training Plan for the SLR. The UAT Training Plan shall include plans to train users on test case development, test execution, defect tracking tools, and a training schedule prior to UAT execution. The Contractor shall execute the UAT Training Plan and train MQD team on preparing input data, using test environment, understanding the process flow and reviewing system outputs.

40.34.2 Testing Deliverables

- Test Environment;
- Test Plan;
- Test Cases;
- Test Results;
- Release Plan;
- UAT Training Plan;
- UAT Training;
- UAT Cases; and
- UAT Defect Reports.





#### 40.34.3 Contractor and State Testing Responsibilities

**Table 4-10 Contractor and State Testing Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.34.1 - Testing Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.34.1 - Testing Description	Review all draft deliverables and provide feedback  Approve all deliverables prior to development  Attend test activity deliverable walkthroughs, as appropriate, to enhance State understanding and facilitate the approval process
Establish and maintain a permanent test environment for State-only use with current testing data and information  Provide a repository of all test documentation including test scenarios and results  Make minor modifications to screens, reports, interfaces, and processes, as directed by MQD, during the testing activity	Review and approve, if applicable, written recommendations for improvement by the Contractor
Provide testing staff that are different from development staff to perform testing activities  Perform system testing of all functionality and submit documented results to MQD for review and approval	Review and approve
Resolve all test scenarios associated with errors and retest system components as necessary until the error is corrected	Review and approve
Provide training to MQD's UAT team on preparing input data, using web screens, system infrastructure, and reviewing system outputs	Provide Contractor access to SMEs for development of UAT test cases



#### 40.35 Provider Relations & Training

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Provider Relations.

##### 40.35.1 Provider Relations & Training Description

The Contractor shall develop the processes so that all aspects of the provider relations component are carried out. Responsiveness and efficient communications and comprehensive provider relations are essential to an efficient and effective program.

The Contractor shall provide training materials to MQD providers regarding the Medicaid PI Program. The help desk shall also be operational prior to implementation to assist with questions and concerns. The Contractor shall describe how initial training and the transition shall be accomplished.

The Contractor shall be responsible for all Provider Relations & Training Requirements as detailed in Appendix P.

##### 40.35.2 Provider Relations and Training Deliverables

- Determine and submit to the State for approval a methodology for evaluating and responding to the provider training questionnaires
- Maintain and submit to the State records of all providers who participate in training sessions
- Develop and distribute provider manuals and updates in the preferred medium
- Develop and distribute bulletins and correspondence
- Develop and obtain State approval of provider training packages
- Provide to the State a record of all provider inquiries, including a summary report by type of question
- Imaged copies of provider correspondence files
- Submit a monthly summary of provider calls including, at a minimum:



- Number and type of calls;
- Number of calls resolved vs. pending; and
- Duration to resolve.

#### 40.35.3 Contractor and State Provider Relations & Training Responsibilities

**Table 4-6 Contractor and State Provider Relations & Training Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.35.1 – Provider Relations & Training Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.35.1 – Provider Relations & Training Description	Review all draft deliverables and provide feedback  Approve all deliverables

#### 40.36 Provider Hotline

The following section provides the description, deliverables and Contractor and State responsibilities associated with a provider hotline.

##### 40.36.1 Provider Hotline Description

The Contractor shall plan, implement and staff a provider hotline for providers to call, toll-free, with questions regarding Medicaid PI Program incentive payments. The Contractor shall provide staff that is knowledgeable in the MQD Medicaid PI Program requirements to assist providers with issues relating to the SLR solution. The Contractor shall conduct provider hotline activities as detailed in Appendix P.

At a minimum, provider hotline activities include:

##### (a) Toll-Free Telephone Number

The Contractor shall provide a toll-free telephone number accessible to providers for questions regarding the Hawaii Medicaid PI Program. The Contractor shall provide staff to



answer calls into the toll-free telephone number as requested by MQD.

(b) Provider Hotline Monitoring

The Contractor shall have the ability to provide MQD with Provider Hotline Usage Reports on a quarterly basis. The Contractor shall be able to measure and report on information, including, but not limited to:

- Abandonment rate;
- Provider Hotline staff availability and productivity;
- Average speed of answer;
- Average call length;
- Contact volume;
- Average time to issue resolution;
- Peak hour statistics; and
- Identification of historical trends for operational analysis.

The Contractor and/or MQD shall use these reports to determine the success of the Provider Hotline and make operational changes, as necessary, based on results.

40.36.2 Provider Hotline Deliverables

- Toll-Free Telephone Number; and
- Provider Hotline Usage Reports

40.36.3 Contractor and State Provider Hotline Responsibilities

**Table 4-12 Contractor and State Provider Hotline Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.36.1 – Provider Hotline Description	Review all DEDs and provide feedback  Approve all deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.36.1 – Provider Hotline Description	Review all draft deliverables and provide feedback  Approve all deliverables



#### 40.37 Payment

The following section provides the description, deliverables and Contractor and State responsibilities associated with payment.

##### 40.37.1 Payment Description

The Contractor shall produce and disburse payment to providers for approved Hawaii Medicaid PI Program attestations. The Contractor shall have the capability to disburse electronic funds transfer (EFTs) for all payments. The Contractor shall produce and disburse payments on a weekly basis, unless other directed by MQD. The Contractor shall conduct payment activities as detailed in Appendix P.

At a minimum, payment activities include:

##### (a) Quarterly Summary of Medicaid PI Program Incentive Payments

The Contractor shall deliver a quarterly summary of Medicaid PI Program incentive payments generated and paid during the previous quarter. The Contractor shall report on Medicaid PI Program incentive payments paid by provider type (i.e. Eligible Hospital and Eligible Professional type). The Contractor shall include in that summary any additional information on Medicaid PI Program incentive payments as requested by MQD. The Contractor shall deliver the summary in a print-ready format pre-approved by MQD.

##### (b) Monthly Bank Reconciliation

The Contractor shall conduct and deliver monthly bank reconciliations within 30 days of month's end. The Contractor shall deliver the monthly bank reconciliations for the Medicaid PI Program incentive payments disbursed. The Contractor shall deliver the monthly bank reconciliations in a format pre-approved by MQD.

##### (c) Generate and Mail 1099s

The Contractor shall generate and mail all 1099 forms to providers for the Medicaid PI Program. The Contractor shall be



responsible for receiving and processing all new 1099s, as requested by the provider or MQD.

#### 40.37.2 Payment Deliverables

- Quarterly Summary of Medicaid PI Program incentive payments;
- Monthly bank reconciliation; and
- 1099s.

#### 40.37.3 Contractor and State Payment Responsibilities

**Table 4-13 Contractor and State Payment Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.37.1 – Payment Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.37.1 – Payment Description	Review all draft deliverables and provide feedback  Approve payments, as needed

#### 40.38 Document Management

The following section provides the description, deliverables, and Contractor and State responsibilities associated with the document management activities of the SLR solution.

##### 40.38.1 Document Management Description

The Contractor shall be responsible for performing all activities related to the document management of the SLR solution as detailed in Appendix P.

At a minimum, the document management activities include:

##### (a) Document Library

The Contractor shall be responsible for providing a Document Library comprised of all documentation related to provider attestations. The Document Library shall support document



scanning and imaging capabilities. Documents scanned or imaged into the SLR shall be associated with corresponding attestations and stored for subsequent review. The Document Library shall be sortable in list format with all forms and documents associated with provider attestations stored for auditing purposes.

#### 40.38.2 Document Management Deliverables

- Document Library

#### 40.38.3 Contractor and State Document Management Responsibilities

**Table 4-7 Contractor and State Document Management Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.38.1- Document Management Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.38.1- Document Management Description	Review all draft deliverables and provide feedback  Approve all deliverables

#### 40.39 Reporting

The following section provides the description, deliverables, and Contractor and State responsibilities associated with reporting activities of the SLR solution.

##### 40.39.1 Reporting Description

The Contractor shall be responsible for performing activities related to reporting of the SLR solution as detailed in Appendix P.

The Contractor shall be responsible for supplying MQD with reports required by federal and state regulations, and other reports as requested by CMS and MQD. Reports shall include, at a minimum, attestation, payment and appeals information. Final reporting requirements shall be developed and approved during project management planning for this contract.



At a minimum, the reporting activities include:

(a) Administration & Oversight Reports

The Contractor shall be responsible for providing MQD with Administration & Oversight activities reports. Reports shall be in a format approved by MQD and print-ready for submission to CMS on a basis to be determined by MQD.

40.39.2 Reporting Deliverables

- Administration & Oversight Reports; and SLR Reports

40.39.3 Contractor and State Reporting Responsibilities

**Table 4-8 Contractor and State Reporting Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.39.1- Reporting Description	Review all DEDs and provide feedback  Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.39.1-Reporting Description	Review all draft deliverables and provide feedback  Approve all deliverables

40.310 Appeals

The following section provides the description, deliverables, and Contractor and State responsibilities associated with appeals activities of and SLR solution.

40.310.1 Appeals Description

The Contractor shall be responsible for performing all activities related to appeals of the provider attestation outcomes as detailed in Appendix P.

The Contractor shall be responsible for handling all appeals related to provider attestations to the Hawaii Medicaid PI Program.





At a minimum, the appeals activities include:

(a) Appeals Processing Manual

The Contractor shall process all Hawaii Medicaid PI Program payment appeals. The Contractor shall develop an Appeals Processing Manual outlining the Contractor's plan for processing appeals, for approval by MQD.

40.310.2 Appeals Deliverables

- Appeals Processing Manual.

40.310.3 Contractor and State Appeals Responsibilities

**Table 4-9 Contractor and State Appeals Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.310.1- Appeals Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.310.1- Appeals Description	Review all draft deliverables and provide feedback Approve all deliverables

**40.40 Additional Tasks**

MQD may require the Contractor to plan and deliver additional tasks at MQD's option. These tasks may be executed upon negotiation with the Contractor.



## **Section 50      OPERATIONS REQUIREMENTS**

This section describes the requirements of the SLR operations associated with this RFP. It includes:

- Detailed Operations Requirements, including
  - SLR; and
  - Administrative Tasks.
- Solution Ownership Requirements

### **50.10      Detailed Operations Requirements**

The Contractor shall perform activities to ensure that the SLR solution meets all detailed requirements. These requirements are divided into the following categories:

- SLR and
- Administrative Tasks.

#### **50.11      SLR Requirements**

The Contractor shall perform all SLR requirements listed in Appendix O.

#### **50.12      Administrative Requirements**

The Contractor shall be responsible for performing all Administrative requirements listed in Appendix P. These Administrative requirements will ensure that the SLR solution is developed, implemented and operated as described in this RFP.

### **50.20      Solution Ownership**

The State will own any software that is designed, developed, installed, or enhanced with 90 percent FFP. The State will have unlimited license(s) to use any proprietary software owned by the Contractor that is necessary to operate and maintain the SLR solution and agrees to pay the contract price for the license(s).

The State will also have royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others (including other states or entities) to use for Federal government purposes, any software, modifications to



software, and documentation that is designed, developed, installed, or enhanced with 90 percent FFP.



## **Section 60        SPECIAL TERMS AND CONDITIONS**

### **60.10        General**

The following documents form an integral part of the contract between the Contractor and MQD (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) see Appendix C, any special conditions, attachments and addenda.
- This RFP, including all appendices, attachments, and addenda, which shall be incorporated by reference.
- 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-2020-007).
- 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 DHS in accordance with the Hawaii Revised Statutes Chapter 103D, and the administrative rules promulgated there under.

## **60.20 Term of 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 contract term shall begin upon execution of the contract and shall continue through June 30, 2021.

Unless terminated, the contract may be extended without the necessity of re-bidding, for not more than three (3) 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 increase or decrease of services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the DHS for the additional 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 DHS's rights or the Contractor's rights under any termination clause of the contract. The DHS 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 Section 103D-315(c), HRS.



## 60.30 Insurance

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

Included in its submitted proposal, the Offeror shall complete and submit to MQD a Certificate of Liability Insurance (COLI) dated within thirty (30) days of the proposal submission date. Prior to or upon execution of the contract, the Contractor shall provide to MQD an updated COLI dated within thirty (30) days of the effective date of the contract necessary to satisfy MQD that the insurance provisions of this contract have been complied with. The Offeror shall complete and submit the Insurance Requirement Certification as provided in Appendix E, which certifies that the Offeror acknowledges the following below discussed insurance requirements.

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:

**Table 6-1 Insurance Coverage**

COVERAGE	LIMITS
Commercial General Liability	\$1 million per occurrence, and \$2 million in the aggregate
Automobile	May be combined single limit: 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 E.L. each accident: \$1 million E.L. disease: \$1 million per employee, \$1 million policy limit E.L. \$1 million aggregate
Professional Liability	\$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:

- "The State of Hawaii is an additional insured with respect to operations performed for the State of Hawaii."
- "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 rent or 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 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 MQD to exercise any or all 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 or to fulfill the indemnification provisions and requirements of this contract.

If the Contractor is authorized by 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.



#### 60.31 Waiver of Subrogation

Offeror shall agree by entering into a contract with DHS to provide a Waiver of Subrogation for the Commercial General Liability, Automobile Liability, and Workers Compensation policies. When required by the insurer or should a policy condition not permit Offeror to enter into a pre-loss agreement to waive subrogation without an endorsement, the Offeror shall agree to notify the insurer and request the policy be endorsed with a Waiver of Subrogation in favor of DHS. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Offeror enter into such an agreement on a pre-loss basis.

#### 60.40 **Inspection of Work Performed**

MQD, 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 MQD of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of an Offeror and / or 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. All inspections and evaluations shall be performed in such a manner as to not unduly delay the Contractor's work.

#### 60.50 **Wages, Hours, and Working Conditions of Employee 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.





## **60.60 Standards of Conduct**

The Contractor shall execute the Contractor'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.

## **60.70 Confidentiality of Information**

In addition to the requirement of General Conditions 24, the Contractor understands that the use and disclosure of information concerning applicants, enrollees or members is restricted to purposes directly connected with the administration of the Hawaii Medicaid EHR Incentive program and agrees to guard the confidentiality of an applicant'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 there under, including but not limited to the Security and Privacy requirements set forth in 45 CFR Parts 160, 162 and 164, (if applicable).
- HRS Section 346-10.
- All other applicable Federal and State statutes and administrative rules, including but not limited to:
  - HRS Section 325-101 relating to persons with HIV / AIDS;
  - HRS Section 334-5 relating to persons receiving mental health services;
  - HRS Section 577A relating to emergency and family planning services for minor females;
  - 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 to perform their duties in accordance with this contract, including



DHHS, MQD, and other individuals or entities as may be required by MQD.

Any other party shall be granted access to confidential information only after complying with the requirements of State and Federal laws, including 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.

The Contractor is a “business associate” of MQD, as that term is defined under the HIPAA regulations, 45 CFR §160.103. Therefore, the Contractor agrees to comply with the terms of the Business Associate Agreement 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.

## **60.80 Subcontractors / Provider Agreements**

The Contractor may negotiate and enter into contracts or agreements with providers and other subcontractors (with prior written consent of MQD) to the benefit of the Contractor and the State as long as the providers and subcontractors 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. The contracts must also include provisions for revoking delegation or imposing other sanctions if the subcontractor’s performance is inadequate. Certain subcontracts, including but not limited to Quality Assurance activities, must be approved by MQD prior to implementation. MQD reserves the right to inspect all subcontract and provider agreements at any time during the



contract period. Any subcontract may be subject to MQD's prior review and approval. The Contractor's subcontractor shall submit to the Contractor a tax clearance certificate from the Director of MQD of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor / provider have been paid.

No subcontract or agreement that a Contractor enters into with respect to the performance under this contract shall in any way relieve a Contractor of any responsibility for any performance required of it by this contract. The Contractor shall provide MQD immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor or provider, and prompt notice of any claim made against any 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 or provider.

The Contractor shall notify MQD at least fifteen (15) days prior to adding or deleting provider or subcontractor agreements or making any change to any provider or subcontractor agreements which may materially affect the Contractor's ability to fulfill the terms of this contract.

All agreements or contracts with the subcontractors or providers shall be finalized and fully executed within thirty (30) days of the contract award. MQD reserves the right to review any subcontractor or provider contracts or agreements prior to the notification of award of the contract.

All subcontracts shall require that the subcontractors / providers agree to comply with the confidentiality requirements imposed by this RFP, to the extent subcontractors or providers render services or perform functions that make such provisions applicable to such agreements.



## **60.90 Payment**

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

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

MQD will make payment for tasks and activities for this contract as detailed in Appendix I.

## **60.91 Other Payments**

No other payments will be made for deliverables or services provided under this contract without written amendment of the Contract. No separate payment will be made for Project Initiation or Turnover Services.

## **60.100 Use of Funds**

The Contractor shall not use any public funds for purposes of entertainment perquisites and shall comply with any and all conditions applicable to the public funds to be paid under this contract, including those provisions of appropriate acts of the Legislature or by administrative rules adopted pursuant to law.

## **60.110 Solution Ownership**

The State will own any software that is designed, developed, installed, or enhanced with 90 percent FFP. The State will have unlimited license(s) to use any proprietary software owned by the Contractor that is necessary to operate and maintain the Solution and agrees to pay the contract price for the license(s).

The State will also have royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others (including other states or entities) to use for Federal government purposes, any software, modifications to software, and documentation that is designed, developed, installed, or enhanced with ninety percent (90%) FFP.



## **60.120 Termination of the Contract**

This contract may terminate or may be terminated by MQD 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 a Contractor; or
- In the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of Department obligations hereunder.

Each of these is described in the following subsections.

### **60.121 Termination for Bankruptcy or Insolvency**

In the event that a Contractor 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, MQD may, at its option, terminate this contract. In the event MQD elects to terminate a contract under this provision it shall do so by sending notice of termination to the Contractor 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 Contractor, unless otherwise specified.

### **60.122 Termination for Unavailability of Funds**

Notwithstanding any other provision of this contract, the parties hereto agree that the charges hereunder are payable by MQD solely from appropriations received by MQD from the Legislature of the State of Hawaii. In the event such appropriations are determined, at the sole discretion of the Director of MQD, to no longer to exist, or to be insufficient with respect to the charges payable hereunder, this contract shall terminate without further obligation of MQD as of that moment. In such event, the Director of MQD shall certify to an Offeror the occurrence thereof, and such certification shall be conclusive.



## **60.130 Damages**

The damages applying to the contract are described in Sections 60.131 through 60.133.

### **60.131 Damages – Failure to Meet Contract Requirements**

The Contractor shall, at all times, comply with all system and operational performance requirements and expectations specified in this RFP, and with all CMS requirements as they refer to the statement of work, the Solution requirements and its operations and the use of Contractor services.

The Contractor shall meet all SLAs and KPIs performance requirements identified and included in the contract during the term of this Contract. The Contractor shall, at all times, operate the SLR and its activities in conformity with the policies and procedures of the MQD policies.

All requirements described in the RFP are subject to monitoring by MQD, or its designee.

Failure of the Contractor to meet these performance requirements in a timely and accurate manner could impede MQD in meeting its obligation to its citizens and health care providers and increase the cost of meeting those obligations.

If MQD elects to not exercise a damage clause in a particular instance, this decision shall not be construed as a waiver of MQD's right to pursue associated damages for failure to meet that performance requirement in the future.

It is expressly agreed by MQD and the Contractor that, in the event of a failure to meet the contractual SLAs and KPIs damage shall be sustained by MQD and the Contractor shall pay to MQD contractually agreed liquidated damages. Additionally, actual damages may be sought in the event failure to perform occurs outside of the expressly stated agreed liquidated damages. Written notice of said failure to perform shall be provided to the Contractor within 30 calendar days of MQD's discovery of such failure.



60.132 HHS Sanctions

The Contractor must perform all of its functions according to the CMS requirements.

If at any time during the life of the requirements definition, design, development, configuration, conversion, testing, training, implementation, maintenance, operations, or modification of the Solution, CMS imposes fiscal sanctions against the State as a result of the Contractor's or any subcontractor's action or inaction, the Contractor shall compensate the State the amount of the sanctions.

60.133 Operational Start Date

The tentative Contract start date is December 20, 2019.

**60.140 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 will 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.

**60.150 Force Majeure**

If a 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 this 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 MQD from terminating this 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.

**60.160 Prohibition of Gratuities**

Neither a Contractor nor any person, firm, or corporation employed by a Contractor in the performance of this contract shall offer or give, directly or indirectly to any employee or agent 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 this contract.

**60.170 Attorney's Fees**

In addition to costs of litigation provided for under General Condition 8 (Appendix C), in the event that MQD 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.

**60.180 Warranty of Fiscal Integrity**

The Contractor warrants that it is of sufficient financial solvency to assure MQD of its ability to perform the requirements of the contract. The Contractor shall provide sufficient financial data and information to prove its financial solvency.

**60.190 Warranty of Solution**

The Solution shall be warranted to conform to technical, business and other specifications agreed upon at the time the proposal is submitted, and the Contract is awarded. The Contractor shall, at its own expense, correct any non-conformance of the Solution, provided that the State notifies the Contractor when the software is found to be nonconforming, upon acceptance testing, or within three (3) months after the first production following implementation. During this phase, the Contractor must work closely with the State technical and business staff to resolve issues with the Solution.





**60.200 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 70 PROPOSAL SUBMISSION REQUIREMENTS

### 70.10 Introduction

This section supports submission of information essential to understand and evaluate Offerors' Proposals. There is no intent to limit the content of the Proposal, which may include any additional information deemed pertinent.

### 70.11 Offeror Proposal

Offerors' Proposals must include the components detailed in Section 70. No partial bids will be accepted. Any bids submitted that are deemed to be incomplete may be rejected by MQD.

Offerors' Proposals must be received by MQD on the date and time specified in Table 2-1.

**Table 7-1 Formatting Requirements**

SUBJECT	REQUIREMENT
Paper Size	8½ X 11-inch paper (letter size) and double-sided.
Font	Text font must be no smaller than 12 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 EHR SLR Implementation
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.
Number of Proposals	Offerors will submit two (2) Proposals including: One (1) Technical Proposal One (1) Cost Proposal



SUBJECT	REQUIREMENT
Number of copies	Technical Proposal: One (1) original hard copy and three (3) identical copies of the original, each in a three-ring binder with tabbed sections One (1) electronic copy (CD-ROM) One (1) electronic copy with confidential and proprietary information redacted (CD-ROM) Cost 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: Meredith Nichols c/o Renee Souza Department of Human Services, Med-QUEST Division 1001 Kamokila Blvd, Suite 317 Kapolei, Hawaii 96707
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 bids shall be delivered to Meredith Nichols 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.
Envelope Contents and Labeling	Technical Proposals and Cost Proposals must be sealed in separate envelopes or boxes within the "Sealed Bid." Each Proposal must be submitted in a single box or envelope (or boxes / envelopes labeled 1 of 4, 2 of 4, 3 of 4, etc.). Proposals should be clearly marked "SEALED BID" and should include the following items: Indicate if it is the Technical or Cost Proposal Title – Medicaid Promoting Interoperability Program State Level Repository RFP-MQD-2020-007 Proposal Due Date Name of the Offeror



SUBJECT	REQUIREMENT
CD-ROM	<p>The Technical Proposal and Cost Proposal must be provided on separate CD(s); the CD-ROM must be placed in the envelope with the original copy of each Proposal.</p> <p>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 20.88. Requests for confidential treatment of information must be submitted on the form in Appendix H. The Cost 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>
Exceptions to RFP / Contract Language	<p>If the Offeror objects to any term or condition of the RFP, exceptions must be submitted on the form in Appendix G and included with the Transmittal Letter.</p> <p>Exceptions that materially change these terms or the requirements of the RFP may be deemed non-responsive by MQD, in its sole discretion, resulting in possible disqualification of Offeror. MQD reserves the right either to execute a contract without further negotiation with the successful Offeror or to negotiate contract terms with the selected Offeror if the best interests of MQD would be served.</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>

## **70.20 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 three (3) 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."



Offerors 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:** Offeror Identification Information
- **Tab 7:** Offeror Qualifications and Experience
- **Tab 8:** Offeror Financial Condition
- **Tab 9:** Approach to Completing the Scope of Services
- **Tab 10:** Approach to Project Staffing
- **Tab 11:** Work Plan and Schedule
- **Tab 12:** Assumptions
- **Tab 13:** Proposal for SLAs

70.21 Tab 1: Offer Form

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

70.22 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 subcontractor, 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. Offerors should provide the Hawaii excise tax number (if available);



- 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;
- 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 and telephone number 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 and inclusion of a signed copy of Appendix F;
- A statement of the Offeror's willingness to enter into an agreement with the State of Hawaii, which includes a reference to the terms and conditions presented in Section 60 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;
- The Offeror's Federal Tax Identification Number;
- 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;
- A statement that neither cost nor pricing is included in the transmittal letter or any part of the Technical Proposal;
- If the use of subcontractor(s) is proposed, 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:
  - 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.
- 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;
- 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 MQD of how substantial competitive harm would occur if the information is released and inclusion of the completed form in Appendix H;
- 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;
- A statement that the Offeror does not and will not have any interest that will conflict, in any manner or degree with the performance of services required under this RFP; and
- An affirmative statement agreeing to the payment and liquidated damages terms.

70.23      Tab 3: Mandatory Proposal Requirements Checklist

Offerors must complete the Mandatory Proposal Requirements Checklist (Appendix M) 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.

70.24      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);
- Offeror Acknowledgement Form (Appendix F); and
- Exceptions to RFP Language (Appendix G).

70.25 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 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 shall highlight the Offeror's:

- Understanding of the project, project management approach, and commitment to successfully performing all project activities;
- Qualifications to serve as a Contractor for the project;
- Overall approach to the project, including highlights of the proposed Solution, Work Plan and Schedule, staffing, approach to development and configuration, maintenance and operations and other activities included in the scope of services;
- Project challenges, risks and suggested mitigation strategies; and
- Summary of the contents of the Proposal.

70.26 Tab 6: Offeror Identification Information

Offerors shall present the following identification information in this section:

- The organization's full company or corporate name;





- How the entity is organized (proprietorship, partnership, corporation);
- An organization chart of the entity clearly depicting the Offeror's reporting relationships.
- The address of the organization's headquarters office;
- The names and addresses of any parent organization, any partially or wholly owned subsidiaries, and any other related organizations;
- The state in which the Offeror is incorporated;
- The address of the Offeror's office location responsible for performance under the resulting contract if awarded the Contract;
- The Offeror's Federal Tax Identification Number;
- A brief history and current company ownership including the ultimate parent organization and major shareholders and principals. If the Offeror is an out-of-state Contractor, it must indicate that it will become duly qualified to do business in the State of Hawaii before a contract is executed;
- A general description of the primary business of the organization and its client base;
- The number of employees both locally and nationally;
- The size of organization in assets, revenue and people; and
- The areas of specialization.

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:

- The subcontractor's name, address, and telephone number.

All subcontract agreements must be fully executed within thirty (30) days of the contract award. MQD reserves the right to review any subcontractor or provider contracts or agreements prior to the notification of award of the contract.

#### 70.27 Tab 7: Offeror Qualifications and Experience

Offerors must provide a detailed summary of Offeror and subcontractor background and experience for its proposed project organization.



#### 70.27.1 Offeror Background and Experience

The company background and experience section shall include for the Offeror and 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. The Offeror shall document the experience, resources, qualifications and credentials of the Offeror by demonstrated experience in projects of similar scope and size. Additional information shall include but not be limited to the following

##### **a) Offeror Background**

- General description of primary business of organization and its client base;
- Brief history and current company ownership including the ultimate parent organization and major shareholders/principals. 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 officers of the corporation and the name and address of its registered agent.
- Home office location and all other offices by city and state;
- Location of office from which any contract would be administered;
- Name, address and telephone number of the Offeror's point of contact for a contract resulting from this RFP;
- Number of employees both locally and nationally;
- Size of organization in assets, revenue and people; and
- Areas of specialization.

##### **b) Offeror Experience – For each listed project the Offeror should include:**

- Statements specifying the extent of responsibility on each described project. A description of the project scope and scope and relationship to the products outlined in this RFP should be included. Offerors should clearly identify the experience. The project team should be clearly identifiable,



and reference should be made to any staff to be used for this proposal.

- Other relevant experience.
- For each referenced project, the Offeror shall provide the following:
  - Description of the work performed;
  - Time period of the project;
  - Man-months expended;
  - Contract cost;
  - Schedule and actual completion dates; and
  - Client or customer reference; including name, job title, address and telephone number of the contact person.

In addition, Offerors may be asked to provide samples of referenced work for review during the evaluation process.

#### 70.27.2 Offeror References

Offerors will list government agencies for whom services similar to those requested herein were provided within the last five (5) years or are currently being performed. The State reserves the right to contact the references provided. Offerors will also list any and all contracts with government agencies that were terminated for any reason and provide the reason for contract termination.

#### 70.28 Tab 8: Offeror Financial Condition

Offeror shall provide financial information for the applicable legal entity for each of the last two years. Offeror shall submit at a minimum:

- Audited financial statements, including:
  - Balance sheets; and
  - Profit and loss statements.

If an Offeror seeks confidentiality on a part of a submission each page of the section of that submission which is sought to be



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

70.29 Tab 9: Approach to Completing the Scope of Services

Offerors must address how they will successfully complete the Scope of Services for all activities listed in Section 40 of this RFP.

Additionally, Offerors must acknowledge the capability and willingness to meet all requirements as defined in Section 50 of this RFP by signing the Offeror's Acknowledgement Form in Appendix F. Any exceptions that the Offeror's Solution cannot or will not provide must be separately listed on the form. For each exception, the Offeror must propose an alternative for meeting the requirement.

70.210 Tab 10: Approach to Project Organization and Staffing

Offerors must address how they plan on staffing the project. 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 MQD with a clear understanding of the organization, functions of key personnel and on-site personnel during all phases of the project.

**a) Project organization shall include the following:**

- Organization chart which shows the structure of the organization and identifies the proposed staff positions, including all full-time equivalents (FTE);
- Responsibilities of key personnel shall be described;
- Geographic location of personnel;
  
- Proposed involvement of MQD personnel; and



- Estimates of man-hours for each individual, including a description of major areas of responsibility for each individual.

**b) Staffing:**

Resumes shall be included for all key professional staff.  
Resumes shall describe the following:

- Experience in projects of similar size and scope as well as any specific experience within the last five (5) years;
- Where personnel have worked previously as a team on similar projects;
- Proposed responsibility and position for this contract;
- Education and training; and
- Other relevant experience.

70.211 Tab 11: Work Plan and Schedule

Offerors must provide a Work Plan and Schedule that includes:

- Detailed descriptions of the major activities, tasks, and subtasks necessary to accomplish the requirements of this RFP;
- Identification of the responsible party (MQD, the Department or the Offeror) for each major task and activity; and
- Discussion of the flexibility of the work plan to meet changes in program requirements and cope with delays should they occur.

70.212 Tab 12: 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.

70.213 Tab 13: Proposal for SLAs

In accordance with Section 40.23.2 the Offeror shall provide proposed SLAs and KPIs for this contract. The Offeror and MQD will negotiate final SLAs and KPIs during contract negotiations.



## **70.30 Cost Proposal Submission Requirements**

The following sections describe the required content and format for submission of Cost Proposals in response to this RFP. Offerors must submit one (1) original hard copy of the Cost Proposal in a three-ring binder. The hard copy of the Cost Proposal must contain original signatures and be clearly marked as the "Original Cost Proposal." The Cost Proposal should also include (1) electronic copy in Microsoft Office (Word, Excel, and PowerPoint) format or Adobe Acrobat Portable Document Format (PDF) saved to a CD-Rom.

Offerors must submit Cost Proposals in the following order separated by tabs:

- Tab 1: Executive Summary
- Tab 2: Pricing Schedules

### **70.31 Tab 1: Executive Summary**

Offerors' Cost Proposals must include an Executive Summary of not more than three (3) pages. The Executive Summary should summarize and highlight relevant contents of the Cost Proposal to provide State administrators and the Evaluation Committee with a broad understanding of the Offeror's Cost Proposal. The Executive Summary should include a statement certifying that all pricing information presented as part of the Proposal is in U.S. dollars and that all required cost information is enclosed.

### **70.32 Tab 2: Pricing Schedules**

This section of the Offeror's Cost Proposal must include Pricing Schedules A, B, C and D.



## **Section 80            EVALUATION, SELECTION, AND APPROVAL**

### **80.10            Introduction**

This section describes MQD's approach to evaluating the technical and cost proposals.

#### **80.11            Evaluation Approach**

MQD will conduct a comprehensive, fair, and impartial evaluation of proposals in response to this RFP. MQD will select the successful Offeror through a formal evaluation process established prior to the opening and evaluation of proposals. The process will remain fixed throughout the procurement cycle.

Evaluators will consider the capabilities or advantages that are clearly described in each proposal and verified by information from reference sources contacted by MQD. MQD reserves the right to contact the individuals, entities, or organizations the Offeror has listed in its response to Section 70.27.1 or identified as references to verify that the Offeror has successfully performed its contractual obligations.

A total of nine hundred (900) points may be awarded for each proposal. Six hundred (600) points may be awarded for the Technical Proposal and three hundred (300) for the Cost Proposal.

The estimated schedule for evaluation and selection is shown in Table 2-1.

#### **80.12            Evaluation Committee**

MQD will select an Evaluation Committee to evaluate the Offeror's proposal and make a final recommendation for selection to MQD. The Evaluation Committee will be responsible for evaluating the Technical and Cost Proposals, including the final scoring of all proposals, resolving compliance issues, and preparing the final report which recommends an Offeror for selection.

All proposals will be reviewed by the Evaluation Committee members against the evaluation criteria of this RFP, rather than against other proposals. Scoring will be done by consensus of



the Evaluation Committee members for each evaluation criteria of this RFP.

#### 80.13 Evaluation Process

This section describes the activities and responsibilities for each phase of the evaluation process.

- Step I - Selection of Responsive Proposals
- Step II - Evaluation of Technical Proposals
- Step III - Evaluation of Cost Proposals
- Step IV - Selection of the Successful Offeror

#### 80.20 **Step I – Selection of Responsive Proposals**

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 Rules and Section 70 - Proposal Submission Requirements. If a proposal does not meet all the Mandatory Proposal Submission Requirements, as listed in Appendix M of this RFP, it may be eliminated from further consideration.

In Step I, MQD will evaluate whether each Offeror meets the qualifications in sections 40 and 50. Offerors not meeting the criteria will be disqualified, and evaluation of their proposals will not continue. MQD reserves the right to request additional information or clarification of information supporting the Offeror's ability to meet the Basic Qualification Criteria. MQD reserves the right to reject any or all of the proposals received, or cancel this RFP, in the best interest of MQD. MQD also reserves the right to waive minor irregularities in proposals, providing that such action is deemed to be in the best interest of MQD. Where MQD may waive minor irregularities, as determined by the Evaluation Committee, such waiver shall in no way modify RFP requirements or excuse the Offeror from full compliance with 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 Rules and Section 70 - Proposal Submission Requirements.

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.

## **80.30 Step II – Evaluation of Technical Proposals**

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 600 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	Offeror Qualifications and Experience	100
3	Approach to SLR Implementation	200
4	Approach to Administrative Tasks	200
5	Approach to Project Staffing	50
6	Approach to Work Plan and Schedule	50
	Total Technical Proposal Possible Score	600

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.

Please refer to Appendix R for a summary of the evaluation criteria and weights.

#### 80.31 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 M under tab 8. A passing score will be awarded to the Offerors who submit all the required financial documentation detailed in Appendix M.

#### 80.32 Offeror Qualifications and Experience

In this section (valued at 100 out of the possible 600 Technical Proposal points), the Offeror's experience, corporate resources, and corporate qualifications will be evaluated. Areas to be considered include to Offeror's response to Section 70.27 and



experience in all activities described in the RFP at Section 40 – Scope of Services and that meet the requirements of this RFP at Section 50 – Operations Requirements. Client references and information received through other sources will also be evaluated.

Only proposals of Offerors meeting the Basic Qualification Criteria requirements set out in Section 70.10 and successfully completing Step I of the evaluation will be considered.

80.33 Approach to SLR Operations

In this section (valued at 200 out of the possible 600 Technical Proposal points), the Offeror's approach to the SLR Implementation as defined in this RFP at Section 40.20, Section 50.11, and Appendix O will be evaluated. Evaluators will consider the approach deliverables for this activity as well as consistency with work plan and staffing to perform the activities identified in Section 40.20 and Appendix O.

80.34 Approach to Administrative Tasks

In this section (valued at 200 out of the possible 600 Technical Proposal points) the Offeror's approach to Administrative Tasks as defined in this RFP at Section 40.30, Section 50.12, and Appendix P will be evaluated. Evaluators will consider the approach deliverables for this activity as well as consistency with work plan and staffing to perform the activities identified in Section 40.30 and Appendix P.

80.35 Approach to Project Staffing

In this section (valued at 50 out of the possible 600 Technical Proposal points), the Offeror's key personnel and staffing plans for all activities submitted in response to Sections 70.210 will be evaluated. Evaluators will consider whether key personnel meet the minimum requirements stated in Appendix K.

80.36 Approach to Work Plan and Schedule

In this section (valued at 50 out of the possible 600 Technical Proposal points), the Offeror's descriptions for completing major activities, tasks, and subtasks to accomplish the requirements of this RFP will be evaluated. The Work Plan and Schedule as



provided in response to Section 70.211 will be evaluated along with Project Staffing, Approach to SLR Implementation, and Approach to Administrative Tasks. The Offeror's ability to meet potential changes in program requirements and cope with delays will also be evaluated.

#### **80.40 Step III – Evaluation of Cost Proposals**

Eligible Cost Proposals will be evaluated after the completion of Step II of the evaluation. Only those Cost Proposals for which corresponding Technical Proposals have passed the requirements in Steps I and II will be reviewed and scored. The Evaluation Committee will examine each eligible Cost Proposal to determine if it is complete, in compliance with the requirements in this RFP at Section 20 - Procurement Rules and Section 70 - Proposal Submission Requirements, accurate in its calculations, and consistent with its Technical Proposal. Any proposal that does not meet these criteria will be considered to be an unresponsive Cost Proposal and may be rejected.

MQD reserves the right to require best and final offers from those Offerors whose Technical Proposals pass Step I and are eligible for consideration under Step III. 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.

Please refer to Appendix R for a summary of the evaluation of Cost Proposals.

#### **80.50 Step IV – Selection of Successful Offeror**

The Evaluation Committee will combine the scores compiled through consensus scoring of each Offeror's Technical Proposal and Cost Proposal that met the mandatory requirements for Steps I, II, and III. Final selection will be based on highest total combined score.

In the event of a tie of the total combined score, MQD will select the Offeror with the highest technical score as the Successful Offeror.

MQD will notify the Successful Offeror and all other Offerors in writing of the selection decision.

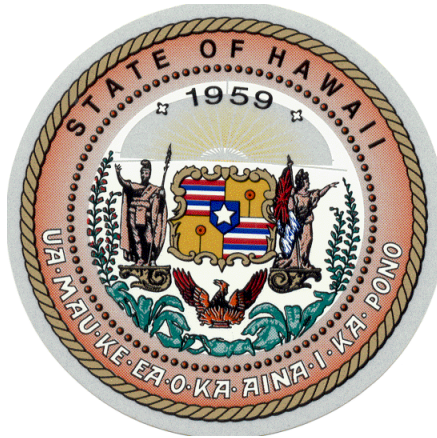


## **80.60 Contract Approvals**

MQD will require the selected Offeror to participate in contract negotiations regarding the terms and conditions of the contract. Upon resolution of the final negotiations, MQD will prepare a final contract. If for any reason MQD and the Successful Offeror are unable to reach agreement of the terms and conditions of a contract, MQD may then proceed to negotiate a contract with the Offeror with the next highest rated proposal.

MQD may cancel negotiations entirely at any time at the exclusive discretion of MQD.

In order to secure maximum FFP and State matching funds, the contract award is contingent upon both Federal and State of Hawaii reviews and approvals. Every effort will be made by MQD, both before and after selection, to facilitate rapid approval. MQD will obtain all required State and Federal approvals prior to start of work by the Contractor.



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

**Medicaid Promoting Interoperability Program  
State Level Repository Operations**

**RFP-MQD-2020-007  
APPENDICES**



Med-QUEST Division

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## APPENDIX A - OFFER FORM

### Medicaid Promoting Interoperability Program State Level Registry Operations (RFP-MQD-2020-007)

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-GC (04/15/09), 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 FORM**

**Medicaid Promoting Interoperability Program State Level Registry Operations  
RFP-MQD 2020-007**

OFFEROR NAME	DATE SUBMITTED	QUESTION #	RFP SECTION #	RFP PAGE #	PARAGRAPH	QUESTION

## **APPENDIX C - GENERAL CONDITIONS**

## GENERAL CONDITIONS

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## 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- CONTRACTOR'S STANDARDS 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:

- E.1 – Wage Certification
- E.2– Insurance Requirements Certification
- 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):

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

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Name of Offeror

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Authorized Representative Signature

Date

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Print Name and Title

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

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.

<b>NO.</b>	<b>CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS</b>	<b>✓</b>
(1)	The date the COLI was issued should not be more than 15 days from date the of 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):  a. Commercial General Liability \$1 million per occurrence, and \$2 million in the aggregate	

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<sup>1</sup> 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>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)	<p>“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 &amp; Non-Owned Auto” may be endorsed to the Commercial General Liability to satisfy this requirement.</p>	
(10)	<p>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.</p>	
(11)	<p>NOTE: The State requires higher limits of \$1 million, as compared to the basic limits required by State law regarding Workers Compensation coverage.</p>	
(12)	<p>The required “Professional Liability” coverage should be indicated in this section.</p>	
(13)	<p>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.</p>	
(14)	<p>The “Certificate Holder” should be the name and address of the Department of Human Services/Med-QUEST Division, 1001 Kamokila Blvd, Suite 317, Kapolei, Hawaii 96707.</p>	

NO.	<b>CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS</b>	✓
(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 of Hawaii Department of Human Services (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/PROVIDER (BUSINESS ASSOCIATE), under the CONTRACT will provide to STATE certain services described in the CONTRACT to which this Exhibit \_\_\_\_\_ is attached, and may have access to Protected Health Information (PHI) (as defined below) in fulfilling its responsibilities under the CONTRACT. To the extent BUSINESS ASSOCIATE needs to create, receive, maintain or transmit PHI to perform services under the CONTRACT, it will be acting as a Business Associate<sup>1</sup> of STATE and will be subject to the HIPAA Rules and the terms of this Business Associate Agreement (this Agreement).

In consideration of STATE's and BUSINESS ASSOCIATE's (collectively referred to as "the Parties") continuing obligations under the CONTRACT, and the provisions below, the Parties agree as follows:

#### 1. DEFINITIONS.

Except for terms otherwise defined herein, and unless the context indicates otherwise, any capitalized terms used in this Agreement and the terms "person," "use," and "disclosure" shall have the same meaning as defined by the HIPAA Rules. An amendment to the HIPAA Rules that modifies any defined term, or which alters the regulatory citation for the definition, shall only be incorporated into this Agreement by written ratification of the Parties.

Breach<sup>2</sup> 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.

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<sup>1</sup> Business Associate is defined at 45 CFR §160.103

<sup>2</sup> Breach: 45 CFR §164.402.

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 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.<sup>3</sup>

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

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

Individual shall have the same meaning as defined in 45 CFR §160.103, and shall include a person who qualifies as a personal representative as provided by 45 CFR §164.502(g).

Privacy Rule means the HIPAA Standards for Privacy of Individually Identifiable Health Information found 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

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<sup>3</sup> Designated Record Set: 45 CFR §164.501.

<sup>4</sup> Electronic Protected Health Information: 45 CFR §160.103

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 employer, and records regarding an Individual who has been deceased for more than 50 years.<sup>5</sup>

Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system under 45 CFR §164.304.

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

Unsecured Protected Health Information means protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology or methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.<sup>6</sup>

## **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 and as required by 45 CFR §§ 164.502(a)(3), 164.502(a)(4) and 164.504(e)(2)(ii)(A).
- 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 such information; prevent uses or disclosures of such information 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.<sup>7</sup> 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

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<sup>5</sup> Protected Health Information: 45 CFR §160.103

<sup>6</sup> 45 CFR §164.402.

<sup>7</sup> 45 CFR §164.306(a)

and availability of EPHI, and enforce those policies and procedures, including sanctions for anyone not found in compliance;

- (ii) Physical Safeguards. BUSINESS ASSOCIATE shall implement appropriate physical safeguards to protect PHI, including, but not limited to, facility access, facility security, workstation use, workstation security, device and media controls, and disposal;<sup>8</sup>
  - (iii) Technical Safeguards. BUSINESS ASSOCIATE shall implement appropriate technical safeguards to protect PHI, including, but not limited to, access controls, authentication, and transmission security;<sup>9</sup> and
  - (iv) Security Awareness and 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.<sup>10</sup>
- c. In accordance with 45 CFR §164.316, document the required policies and procedures and keep them current, and 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.<sup>11</sup>
  - d. Comply with the provisions found in 45 CFR §164.308 (a)(1) (ii)(A) and (B), requiring BUSINESS ASSOCIATE to conduct an accurate and thorough *risk analysis*, and to periodically update the risk analysis (no less than once every 3 years); and to implement *risk management* measures to reduce the risk and vulnerabilities to a reasonable and appropriate level to comply with 45 CFR §164.306(a).
  - e. As applicable only to the PHI BUSINESS ASSOCIATE receives from STATE, BUSINESS ASSOCIATE shall 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.<sup>12</sup>
  - f. 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.<sup>13</sup>

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<sup>8</sup> 45 CFR §164.310

<sup>9</sup> 45 CFR §§ 164.310, 164.312

<sup>10</sup> 45 CFR §164.308(a)(5)

<sup>11</sup> 45 CFR §§164.306 – 164.316; 164.504(e)(2)(ii)(B)

<sup>12</sup> 45 CFR §§164.308(b), 164.314(a)(2), 164.502(e), 164.504(e)(2)(ii)(D)

<sup>13</sup> 45 CFR §§164.314(a)(2), 164.410(a), 164.504(e)(2)(ii)(C)

- (i) BUSINESS ASSOCIATE shall immediately notify the STATE's HIPAA Privacy or Security Officer verbally.
  - (ii) BUSINESS ASSOCIATE shall subsequently notify the STATE's HIPAA Privacy or Security Officer 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.<sup>14</sup>
- g. 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 otherwise prevent or curtail potential or actual Breaches, or to recover its PHI, including complying with a reasonable corrective action plan.<sup>15</sup>
- h. Investigate such Breach and provide a written report of the investigation and resultant mitigation to STATE's HIPAA Privacy and/or Security Officer within thirty (30) calendar days of the discovery of the Breach.
- i. 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 HIPAA Privacy or Security Officer:
- (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:<sup>16</sup>

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<sup>14</sup> 45 CFR §164.410(a)(2)

<sup>15</sup> 45 CFR §§164.308(a)(6)(ii); 164.530(f)

<sup>16</sup> 45 CFR §§164.404(c)(1), 164.408, 164.410(c)(1) and (2)

- 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, 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.
- j. Promptly report to STATE's HIPAA Privacy and/or Security Officer 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 45 CFR §164.410, by contacting the STATE's HIPAA Privacy and/or Security Officer.<sup>17</sup>
- k. Implement reasonable and appropriate measures, including training, to ensure compliance with the requirements of this Agreement by Workforce members who assist in the performance of 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.<sup>18</sup>
- l. 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 of Health and Human Services 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.<sup>19</sup>

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<sup>17</sup> 45 CFR §§164.314(a)(2), 164.410

<sup>18</sup> 45 CFR §§164.308(a), 164.530(b) and (e)

<sup>19</sup> 45 CFR §164.504(e)(2)(ii)(I)



- m. 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.<sup>20</sup>
- n. 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 their PHI under 45 CFR §164.524, in the time and manner designated by the STATE.<sup>21</sup>
- o. 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, subject to State law and BUSINESS ASSOCIATE policies regarding amending vital records.
- p. 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's HIPAA Privacy and/or Security Officer 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.<sup>22</sup>
- q. 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.

### **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.<sup>23</sup>
- 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

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<sup>20</sup> 45 CFR §164.522

<sup>21</sup> 45 CFR §§164.504(e)(2)(ii)(E), 164.524

<sup>22</sup> 45 CFR §§164.504(e)(2)(ii)(G) and (H), 164.528; HAR ch. 2-71, subch. 2.

<sup>23</sup> 45 CFR §§164.502(a) and (b), 164.504(e)(2)(i)

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.<sup>24</sup>

- 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.<sup>25</sup>
- 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.<sup>26</sup>
- 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: Disclose 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 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 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

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<sup>24</sup> 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)

<sup>25</sup> 45 CFR §164.504(e)(4)(ii)

<sup>26</sup> 45 CFR §164.502(b)

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.<sup>27</sup>

c. Effect of Termination.<sup>28</sup>

- (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 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

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<sup>27</sup> 45 CFR §164.504(e)(2)(iii)

<sup>28</sup> 45 CFR §164.504(e)(2)(ii)(J)

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 supersede any federal or State law or regulation related to confidentiality of health information or vital record 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 BSUSINESS Associates 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 the BUSINESS ASSOCIATE disclosed PHI under this Agreement, including but not limited to notification of individuals or their representatives of a Breach of Unsecured PHI,<sup>29</sup> and the cost of mitigating any harmful effect of the Breach.<sup>30</sup>
- 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 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.

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<sup>29</sup> 45 CFR Part 164, Subpart D

<sup>30</sup> 45 CFR §164.530(f)

- f. Survival. The respective rights and obligations of STATE and BUSINESS ASSOCIATE under sections 5.c., Effect of 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, 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 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: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date and year first written above.

**BUSINESS ASSOCIATE**

Dated: \_\_\_\_\_ By \_\_\_\_\_

Representative

**DEPARTMENT OF HUMAN SERVICES, STATE OF HAWAII**

Dated: \_\_\_\_\_ By \_\_\_\_\_

Director

## APPENDIX F - OFFEROR ACKNOWLEDGEMENT FORM

By signing below, the Offeror confirms that it will fulfill each requirement detailed in Appendices O and P (SLR Requirements and Administrative Requirements). Any exceptions to these requirements should be listed in the table below. For all exceptions, the Offeror must provide an alternative approach to meeting requirements.

Signature \_\_\_\_\_

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Title

[illegible]

## APPENDIX G - EXCEPTIONS TO RFP LANGUAGE

By signing below, the Offeror confirms that they are requesting the following exceptions to specific language in the RFP. Please list below.

Signature

Title

[illegible]

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.

Title

[illegible]



## **APPENDIX I - COST PROPOSAL**

### **Introduction**

The Offeror shall calculate and propose a firm fixed price for each of the requirements contained on the pricing schedules within this section. The requirements and schedules are:

- Pricing Schedule A – Total Evaluated Proposal Price.
- Pricing Schedule B – Evaluated SLR Proposal Price.
- Pricing Schedule C – Evaluated Proposal Price for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and Payment of SLR functions.
- Pricing Schedule D - Personnel Billing Rates & Related Services.

Required formats for the pricing schedules that shall be used by Offerors in preparing their business proposals are included later in this RFP Appendix.

## **PRICING SCHEDULE A – Total Evaluated Proposal Price**

This section shall present the Offeror's total proposal price of this contract (i.e. Start-up and On-going Tasks) and their associated tasks. Annual contract proposal price is based upon annual contract year and may be subject to annual negotiation.

The total price for the proposal shall be the sum of the total price for each of the project components. The price shall include the following:

- The firm fixed price for all tasks associated with the SLR.
- The firm fixed price for all tasks associated with the planning, development, implementation and operation of the SLR functions.

### **Pricing Schedule A**

<b>TOTAL EVALUATED PROPOSAL PRICE</b>		
Line Item 1	Total for Payment Deliverables for SLR start-up and ongoing tasks from Pricing Schedule B	\$
Line Item 2	Total for Payment Deliverables for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and Payment of SLR functions from Pricing Schedule C	\$
Total Evaluated Proposal Price:		\$

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Signature

Title

Date

## PRICING SCHEDULE B – Evaluated SLR Proposal Price

### Start-Up Price

Pricing for this component consists of the total firm fixed price for tasks associated with the SLR's implementation, or start-up. MQD considers these tasks to be associated with one-time costs and exclude ongoing costs of the SLR. The firm fixed price for start-up tasks shall consist of the total amount of the firm fixed price for each of the individual tasks contained within the Start-Up phase:

START-UP PRICE		
TASK NAME	ASSOCIATED DELIVERABLES	PROPOSAL PRICE
Software	<ul style="list-style-type: none"><li>SLR Requirements Specification Document</li><li>Test/Production Environment</li></ul>	\$
Configuration	<ul style="list-style-type: none"><li>Configurations Traceability Matrix</li></ul>	\$
Implementation	<ul style="list-style-type: none"><li>Implementation Plan</li><li>Service Level Agreements</li></ul>	\$
Total Evaluated Start-Up Price		\$

### Ongoing Operations Price

Pricing for this component consist of the total firm fixed annual price for the SLR's ongoing operations, subject to negotiation at the end of each contract term. MQD considers these tasks to be associated with the ongoing operations of the SLR and include the tasks listed below. The firm fixed price for Ongoing Operations shall consist of the total amount of the firm fixed price for each of the individual tasks contained within the Ongoing Operations phase:

ONGOING OPERATIONS PRICE		
TASK NAME	ASSOCIATED DELIVERABLES	ANNUAL PROPOSAL PRICE
Administration & Oversight	<ul style="list-style-type: none"><li>SLR Ops Plan</li><li>Communication Plan</li><li>Outreach Website</li><li>Attestations Reports, as requested</li></ul>	\$
Maintenance & Operations	<ul style="list-style-type: none"><li>M&amp; O Status Meetings (as necessary)</li><li>M&amp;O Manual and Updates</li><li>Release Schedules</li><li>Operational Help Desk Telephone Number/Email</li></ul>	\$

	<ul style="list-style-type: none"> <li>• User Manual</li> <li>• Modifications Service Requests</li> </ul>	
Total Evaluated Ongoing Operations Price		\$

On Pricing Schedule A, Line Item 1, the Offeror shall enter the total proposed price for all activities listed for start-Up and ongoing operations of the SLR.

**PRICING SCHEDULE C – Evaluated Proposal Price for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and Payment of SLR functions**

Pricing for this component consist of the total firm fixed annual price for the SLR operations, subject to negotiation at the end of each contract term. The firm fixed price for administrative tasks shall consist of the total amount of the firm fixed price for each of the individual tasks contained within this RFP:

<b>Administrative Functions Price</b>		
<b>Task Name</b>	<b>Associated Deliverables</b>	<b>TOTAL COST</b>
Project Management	<ul style="list-style-type: none"> <li>• Project Kick-Off Meeting(s)</li> <li>• Project Plan – SLR</li> <li>• Weekly Status Reports</li> <li>• Internal Status Meetings</li> <li>• DEDs, as requested by MQD</li> </ul>	\$
Disaster Recovery	<ul style="list-style-type: none"> <li>• SLR DRP</li> <li>• Annual Updates</li> </ul>	\$
Privacy & Security	<ul style="list-style-type: none"> <li>• SLR Privacy &amp; Security Plan</li> <li>• Annual Updates</li> </ul>	\$
Testing	<ul style="list-style-type: none"> <li>• Test Environment</li> <li>• Test Plan</li> <li>• Test Cases</li> <li>• Test Results</li> <li>• UAT Training Plan</li> <li>• UAT Training</li> <li>• UAT Cases</li> <li>• UAT Defect Reports</li> </ul>	\$
Provider Relations & Training	<ul style="list-style-type: none"> <li>• Methodology for evaluating and responding to provider training questionnaires                             <ul style="list-style-type: none"> <li>• Reports of all providers (by type) who participate in provider trainings</li> </ul> </li> <li>• Provider manuals</li> <li>• Bulletins and correspondence</li> <li>• Provider training package</li> <li>• Reports of all provider inquiries                             <ul style="list-style-type: none"> <li>• Imaged copies of provider correspondence files</li> </ul> </li> </ul>	\$

	<ul style="list-style-type: none"> <li>• Provider application</li> <li>• Provider-facing informational website</li> <li>• Monthly report of provider calls</li> </ul>	
Provider Hotline	<ul style="list-style-type: none"> <li>• Toll-free telephone number</li> <li>• Provider Hotline Usage Reports</li> </ul>	\$
Payment	<ul style="list-style-type: none"> <li>• Quarterly summary of Medicaid PI Incentive payments</li> <li>• Monthly bank conciliation</li> <li>• 1099s</li> </ul>	\$
Document Management	<ul style="list-style-type: none"> <li>• Document library</li> </ul>	\$
Reporting	<ul style="list-style-type: none"> <li>• Administration &amp; oversight reports</li> </ul>	\$
Appeals	<ul style="list-style-type: none"> <li>• Appeals processing manual</li> </ul>	\$
Total Evaluated Price		\$

On Pricing Schedule A, Line Item 2, the Offeror shall enter the total proposed price for all activities listed for administrative functions of the SLR.

## **PRICING SCHEDULE D – Other Personnel Billing Rates & Related Services**

### **Personnel Billing Rates Proposed Price**

The Offeror shall propose Personnel Billing Rates. Personnel billing rates shall be fully loaded hourly rates, for personnel services that may be provided outside of the SOW for this RFP. The Offeror shall propose a rate for each category of personnel outlined in the Offeror's proposed staffing plan. Personnel billing rates shall be subject to negotiation upon each contract term renewal.

### **SLR Related Services**

The Offeror is provided the opportunity to offer information on other SLR related services which are not in the SOW for this RFP that the Offeror is able and willing to provide. In doing so, the Offeror should provide a detailed description of the service as well as a pricing proposal for the service(s).

## **APPENDIX J - OFFEROR REFERENCES**

The Offeror is required to supply MQD with names, addresses, and telephone numbers of three (3) customers 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 five (5) 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 K - KEY PERSONNEL/PREFERRED QUALIFICATIONS

### Key Personnel and Required Experience

POSITION	RECOMMENDED QUALIFICATIONS
Project Manager	<p>The Project Manager assigned to the engagement by the successful Offeror shall have full authority to administer the contract on behalf of the Offeror, including all implementation activities and ongoing day-to-day operations. The account/project manager must have the following experience within the last ten (10) years within the government or private sector:</p> <p>A minimum of three (3) years of large-scale project management experience; a minimum of two (2) years experience in the state or federal health and human services sector is desired.</p> <p>A minimum of three (3) years of experience managing SLR implementation and projects of similar size and complexity;</p> <p>A minimum of two (2) years of experience with systems analysis and design.</p> <p>A minimum of two (2) years of experience with large scale enterprise software systems implementation in a Service Oriented Architecture (SOA) environment.</p> <p>Excellent communication, presentation and interpersonal skills.</p> <p>The following qualifications are not required for the Project Manager, but are desired</p> <p>Project Management Professional (PMP) certification.</p> <p>A minimum of two (2) years of experience using Microsoft Project or similar software.</p>
SLR Subject Matter Expert	<p>The SLR Subject Matter Expert assigned to the engagement by the successful Offeror must have the following experience within the last 10 years within the government or private sector:</p> <p>A minimum of three (3) years of experience with SLR implementation; a minimum of two (2) years experience with state or federal health and human services sector is desired.</p> <p>Strong management and communication skills.</p>

## **APPENDIX L - KEY PERSONNEL REFERENCE SHEET**

The Offeror is required to provide information on three (3) customers for all individuals who are considered key personnel as defined in Section 70.20.10 and Appendix K.

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 M - 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	MQD VERIFICATION
<b>1</b>	<b>Offeror Proposal General Requirements</b>		
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 BID" and shows the title, "Hawaii Medicaid Promoting Interoperability Program SLR Operations, RFP-MQD-2020-007" and includes the name of the Offeror.		
1.3	Technical Proposals and Cost Proposals are sealed in separate envelopes or boxes within the "Sealed Bid." Each Proposal is clearly marked "Technical Proposal" or "Cost Proposal".		
1.4	<b>Delivery Method</b> – Proposals were received via U.S. Mail, Express Delivery or Hand Delivery.		
1.5	<b>Number of Copies</b> - 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 Three (3) 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	<b>Paper/font Size</b> – 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 12 points.		

#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
1.7	<b>Order/Tabs</b> – 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: Offeror Identification Information Tab 7: Offeror Qualifications and Experience Tab 8: Offeror Financial Condition Tab 9: Approach to Completing the Scope of Services Tab 10: Approach to Project Staffing Tab 11: Work Plan and Schedule Tab 12: Assumptions Tab 13: Proposal for SLAs		
1.8	<b>Cost Information</b> – Offeror's Technical Proposal contains no cost information.		
1.9	<b>Cover Page</b> – Cover page of Technical Proposal includes the following information: <ul style="list-style-type: none"> <li>• Name and address of the Offeror</li> <li>• Date of submission</li> <li>• Title "Technical Proposal for Hawaii Medicaid Promoting Interoperability Program SLR Operations"</li> </ul>		
<b>2</b>	<b>Offer Form (Tab 1)</b>		
2.1	A completed Offer Form (OF-1) signed by an individual authorized to legally bind the Offeror.		
<b>3</b>	<b>Transmittal Letter (Tab 2)</b>		
3.1	Transmittal Letter is submitted as Tab 2 on official business letterhead and contains the firm's name and address.		
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.		

#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
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 has included its qualifications as required in Section 70. and a list of the Offeror's experience. The Offeror should cross-reference the experience from Section 70.27 and References in Appendix J and K that support this statement.		
3.5	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).		
3.6	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 and inclusion of a signed copy of Appendix G.		
3.10	The Transmittal Letter contains a statement of the Offeror's willingness to enter into an agreement with the State of Hawaii, which includes a reference to the terms and conditions presented in Section 60 of this RFP.		
3.11	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	MQD VERIFICATION
3.12	The Transmittal Letter contains the Offeror's Federal Tax Identification Number.		
3.13	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.		
3.14	The Transmittal Letter contains a statement that neither cost nor pricing is included in the transmittal letter or any part of the Technical Proposal.		
3.15	<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"> <li>• 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)</li> <li>• 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</li> </ul>		
3.16	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.		
3.17	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.		
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 H.		
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.		



#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
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.		
3.21	The Transmittal Letter contains a statement that the Offeror does not and will not have any interest that will conflict, in any manner or degree with the performance of services required under this RFP.		
3.22	The Transmittal Letter contains an affirmative statement agreeing to the payment and liquidated damage terms stated in this RFP.		
<b>4</b>	<b>Mandatory Technical Proposals Requirement Checklist (Tab 3)</b>		
4.1	The signed Mandatory Technical Proposals Requirement Checklist is submitted as Tab 3.		
<b>5</b>	<b>Notes and Certifications (Tab 4)</b>		
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)		
5.3	Offerors have included a signed copy of the Offeror Acknowledgement Form (Appendix F)		
5.4	Offerors have included a signed copy of the Exceptions to RFP Language (Appendix G)		
<b>6</b>	<b>Executive Summary (Tab 5)</b>		
6.1	The Technical Proposal includes an Executive Summary as Tab 5 of the Technical Proposal		
<b>7</b>	<b>Offeror Identification Information (Tab 6)</b>		
	Offeror includes the following identification information as Tab 6 of the Technical Proposal:		
7.1	The organization's full company or corporate name.		
7.2	How the entity is organized (proprietorship, partnership, corporation).		
7.3	An organization chart of the entity clearly depicting the Offeror's reporting relationships.		

#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
7.4	The address of the organization's headquarters office.		
7.5	The names and addresses of any parent organization, any partially or wholly owned subsidiaries, and any other related organizations.		
7.6	The state in which the Offeror is incorporated.		
7.7	The address of the Offeror's office location responsible for performance under the resulting contract if awarded the Contract.		
7.8	The Offeror's Federal Tax Identification Number.		
7.9	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.		
7.10	A general description of the primary business of the organization and its client base.		
7.11	The number of employees both locally and nationally.		
7.12	The size of organization in assets, revenue and people.		
7.13	The areas of specialization.		
7.14	<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"> <li>• The subcontractor's name, address, and telephone number</li> <li>• The subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract</li> </ul>		
<b>8</b>	<b>Offeror Qualifications and Experience (Tab 7)</b>		
8.1	The Technical Proposal includes Offeror Experience as Tab 7 of the Technical Proposal.		
8.2	Offeror's Proposal includes a minimum of three (3) references for the Offeror and Key Personnel using the form in Appendix J and L.		

#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
8.3	Offeror provides a list of prior and existing contracts or agreements that the Offeror has entered into with the State of Hawaii		
8.4	Offeror provides a description of any contract termination for the Offeror or any proposed subcontractor during the past three (3) years for convenience, nonperformance, non-allocation of funds, or any other reason, or a statement that no such terminations have occurred		
<b>9</b>	<b>Offeror Financial Condition (Tab 8)</b>		
9.1	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 three (3) years and any available credit reports.		
9.2	This section includes company size, organization, date of incorporation, ownership, number of employees, revenues for the previous three (3) fiscal years.		
9.3	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.		
9.4	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.		
9.5	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.		
<b>10</b>	<b>Approach to Completing the Scope of Services (Tab 9)</b>  Offeror includes the following sections as Tab 9 of the Technical Proposal:		
10.1	Introduction		

#	RFP REQUIREMENT	OFFEROR CHECK	MQD VERIFICATION
10.2	State Level Repository		
10.3	Administrative Tasks		
<b>11</b>	<b>Approach to Project Staffing (Tab 10)</b> Offeror includes the following sections as Tab 10 of the Technical Proposal:		
11.1	Approach to Staffing to successfully complete activities in Section 40 of the RFP		
11.2	Project Organization Charts and Position Descriptions		
11.3	Resumes of Key Personnel		
<b>12</b>	<b>Work Plan and Schedule (Tab 11)</b>		
12.1	Offeror includes a Work Plan and Schedule for all major activities, tasks and subtasks, showing the responsible party.		
<b>13</b>	<b>Assumptions (Tab 12)</b>		
13.1	The Offeror's Proposal includes a list of assumptions or a statement that no assumptions are made as Tab 12.		
<b>14</b>	<b>Proposal for SLAs (Tab 13)</b>		
14.1	The Offeror's Proposal includes Appendix N with the percentage of penalty to be applied if the SLA is not met.		

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Signature

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Title

## APPENDIX N - SERVICE LEVEL AGREEMENTS

Service Level Agreements (SLAs) play an important role in defining and managing the expectations that will be placed upon the Contractor. MQD is interested in Offeror provided recommendations for SLAs and Key Performance Indexes (KPI). Each of the SLA categories listed below will have SLAs associated with them in the contract. Rather than MQD determining appropriate SLAs and KPIs for each of the categories below, please provide recommendations. This Appendix will not be included in scoring and is for informational purposes only. Final SLAs and KPIs will be included in the contract.

Key Performance Indicator	Liquidated Damages
<b>1. Service Level Agreement – SLR Implementation Timeline</b>	
<b>2. Service Level Agreement – SLR Configuration Management</b>	
<b>3. Service Level Agreement – System Availability</b>	
<b>4. Service Level Agreement – Operational Problem Management</b>	
<b>5. Service Level Agreement – Customer Service Support</b>	

## APPENDIX O - DETAILED SLR REQUIREMENTS MATRIX

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
<b>SOFTWARE</b>		
SOFT1	Software	Propose a Medicaid Promoting Interoperability (PI) Program Payment administration solution that meets the requirements of the RFP and includes Center for Medicare and Medicaid Services (CMS) approved standards.
SOFT2	Software	Manage the data exchange processes between Federal systems, specifically the CMS National Level Repository (NLR).
SOFT3	Software	Manage the data exchange processes between other State systems, specifically the State's Hawaii Prepaid Medicaid Management Information System (HPMMIS).
SOFT3	Software	Provide a method to identify professionals and hospitals that are eligible for the Hawaii Medicaid PI Program payments.
SOFT4	Software	Automatically generate notification to SLR when an NLR registration has been submitted to the Hawaii Medicaid PI Program.
SOFT5	Software	Provide a method to create an SLR provider master file (SLR PMF) for the identification of eligible providers.
SOFT6	Software	Provide the ability for attesters to review NLR information received by the SLR.
SOFT7	Software	Validate and return provider information as entered into the system with provider information known by the State, including but not limited to all information required by the NLR and collected by the SLR PMF.
SOFT8	Software	Provide the capability to determine initial eligibility for the Hawaii Medicaid PI Program using HPMMIS data points as defined by Med-Quest Division (MQD) and CMS.
SOFT9	Software	Be scalable and flexible to accommodate and adapt to PI Program changes required by State and/or Federal statute, regulation, mandate, decision, or policy.
SOFT10	Software	Be scalable and flexible to allow components of the commercial-off-the-shelf (COTS) system SLR to be utilized (or not be utilized) by MQD at their discretion and in accordance with the Hawaii State Medicaid Health Information Technology Plan (SMHP).
SOFT11	Software	Incorporate the policy choices and priorities of the Hawaii policymakers.
SOFT12	Software	Comply with applicable Health Insurance Portability and Accountability Act (HIPAA) requirements.
SOFT13	Software	Provide web-based functionality to allow providers or authorized representative to submit attestations online for eligibility for the PI Program, including exceptions for provider type (i.e. pediatrician, group Medicaid eligibility, Physicians Assistant, provider in a Federally Qualified Health Clinic (FQHC)/Rural Health Clinic (RHC)/.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SOFT14	Software	Provide web-based functionality to allow providers or authorized representative to submit attestations online to adoption, implementation or upgrade (A/I/U) of certified EHR technology, per provider type (i.e. eligible professional, eligible hospital or group of eligible professionals).
SOFT15	Software	Provide web-based functionality to allow providers or authorized representative to submit attestations online to the Meaningful Use of certified EHR technology (i.e. core and menu objectives and core and menu Clinical Quality Measures), per provider type (i.e. eligible professional, eligible hospital or group of eligible professionals).
SOFT16	Software	Provide web-based functionality to support the intake of documentation in support of provider's attestations to any or all portions of the Medicaid EHR Incentive Program.
SOFT17	Software	Provide web-based functionality to support the electronic submission of Meaningful Use data, including Clinical Quality Measures, for collection by MQD in accordance with CMS requirements.
SOFT18	Software	Provide a separate web-based, role-based functionality to support the review of submitted attestations by staff.
SOFT19	Software	Check each incoming attester against existing database to determine if the incoming attester is new to the system, reopening an incomplete attestation or accessing a previously submitted attestation.
SOFT20	Software	Provide a flag to indicate providers that are considered ineligible, excluded, rejected, recouped or adjusted, on a Federal and State basis.
SOFT21	Software	Assign a unique identifier as specified by MQD to be for each attester-created attestation.
SOFT22	Software	Allow eligible professionals to meet eligibility requirements under different categories as well as receive varying incentive payments based on individual information.
SOFT23		Allow eligible hospitals to meet eligibility requirements under different categories as well as receive varying incentive payments based on individual information.
SOFT24	Software	Provide the capability to automatically calculate provider incentive payments, based on provider type and other relevant attestation information such as pediatrician status and cost report information.
SOFT25	Software	Accommodate special characters in attestation fields, e.g., commas, apostrophes, hyphens, etc.
SOFT26	Software	Display the attestation information and result in a manner that is comprehensive and easy to understand.
SOFT27	Software	Feature a progress bar and/or navigation menu to highlight attester's progress.
SOFT28	Software	Provide an automated and/or Contractor staff guided attestation process to enable the attester to easily enter required information.
SOFT29	Software	Operate according to all CMS requirements regarding proxy representative entering and submitting information on behalf of a provider as an attester.
SOFT30	Software	Allow an attester to save and amend the attestation in order to allow adequate time for attester to gather appropriate information.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SOFT31	Software	Allow an attester to replicate information across attestation steps for all providers attesting for, as permitted by program rules for group attestations.
SOFT32	Software	Allow the attester to jump back to sections previously completed without losing data entered.
SOFT33	Software	Point out missing data, errors and inconsistencies as attesters progress through the attestation.
SOFT34	Software	Allow continuance of the attestation process for attestations missing information not mandatory for program eligibility, as designated by MQD.
SOFT35	Software	Disallow the continuance of the attestation process for attestations missing information considered mandatory for program eligibility, as designated by MQD.
SOFT36	Software	Provide a mechanism to manually navigate/skip to any screens that the attester is authorized to access.
SOFT37	Software	Allow the attester to upload and attach source documents to support eligibility determination for Medicaid EHR Incentive Program payments.
SOFT38	Software	Capture and track eligibility information as required by MQD for the Medicaid EHR Incentive Program.
SOFT39	Software	Provide the capability to automatically calculate Eligibility and EHR Reporting Periods.
SOFT40	Software	Disallow time periods (including Eligibility and EHR Reporting Periods) to fall outside the timeframe designated by MQD and CMS.
SOFT41	Software	Provide the capability to automatically calculate eligible hospital's average length of stay (ALOS).
SOFT42	Software	Capture and track A/I/U information, as required by MQD for the Medicaid EHR Incentive Program.
SOFT43	Software	Capture and track Meaningful Use information, as required by MQD for the Medicaid EHR Incentive Program.
SOFT44	Software	Capture and track attestation to program rules and regulations, as outlined by CMS and MQD.
SOFT45	Software	Verify attestation data through other State and Federal systems as designated by MQD, including the Office of the National Coordinator Certified HIT Product List (ONC CHPL) site, State licensing agency, etc.
SOFT46	Software	Verify attestation data through the NLR.
SOFT47	Software	Verify attestation data through the HPMMIS or Hawaii's Online Kahu Utility (HOKU).
SOFT48	Software	Provide the capability to automatically validate attestation information against a provider's information previously obtained by MQD at each step.
SOFT49	Software	Provide the capability to automatically validate attestation information against the SLR PMF at each step.
SOFT50	Software	Provide the capability to automatically validate attestation information against the NLR system at each step.
SOFT51	Software	Provide a mechanism to indicate electronically that verification documents have or have not been adequately provided.
SOFT52	Software	Provide the capability to automatically validate CMS EHR Certification ID Number against the ONC CHPL website.



REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SOFT53	Software	Provide the capability to automatically validate Meaningful Use thresholds have been met using information entered into the attestation.
SOFT54	Software	Provide the capability to automatically validate the selection of A/I/U for the first program year only.
SOFT55	Software	Provide the capability to automatically validate the National Provide Identifier.
SOFT56	Software	Provide the capability to automatically validate the Tax Identification Number against death records on a Federal and State level.
SOFT57	Software	Provide the capability to automatically validate the CMS Certification Number (CCN) for eligible hospitals and validate that it falls within the range of eligibility.
SOFT58	Software	Provide the capability to automatically validate that a given attestation meets patient volume criteria based on provider type.
SOFT59	Software	Provide the capability to automatically validate that an EHs average length of stay is less than 25 days.
SOFT60	Software	Allow for help text or notification of alternative verification document options to the attester, as designated by MQD.
SOFT61	Software	Provide attesters the ability to submit verification documentation via multiple avenues (e.g., email, mail, phone, fax, walk-in).
SOFT62	Software	Provide a mechanism to notify attester that information entered may require further review and revision pending MQD approval.
SOFT63	Software	Allow attester to print /save an electronic copy of completed attestation for their records.
SOFT64	Software	Present the attester with a summary view of the information entered prior to submission.
SOFT65	Software	Allow attester to submit attestation via an Internet browser.
SOFT66	Software	Provide system-generated date and time stamp for receipt of electronic attestations to be used in monitoring standards of promptness by program
SOFT67	Software	Route submitted attestations to MQD and or Contractor staff as designated by MQD
SOFT68	Software	Provide the capability for staff to review site and act on attestations using role-based definitions, as defined by MQD
SOFT69	Software	Provide the capability for MQD and or Contractor staff to save review work in progress, exit the workflow, access work at a later point with all of the information still populated from the previous staff actions so previous work will not need to be repeated.
SOFT70	Software	Track, monitor, and display work done/in queue, by credential, to MQD and or Contractor staff.
SOFT71	Software	Provide the flexibility to create/modify existing MQD and or Contractor staff credentials, as requested by MQD.
SOFT72	Software	Support the capability for MQD and or Contractor staff to search providers by various identifiers, including, but not limited to, name, Tax Identification Number, National Provider Identifier, provider type, status, etc.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SOFT73	Software	Support the capability for MQD and or Contractor staff to search providers by various characteristics, including, but not limited to, patient volume, status, A/I/U method, and Meaningful Use thresholds.
SOFT74	Software	Provide the ability for MQD and or Contractor staff to search and sort attestations in listable format, including, but not limited to, attestation status, submission date, and payment date.
SOFT75	Software	Provide the capability for MQD and or Contractor staff to examine individual attestations, including all information transmitted, submitted or attached.
SOFT76	Software	Provide the capability for MQD and or Contractor staff to approve, pass, deny, reject, and fail any or all of an attestation.
SOFT77	Software	Allow MQD and or Contractor staff to create customizable messages to attesters throughout the attestation review process.
SOFT78	Software	Support the capability of MQD and or Contractor staff to view all attestations attached to a given group administrator.
SOFT79	Software	Provide a role-based capability for MQD and or Contractor staff to approve an attestation for payment by MQD.
SOFT80	Software	Provide the capability for MQD and or Contractor staff to batch attestations approved by MQD for D16 approval.
SOFT81	Software	Provide the capability for MQD and or Contractor staff to batch attestations with D16 approval to be sent as payment files to the Fiscal Agent.
SOFT82	Software	Provide the capability for MQD and or Contractor staff to mark any or all parts of an attestation for pre- or post-payment audit.
SOFT83	Software	Provide the capability for MQD and or Contractor staff to track progress of an audit, including documentation, reference notes, and status, in accordance with the Hawaii SMHP Audit Strategy.
SOFT84	Software	Provide the capability for MQD and or Contractor staff to make payment adjustments or recoupment, as the result of an audit.
SOFT85	Software	Provide the capability for MQD and or Contractor staff to mark an attestation based on risk assessment outcome, as the result of a pre- or post-payment audit.
SOFT86	Software	Capture and display date that a change was made by an attester per request by MQD and/or Contractor staff to amend any or all of an attestation.
SOFT87	Software	Provide the ability for attesters to send secure messages regarding their attestation to MQD and/or Contractor staff.
SOFT88	Software	Allow an attester to amend an attestation as directed by MQD and/or Contractor staff as long as incentive payment has not been disbursed.
SOFT90	Software	Allow and record an attester's request to withdraw an attestation as long as an incentive payment has not been disbursed.
SOFT91	Software	Monitor the number of attestations submitted and abandoned.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SOFT92	Software	Monitor the number of attesters who requested assistance via chat, telephonic, etc.
SOFT93	Software	Provide a mechanism through which attesters can check the status of an attestation, including State review, payment distribution, etc.
SOFT94	Software	Provide capability to track incomplete, new, add-on, and pending attestations.
SOFT95	Software	Notify attesters of failed verifications, including but not limited to failed data field values, failed verification documentation, and failed validations with disparate State systems.
SOFT96	Software	Provide the ability for attesters to view, confirm, dispute and submit corrections to attestations in process or previously submitted to MQD and/or Contractor staff for review.
SOFT97	Software	Generate reports related to attestation information, including but not limited to successful payments, approved eligible professionals and hospitals, and eligible professionals associated with a group clinic patient volume.
SOFT98	Software	Automatically generate notices by email to notify attesters of attestation status changes.
SOFT100	Software	Support attesters "Rights and Responsibilities" text, including, but not limited to, the attesters right to appeal administrative decisions regarding the Medicaid EHR Incentive Program and Terms of Use for system.
SOFT101	Software	Record and track how correspondence was issued to attester by program year.
SOFT102	Software	Provide the capability for mass notifications to attesters, including the ability to send mass notifications to attesters with known affiliation within the system.
SOFT103	Software	Provide the capability to issue notices at set timeframes according to program rules and at the request of MQD.
SOFT104	Software	Provide a mechanism to suppress and track specific notices at the discretion of MQD.
SOFT105	Software	Provide a mechanism to permanently suspend any notice type as requested by MQD.
SOFT106	Software	Provide standard email templates for notifications to attesters.
SOFT107	Software	Provide the capability to electronically generate notices regarding missing information.
SOFT108	Software	Provide the capability to electronically generate notices regarding discrepancies in attestation information as validated by data maintained within State or Federal systems.
SOFT109	Software	Provide the capability to electronically generate notices regarding discrepancies in attestation information as validated by data maintained within State or Federal systems.
<b>CONFIGURATION</b>		
CONF1	Configuration	Provide a mechanism to define required and optional data fields and documentation, based on MQD and CMS program rules.
CONF2	Configuration	Produce a customized list of documents required by MQD to complete Medicaid EHR Incentive Program payment attestation.
CONF3	Configuration	Identify and display verifications required for the attester to provide based on program rules as designated by MQD.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
CONF4	Configuration	Produce notices and forms.
CONF5	Configuration	Provide the ability for MQD to specify required documentation mandatory for submission with each type of attestation (i.e. eligible hospital, eligible professional or group).
CONF6	Configuration	Enable MQD and/or Contractor staff to participate in any Change Management Request (CMR) process operated by the contractor on any client system user group.
<b>IMPLEMENTATION</b>		
IMP1	Implementation	Exchange data between the SLR and State's HPMMIS (and/or HOKU) and the CMS NLR.
IMP2	Implementation	Deploy a web-based SLR to allow providers or authorized representative to submit attestations (A/I/U and Meaningful Use) to the Hawaii Medicaid EHR Incentive Program, as outlined in the RFP.
IMP3	Implementation	Intake documentation in support of provider's attestations.
IMP4	Implementation	Route submitted attestations to staff for review and approval.
IMP5	Implementation	Pay approved attestations incentive payments according to regulations and standards, as outlined by CMS.
<b>ADMINISTRATION &amp; OVERSIGHT</b>		
AO1	Administration & Oversight	Represent the state in multi-state discussions regarding the Medicaid EHR Incentive Program, including CMS Community of Practice conferences, etc., as directed by MQD.
AO2	Administration & Oversight	Conduct administration and oversight, as defined by MQD and CMS, of the Hawaii Medicaid EHR Incentive Program, including review of incomplete and complete attestations, payment, status, audit information, reporting, etc.
AO3	Administration & Oversight	Manage credentialing required for program administration and oversight software.
AO4	Administration & Oversight	Create/modify existing credentials, as requested by MQD.
AO5	Administration & Oversight	Track, monitor and report performance measures by staff credential including, but not limited to, reviews completed, payments distributed, and provider types, to MQD.
AO6	Administration & Oversight	Report progress against MQD goals, initiatives, and policy changes, including, but not limited to, policy initiatives, budget initiatives, auditing requirements, appeals and grant opportunities, to MQD.
AO7	Administration & Oversight	Verify that all providers meet eligibility criteria for the Hawaii Medicaid EHR Incentive Program.
AO8	Administration & Oversight	Verify that all providers meet patient volume requirements, based upon provider type.
AO9	Administration & Oversight	Verify that eligible professionals are not hospital-based according to place of service codes.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
AO10	Administration & Oversight	Verify that all providers meet attestation requirements for A/I/U or Meaningful Use.
AO11	Administration & Oversight	Ensure that each provider type with an approved attestation is administered the correct incentive payment amount.
AO12	Administration & Oversight	Ensure that there is no duplication in payments.
AO13	Administration & Oversight	Ensure that no EP nor EH is distributed an incentive payment past 2016 for the first year of participation in the Hawaii Medicaid EHR Incentive Program.
AO14	Administration & Oversight	Approve, pass, deny, reject, and fail all attestations within 45 days of completed submission.
AO15	Administration & Oversight	Communicate with attesters throughout the attestation review process as necessary to approve for payment.
AO16	Administration & Oversight	Send attestations approved by MQD for D16 approval.
AO17	Administration & Oversight	Send attestations with D16 approval to the Fiscal Agent for payment.
AO18	Administration & Oversight	Mark attestations for pre- or post-payment audit, in accordance with the Hawaii SMHP Audit Strategy.
AO19	Administration & Oversight	Coordinate with the Hawaii Health Information Exchange (HHIE) to provide HHIE participants with programmatic information, including requirements for the Program.
AO20	Administration & Oversight	Provide Contractor staff to write, gain approval of from MQD and implement a coordinated Communication Plan for the purposes of educating eligible professionals and hospitals about the availability of the EHR Incentive Payment Program.
AO21	Administration & Oversight	Provide Contractor staff to write, gain approval of from MQD and distribute Medicaid EHR Incentive Program-related materials, including but not limited to eligibility templates, attestation guides, etc.
AO22	Administration & Oversight	Provide Contractor staff to field provider questions relating to the Medicaid EHR Incentive Program, including but not limited to eligibility, Meaningful Use requirements, A/I/U requirements, etc.
AO23	Administration & Oversight	Field provider questions relating to the Medicaid EHR Incentive Program attestation solution as they pertain to their attestation, including providing information on required documents, support if state has pended attestation for additional information, etc.
AO24	Administration & Oversight	Maintain and populate Hawaii Medicaid EHR Incentive Program website with current information regarding eligibility, requirements, and participation in the Program.
AO25	Administration & Oversight	Maintain and populate a Hawaii Medicaid EHR Incentive Program website that provide resources targeting potential attesters, including, but not limited to, Hawaii-specific requirements, document templates, checklists, Federal resources, and other state resources.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
AO26	Administration & Oversight	Provide a HelpDesk as a resource for attesters to inquire about attestation process and payment status.
AO27	Administration & Oversight	Have the ability to provide HelpDesk staff with information specific to the Hawaii Medicaid EHR Incentive Program, including, but not limited to, program requirements, required documentation, and other related resources.
AO28	Administration & Oversight	Support MQD to contact providers and/or their authorized representatives regarding their attestation status, payment status, audit results, and appeal results.
AO29	Administration & Oversight	Provide marketing capabilities to target potential Hawaii Medicaid EHR Program participants, including eligible professional types, hospitals, clinics, REC participants, FQHCs, RHCs, etc.
AO30	Administration & Oversight	Report outreach efforts, including, but not limited to, number and types of providers contacted, frequently asked questions, providers recruited for attestation, and provider submissions.
AO31	Administration & Oversight	Coordinate with the HPMMIS and Fiscal Agent to ensure that claims/encounters data, provider identification information and payment status are correct.
<b>MAINTENANCE &amp; OPERATIONS</b>		
MO1	Maintenance & Operations	Provide 24X7 availability for the web portal and other ancillary system components as required by the State, except for the State-approved time for system maintenance.
MO2	Maintenance & Operations	Provide real-time availability of information across all systems.
MO3	Maintenance & Operations	Notify MQD immediately of any unscheduled downtime. Any unscheduled downtime shall also be documented and explained in writing.
MO4	Maintenance & Operations	Review system and network access logs on a daily basis.
MO5	Maintenance & Operations	Allow new data items to be automatically included in migration paths during software upgrades.
MO6	Maintenance & Operations	Perform regular maintenance (on at least a monthly basis) to ensure optimum performance.
MO7	Maintenance & Operations	Ensure that the use of acronyms and codes are consistent with windows, screens, reports and databases or data dictionary.
MO8	Maintenance & Operations	Use effective-dated table updates (either future dated or retroactive) with the ability to specify data edits by type of transaction.
MO9	Maintenance & Operations	Provide a clearly defined promote-to-production process that enforces a strictly defined methodology for movement from development to Quality Assurance (QA) and production.
MO10	Maintenance & Operations	Provide the capability to roll back data and software releases/programs as requested by the State during testing cycles.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
MO11	Maintenance & Operations	Provide for and support automated, internal, integrated system checkpoints that monitor the system accuracy and condition for which it was accepted.
MO12	Maintenance & Operations	Meet Service Level Agreements per the State's requirements.
MO13	Maintenance & Operations	<p>Provide complete support for software error correction and problem resolution. Provide a written explanation, cause, resolution, and number of affected cases.</p> <p>The State shall prioritize Priority 1 and Priority 2 errors. The selected Contractor shall resolve all errors within the following timeframes:</p> <ul style="list-style-type: none"> <li>• <b>Priority 0 Errors (system unavailable)</b> – notification to the State within 30 minutes, status of error every 30 minutes until the corrective action plan is approved, corrective action plan within two (2) hours;</li> <li>• <b>Priority 1 Errors (serious production issues)</b> – notification to the State within 30 minutes, status of error every one (1) hour until the corrective action plan is approved, corrective action plan within two (2) hours;</li> <li>• <b>Priority 2 Errors (significant production issue where work around is available)</b> – notification to the State within 30 minutes, status of error twice a day until the corrective action plan is approved, corrective action plan within 24 hours;</li> <li>• <b>Priority 3 Errors (all others)</b> – notification to the State within 30 minutes if during scheduled business hours otherwise beginning of next business day, status of error every 24 hours until the corrective action plan is approved, corrective action plan will define the agreed-upon schedule between the selected Contractor and the State.</li> </ul> <p>All priority levels will be subject to State review and approval.</p>
MO14	Maintenance & Operations	Track and report on remediation and rebuild to satisfy defects, bugs, and issues identified and resolved, In conjunction with the State. If rework hours appear to jeopardize on-time release delivery, the Contractor shall present a written mitigation plan to the State, including the provision of additional resources at no additional cost to the State.
MO15	Maintenance & Operations	Provide written explanation, cause, resolution, and timeframe for correction of any error.
MO16	Maintenance & Operations	Provide the ability to copy production system data to a test environment, as needed for testing.
MO17	Maintenance & Operations	Provide a repository of all test documentation including test scenarios and results.
MO18	Maintenance & Operations	Provide the capability to roll back data and software releases/programs as requested by the State during testing cycles.
MO19	Maintenance & Operations	Use automated application and network performance measuring tools for proactive system monitoring, tuning mechanisms, reporting, and trend analysis. Performance monitoring alerts shall be configurable and allow for user notification using multiple communication methods.
<b>SYSTEM</b>		

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
SYS1	System	Provide personal computers with software compatible with Med-Quest Division (MQD) standards for Contractor staff.
SYS2	System	Provide a local area network to connect its staff.
SYS3	System	Provide a frame relay from the Honolulu office to the Arizona Department of Administration (ADOA) mainframe in Phoenix, Arizona, to provide connectivity for online HPMMIS functions. This also includes a backup telecommunication infrastructure.
SYS4	System	Provide capability to support SLR functions, including generating checks, correspondence, and reports.
SYS5	System	Provide software for file transfer capability compatible with ADOA.
SYS6	System	Provide an accounts payable and check writing system to generate checks, electronic payments and 1099s.
SYS7	System	Provide an accounts receivable system to generate and record invoices and receipts.
SYS8	System	Provide compatibility for MQD to do on-line retrieval of attestation agreement images.
SYS9	System	Provide compatibility so that the format of imaged documents meets requirements to be considered a legal document.
SYS10	System	Provide a secure interface to MQD network for MQD access to Offeror network and applications.
SYS11	System	Provide correspondence generation and distribution.
SYS12	System	Provide disaster recovery and contingency plans.
SYS13	System	Use HPMMIS or HOKU for provider information verification.
SYS14	System	Provide call tracking and provider hotline support.
SYS15	System	Image all provider-related records provided by the Health Care Services Branch (HCSB) and MQD staff.
SYS16	System	Notify HCSB of any returned pieces of mail from provider mailings so that HCSB can address the issue in HPMMIS or HOKU.
<b>PLANNING</b>		
PLAN1	Planning	Gain a thorough understanding of current business processes.
PLAN2	Planning	Conduct all planning activities concurrently with transfer activities.
PLAN3	Planning	Provide desk-level procedures for pre-payment validation process and provider relations for attestation and incentive payments.
PLAN4	Planning	Establish an infrastructure and resources to support the functions assigned to the Offeror during operations.
PLAN5	Planning	Implement systems, networks and other infrastructure in coordination with Arizona Health Care Cost Containment System (AHCCCS) and MQD.
<b>TRANSFER</b>		



REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SLR SOLUTION SHALL..."
TRAN1	Transfer	Develop and submit a Transfer Strategy for approval by MQD.
TRAN2	Transfer	Document, agreed upon, conversion and turnover procedures and submit to MQD.
TRAN3	Transfer	Identify issues or problems that may impact the turnover and transition.
TRAN4	Transfer	Manage the transition tasks assigned to the Offeror.
TRAN5	Transfer	Participate in pre-transition walk-through.
TRAN6	Transfer	Provide resources during the transition period to assure the performance outcome identified in the Transfer Strategy.
TRAN7	Transfer	Transfer imaged copies of all hard copy provider documentation to a readable format for MQD.
TRAN8	Transfer	Provide file conversions.
<b>CORRESPONDENCE</b>		
COR1	Correspondence	Print and mail Hawaii Medicaid PI Program correspondence.

## APPENDIX P - DETAILED ADMINISTRATIVE REQUIREMENTS MATRIX

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
<b>GENERAL</b>		
GEN1	General	Be able to support MQD in all administrative functions of planning, implementing and operating the State Level Repository (SLR) project.
GEN2	General	Provide flexibility to support additional program requirements as designated by Med-QUEST Division (MQD).
GEN3	General	Provide sufficient staff, as required by project perimeters, to plan, implement and operate the SLR.
GEN4	General	Provide the capability to interface with Federal and State systems as necessary for the SLR.
GEN5	General	Comply with all Health Insurance Portability and Accountability Act (HIPAA) of 1996 requirements related to business processes necessary to carry out its contracted tasks.
<b>DISASTER RECOVERY</b>		
RECO1	Disaster Recovery	Create backup copies of all electronic documents on a State-approved schedule.
RECO2	Disaster Recovery	Have sufficient redundancy and modularity so that if any single component or part of a component fails, work can continue.
RECO3	Disaster Recovery	Provide for daily backup of all tables, files, and configuration data to preserve the integrity of historical as well as current data.
RECO4	Disaster Recovery	Allow complete or incremental database and system backups on a nightly schedule as well as on demand or as needed.
RECO5	Disaster Recovery	Backup all files and data on a media and in a format approved by the State. Backup files must be encrypted. The key for encryption must not be stored with the backup files and data. The encryption must be performed and verified. The State reserves the right to audit the backup process at its discretion.
RECO6	Disaster Recovery	Support business continuity and disaster recovery. In particular, the Solution must be architected to support timely restoration of service following catastrophic loss of a single site of operation.
RECO7	Disaster Recovery	Support failover redundancies and swapping of critical system components and data.
RECO8	Disaster Recovery	Provide an integrated business continuity and disaster recovery approach for all system components that incorporates and enforces the RFP requirements for Disaster Recovery and meets State approval.
<b>PRIVACY &amp; SECURITY</b>		
PRIV1	Privacy & Security	Verify identity of all users/system, and deny access to invalid users. For example: Require unique sign-on (ID and password).

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
PRIV2	Privacy & Security	Support saving of user profiles for archival purposes, with the functionality to re-use the profile as necessary.
PRIV3	Privacy & Security	Monitor system activity and log and examine system activity in accordance with audit policies and procedures adopted by the Medicaid agency.
PRIV4	Privacy & Security	Protect the confidentiality and integrity of electronic Protected Health Information (ePHI).
PRIV5	Privacy & Security	Provide the State authorized entities access to source code, libraries and other project artifacts.
PRIV6	Privacy & Security	Provide the State authorized entities read access to all databases.
PRIV7	Privacy & Security	Alert appropriate staff authorities of potential violations of privacy safeguards, such as inappropriate access to confidential information.
PRIV8	Privacy & Security	Adhere to all State and federal requirements to secure, store and dispose of data.
PRIV9	Privacy & Security	Accommodate all current, applicable HIPAA revisions/updates including those that may occur during the life of the project in accordance with the Change Order or Modifications of Contract provisions in the Contract.
<b>TESTING</b>		
TEST1	Testing	Provide all use case testing for all aspects of technical requirements.
TEST2	Testing	Provide all use case testing for all aspects of programmatic requirements, including MQD requested customizations/configurations.
TEST3	Testing	Provide all use case testing for sending/receiving all files to/from National Level Repository (NLR) required for attestation and payment.
TEST4	Testing	Provide all use case testing as requested by MQD.
TEST5	Testing	Participate in meetings to review the User Acceptance Testing (UAT) test plan and calendar.
TEST6	Testing	Identify and develop UAT test criteria, test scripts and other test scenarios, as appropriate.
TEST7	Testing	Assist to execute the UAT test and the document test results.
TEST8	Testing	Assist in the review of UAT test results and evaluate the impact on their operations.
TEST9	Testing	Participate in meetings to review the test plan and test calendar.
TEST10	Testing	Identify and develop ongoing system test criteria, test scripts and other test scenarios, as appropriate.
TEST11	Testing	Assist to execute the ongoing system testing and the document test results.
TEST12	Testing	Assist to review ongoing system test results and evaluate the impact on their operations.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
TEST13	Testing	Identify system modifications or enhancements.
TEST14	Testing	Identify and report system defects.
TEST15	Testing	Develop a standard set of regression test scenarios to be executed with each quarterly release.
TEST16	Testing	Assist with retesting, as necessary.
<b>PROVIDER RELATIONS &amp; TRAINING</b>		
PROV1	Provider Relations	Maintain an automated log of all provider inquiries in a form approved by the State. The log must include, at a minimum, the date, provider ID, form of inquiry (written or verbal), topic of inquiry, form of response (written or verbal), the respondent, and comments related to the timing and nature of resolution. Copies of the log, as well as a summary report, must be provided to the State weekly.
PROV2	Provider Relations	Use and maintain a word processing system compatible with MQD's word processing system, including the provision of a secure electronic mail link between Offeror staff and MQD's word processing system.
PROV3	Provider Relations	Serve as first line of inquiry to providers for clarifying Hawaii Medicaid PI Program requirements and seek policy interpretation from the State when necessary.
PROV4	Provider Relations	Conduct provider training sessions for program administered by MQD to include State, if specified.
PROV5	Provider Relations	Develop, distribute at training sessions, and evaluate provider training questionnaires and provide the State with a summary of provider responses as well as copies of completed questionnaires, when requested.
PROV6	Provider Relations	Prepare, print, obtain State approval of, and distribute Hawaii Medicaid PI Program newsletters, bulletins, and other communications to providers as directed by the State. Distribution must be completed within 15 working days of the State's request or by a date mutually agreed upon by the State and Offeror. The current SLA is 5 days for a personal distribution of 1000 providers or less and 15 days to a mass distribution of over 1000 providers.
PROV7	Provider Relations	Develop and revise the Hawaii Medicaid PI Program provider manual for publication to the MQD website.
PROV8	Provider Relations	Refer or forward any inquiries from the general public, government agencies, or other inquiries from providers to MQD.
PROV10	Provider Relations	Respond to all verbal provider inquiries relating to the Hawaii Medicaid PI Program policy immediately, if possible. If an immediate response is not possible, a written or verbal response must be provided within seven days of the date of the inquiry.
PROV11	Provider Relations	Respond in writing to written provider inquiries regarding the Hawaii Medicaid PI Program within seven days of the date of receipt in the Offeror's mailroom. All form letters must receive prior approval by the State. Any inquiry which appears to be a grievance shall be forwarded to the State.
PROV12	Provider Relations	Under State direction, provide outreach services to establish and maintain effective relations with the provider community and provider associations.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
PROV13	Provider Relations	Provide mailing labels to the State on request at no additional cost for special provider mailings not routinely generated through the HPMMIS or HOKU.
PROV14	Provider Relations	Image copies of provider files, including attestation agreements, correspondence not system generated, and other documentation. Image must be available to the State staff.
PROV15	Provider Relations	Provide imaged document storage on standard medium using TIFF format or other open standard. Maintain provider documentation for 10 years.
<b>PROVIDER HOTLINE</b>		
LINE1	Provider Hotline	Maintain and staff a provider communications function to include intrastate, toll-free telephone lines that are staffed during the hours of 7:30 a.m. to 5:00 p.m., Hawaii Standard Time, Monday through Friday, except for State holidays.
LINE2	Provider Hotline	The Offeror shall maintain a sufficient number of telephone lines and staff so that no more than a five percent call abandonment rate and no more ten percent of incoming calls per day ring busy or are on hold for longer than one minute and all other calls are answered by a fourth ring.
LINE3	Provider Hotline	Maintain and operate an automatic call answering system that is totally accessible to Offeror and State staff at all times. This system at a minimum should have the capability of answering calls in first-in-first-out sequence, sending calls to the next open operator, recording and printing statistics on calls, indicating calls placed on hold for a specific time limit and indicating dropped calls.
LINE4	Provider Hotline	Maintain a log of calls received, including resolution or follow-up action.
LINE5	Provider Hotline	Support outbound calls.
LINE6	Provider Hotline	Have the ability to be expandable in order to support multiple call centers in separate physical locations that support different providers.
LINE7	Provider Hotline	Provide the ability to perform quality control on call center staff by listening to line calls or recorded calls on a weekly basis.
LINE8	Provider Hotline	Support communication in Hawaii's six languages, not including English, and must be able to support additional languages (including languages that use non-Western scripts).
LINE9	Provider Hotline	Provide speech and hearing impaired customers with the ability to communicate through a Teletypewriter (TTY) or Telecommunications Display Device (TDD).

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
LINE10	Provider Hotline	Have the ability to monitor and provide real-time reporting software for: <ul style="list-style-type: none"> <li>• Abandonment rate;</li> <li>• Staff availability and productivity;</li> <li>• Average speed of answer;</li> <li>• Call length;</li> <li>• Contact volume;</li> <li>• Handle time;</li> <li>• One call resolution rate;</li> <li>• Peak hour statistics; and</li> <li>• Identification of historical trends.</li> </ul>
LINE11	Provider Hotline	Track and report volumes of calls, e-mails, etc. by categories as defined by MQD (e.g. daily, weekly, monthly, topic, etc.)
<b>PAYMENT</b>		
PAY1	Payment	Accept and process a weekly interface of amounts to be paid.
PAY2	Payment	Produce provider checks on a weekly basis unless otherwise directed by MQD.
PAY3	Payment	Authorize each check run.
PAY4	Payment	Produce and distribute provider remittance advices and checks.
PAY5	Payment	Provide electronic fund transfers.
PAY6	Payment	Distribute checks and remittance advices at a Hawaii location for those providers requesting to pick-up payments.
PAY7	Payment	Maintain financial transaction control to account for such items as offsets and recoupments.
PAY8	Payment	Produce payment summary and check register.
PAY9	Payment	Accept and process an interface file of Tax ID ownerships for 1099 generation.
PAY10	Payment	Produce provider 1099-MISC forms.
PAY11	Payment	Submit Form 1099 to Internal Revenue Service and coordinate any discrepancy.
PAY12	Payment	Make adjustments to Hawaii Medicaid PI Program incentive payments in cases of overpayment recovery, stale dated checks, lost and void checks.
PAY13	Payment	Arrange with a Hawaii bank for checking account, check stock, and payment of all related fees (by the Offeror) for purposes of provider payment issuance. The checking account will be an interest-bearing account in the Offeror's name with interest accruing to the State of Hawaii.
PAY14	Payment	Provide a contingency plan for processing/payment cycle interruptions.
PAY15	Payment	Maintain security controls for holding provider checks, provider refund checks, and voided provider checks.
PAY16	Payment	Provide a monthly bank reconciliation of checks cleared and other bank adjustments.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
PAY17	Payment	Provide a monthly summary report of checks written, voided, adjustments and other activity.
PAY18	Payment	Respond to MQD and provider inquiries on payments.
PAY19	Payment	Convert provider payments to date to support payment history of 1099 generation for the calendar year.
PAY20	Payment	Establish and implement procedures for funds distribution and reconciliation, following MQD review and approval.
PAY21	Payment	Provide access to financial documentation as may be necessary to support State and other government audits and inquiries.
PAY22	Payment	Assist MQD with credit balance review. Make necessary transactions to close terminated accounts.
PAY23	Payment	Provide an accounts payable system with check writing capabilities.
PAY24	Payment	Establish, test and implement with providers and electronic funds transfer.
PAY25	Payment	Produce payment summary report for submission to MQD for accounting purposes.
PAY26	Payment	Provide MQD with the weekly Credit Balance Report from the payment system.
PAY27	Payment	Provide MQD with existing credit balance recovery letters and tracking log.
PAY28	Payment	Provider correspondence generation for the Hawaii Medicaid PI Program.
<b>DOCUMENT MANAGEMENT</b>		
DOC1	Document Management	Be able to display and print stored or imaged forms in list format.
DOC2	Document Management	Allow the documents to be scanned into and associated with the electronic attestation through the State level repository site (both through provider entry and administration entry).
DOC3	Document Management	Support document imaging / management capabilities.
DOC4	Document Management	Provide the ability to upload attachments to attestation records.
DOC5	Document Management	Link scanned images to corresponding steps in the attestation process.
DOC6	Document Management	Provide the ability to view related correspondence records and documents from a single attestation.
DOC7	Document Management	Create a sortable and searchable library of all forms and documents associated with an attestation.
DOC8	Document Management	Meet Federal and State records retention and purging standards.
<b>REPORTING</b>		

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
REP1	Reporting	Produce reports on frequencies specified by MQD.
REP2	Reporting	Provide the ability for reports to be exported to an electronic file in PDF, Excel, Text, or Word format.
REP3	Reporting	Store all reports for online access to and retrieval of both current and historical reports via a user-friendly parameter and/or menu-driven access to reports, based on staff permissions, as defined by MQD.
REP4	Reporting	Identify on all reports the date, time, and criteria with which it was generated and allow staff to save the report.
REP5	Reporting	Provide a mechanism to store, view, and retrieve report history, including but not limited to creator, date, time, criteria and usage by others.
REP6	Reporting	Provide the capability to archive and store reports, providing searching and sorting capabilities based on date, time, criteria, and fields.
REP7	Reporting	Include version control for all reports.
REP8	Reporting	Generate data and reports needed to comply with Federal audit and oversight requirements.
REP9	Reporting	Be flexible enough to adhere to changes to Federal reports within five business days of request by MQD.
REP10	Reporting	Produce Federal reports according to Federally mandated timelines.
REP11	Reporting	Provide reports on MQD's monthly financial and program timelines for reporting purposes to CMS.
REP12	Reporting	Have standard reports to support accurate Federal reporting with appropriate crosswalks to State financial codes, including payment data for Federal matching.
REP13	Reporting	Generate data and reports needed to apply for and demonstrate appropriate use of Federal grant funding.
REP14	Reporting	Provide reports or data to support the cost allocation strategies (e.g., numbers and provider types for attestations processed, etc).
REP15	Reporting	Provide the ability to automate reports to support accurate forecasting of program costs.
REP16	Reporting	Provide the ability to automate reports to support evaluation of success of Hawaii Medicaid PI Program.
REP17	Reporting	Create standard reports defined by the State to compare program expenses to budgeted expenses for the State and Federal fiscal year-to-date, prior State and Federal fiscal year, and projected through the remainder of the State and Federal fiscal year.
REP18	Reporting	Generate standardized eligibility reports such as applications processed, denied, approved, and characteristics of attestations.
REP19	Reporting	Generate reports for Hawaii policymakers on key success metrics, as defined by MQD.
REP20	Reporting	Provide a dashboard summary view of the status of attestations in need of staff action that states, for example, active, inactive, pending approval, returned for errors, approved for payment, incentive payment received, rejected, D16 approval/denial, Fiscal Agent file submitted, etc.
REP21	Reporting	Produce an activity report for each attestation for review by staff that includes a summary of actions taken, verifications approved/denied, additional validations, pending status, errors, etc.



REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
REP22	Reporting	Provide the capability for staff to indicate that tasks requiring actions have been completed.
REP23	Reporting	Ability to report attestations by submission date for determination of due or past-due status.
REP24	Reporting	Provide for an attestation reporting system to assist staff in analyzing activities to establish priorities, trends and distribution of attestation reviews.
REP25	Reporting	Provide for an attestation reporting system to assist staff in analyzing activities to establish priorities, trends and distribution of attestation reviews.
REP26	Reporting	Include a database that will contain attestation information from the Hawaii Medicaid PI Program.
REP27	Reporting	Have the data readily available for extraction without impacting system performance.
REP28	Reporting	Allow authorized staff to have direct access to the database through the application.
REP29	Reporting	Support ad-hoc reporting from the database.
REP30	Reporting	Maintain an electronic library for standard and ad hoc queries/reports.
REP31	Reporting	Provide on-line help including an on-line data element and field look-up accessible to all database users.
REP32	Reporting	Provide role-based access to data include active, pending, approved and denied attestation and audit data.
<b>APPEALS</b>		
AA1	Administrative Appeals	Support the appeals process electronically.
AA2	Administrative Appeals	Capture and track the disposition of appeals (including status, assignments, and relevant notes).
AA3	Administrative Appeals	Record the detailed results and supporting documentation that result from or support an appeals decision.
AA4	Administrative Appeals	Adjust eligibility, incentive payment, EHR certification, AIU achievement, and/or Meaningful Use achievement as a result of an appeal.
AA5	Administrative Appeals	Notify the attester of adjusted eligibility, incentive payment, EHR certification, AIU achievement, and/or Meaningful Use achievement based on appeal decision.
AA6	Administrative Appeals	Allow generation of notices throughout the appeal process.
AA7	Administrative Appeals	Track timeframes and deadlines of the appeal process.
AA8	Administrative Appeals	Allow MQD and/or Contractor staff the ability to view the appeal progress.
AA9	Administrative Appeals	Support a complaint and grievance process through provider entry to attestation site.

REF #	CATEGORY	REQUIREMENT DESCRIPTION "THE SOLUTION SHALL..."
AA10	Administrative Appeals	Process appeals related to provider appeal of incentive payment.
AA11	Administrative Appeals	Process appeals related to provider eligibility determinations.
AA12	Administrative Appeals	Process appeals related to demonstration of adopt, implement, upgrade of certified EHR technology.
AA13	Administrative Appeals	Process appeals related to demonstration of Meaningful Use of certified EHR technology.

## APPENDIX Q - GLOSSARY OF ACRONYMS

ACRONYM	DESCRIPTION
A/I/U	Adopt, Implement, Upgrade
AHCCCS	Arizona Health Care Cost Containment System
APD	Advanced Planning Document
BCCTP	Breast and Cervical Cancer Treatment and Prevention
BESSD	Benefit, Employment and Support Services Division
CAH	Critical Access Hospital
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
COB	Coordination of Benefits
COLI	Certification of Liability Insurance
COTS	Commercial off the Shelf
CPO	Chief Procurement Officer
CSR	Customer Service Requests
CTM	Configurations Traceability Matrix
DED	Deliverable Expectation Document
DHHS	U.S. Department of Health and Human Services
DHS	Department of Human Services
DLIR	Department of Labor and Industrial Relations
DOH	Department of Health
DRP	Disaster Recovery Plan
EHR	Electronic Health Record
EP	Eligible Professional
ETF	Electronic Funds Transfer
FA	Fiscal Agent
FFS	Fee-For-Service
GAO	General Accounting Office
HAR	Hawaii Administrative Rules
HCE	Hawaii Compliance Express
HHIE	Hawaii Health Information Exchange
HIPAA	Health Insurance Portability and Accountability Act
HOKU	Hawaii's Online Kahu Utility
HPMMIS	Hawaii Prepaid Medical Management Information System
IT	Information Technology

ACRONYM	DESCRIPTION
KPI	Key Performance Indicator
LIHEAP	Low Income Home Energy Assistance
M&O	Maintenance and Operation
MQD	Med-QUEST Division
MSR	Modification Service Request
MU	Meaningful Use
NLR	National Level Repository
OIG	Office of the Inspector General
PDF	Adobe Acrobat Portable Document Format
PI	Promoting Interoperability
PMP	Project Management Professional
RFP	Request for Proposal
SaaS	Software as a Service
SLA	Service Level Agreement
SLR	State Level Repository
SME	Subject Matter Expert
SMHP	State Medicaid Health Information Technology Plan
SOA	Service Oriented Architecture
SSD	Social Services Division
TANF	Temporary Assistance for Needy Families
UAT	User Acceptance Testing

## **APPENDIX R - EVALUATION CRITERIA**

This appendix describes the process for opening of proposals and evaluation of the Technical and Cost Proposals. The purpose of the evaluation process is to determine whether each Offeror's proposal is sufficiently responsive to the RFP to permit a complete evaluation of the Technical Proposal. The evaluation process is divided into the steps outlined in the RFP.

### **Step I – Selection of Responsive Proposals**

During Step I, the proposal is evaluated to determine if it meets all mandatory requirements as outlined in Appendix M. If the proposal does not meet the mandatory requirements, it will be disqualified and returned to the Offeror. All proposals meeting all mandatory proposal requirements will then be evaluated against the predetermined technical evaluation criteria in Step II, Evaluation of Technical Proposals.

### **Step II – Evaluation of Technical Proposals**

During Step 2, the Evaluation Committee will score each Technical Proposal that passed Phase I of the evaluation. A maximum of 600 points will be available for each Technical Proposal. Each proposal will be reviewed using consensus scoring by the Evaluation Committee for responsiveness to each requirement. Failure of an Offeror to comply with the instructions of the RFP or failure to submit a complete proposal are grounds for deeming the proposal nonresponsive to the RFP.

The MQD Financial Officer or designated staff will conduct a review of each Offeror's financial information provided in the proposal to determine financial stability. Only those proposals that receive a Pass score on the Offeror's Financial Stability from including all the requested financial documentation will continue to be scored by the Evaluation Committee in Step II.

Members of the Evaluation committee will meet as a group to score each Technical Proposal by consensus and the agreed upon score will be recorded in the Technical Evaluation Scoring Form.

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

**Table 1-1 Scoring**

<b>SCORE</b>	<b>DEFINITION</b>
0	No response provided.
1	The response <b>does not meet</b> the minimum requirement(s) stated in the RFP.
2	The response <b>marginally meets</b> minimum requirements but <b>does not adequately explain or address how</b> the requirement is met so the evaluator cannot determine whether it meets the requirements.
3	The response <b>meets</b> the requirement <b>with only minor deficiencies that are easily correctable</b> .
4	The response <b>meets</b> and adequately addresses the requirements.
5	The response adequately addresses and <b>substantially exceeds</b> the requirements.

The Evaluation Committee scores each criterion with a 0, 1, 2, 3, 4, or 5 based on the consensus of the Evaluation Committee members. 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.

The Evaluation Committee will score based on the evaluation criteria for each category. The score will be multiplied by the assigned weights within the category. Table 1-2 presents the evaluation criteria for each technical category to be evaluated and the Total Possible Points for all criteria.

The weights of the evaluation criteria are followed by the total maximum points for each criterion (weight / maximum points). For example, if the Evaluation Committee marks Category 2.1 - Experience with SLR Implementation with a score of 5, then this score is multiplied by the weight

(6 in this instance) to give the criterion a score of 30, the maximum score possible for this criterion.

**Table 1-2 Point Distributions for Technical Proposals**

<b>CATEGORY / CRITERIA</b>	<b>PROPOSAL CATEGORY</b>	<b>WEIGHT / POINTS</b>
<b>1</b>	<b>Offeror's Financial Stability</b>	<b>Pass or Fail</b>
<b>2</b>	<b>Offeror Qualifications and Experience</b>	<b>100</b>
2.1	Experience with SLR Implementation & Operations	50
2.2	Experience in Maintenance and Operations of similar systems	50
<b>3</b>	<b>Approach to SLR Operations</b>	<b>200</b>
3.1	Software & Configuration	25
3.2	Implementation	25
3.3	Administration & Oversight	50
3.4	Maintenance & Operations	50
3.5	System and Planning	50
<b>4</b>	<b>Approach to Administrative Tasks</b>	<b>200</b>
4.1	Project Management & Testing	25
4.2	Disaster Recovery & Security	25
4.3	Provider Relations, Outreach, and Training	50
4.4	Payment	50
4.5	Document Management, Reporting, and Appeals	50
<b>5</b>	<b>Approach to Project Staffing</b>	<b>50</b>
5.1	Approach to Staffing and Project Organization	20
5.2	Project Manager	20
5.3	SLR SME	10
<b>6</b>	<b>Approach to Work Plan and Schedule</b>	<b>50</b>
6.1	Work Plan and Schedule	50
	<b>Total Technical Proposal Possible Score</b>	<b>600</b>

MQD reserves the right to conduct reference checks on any or all references provided by the Offeror. The same number of references will be checked for each Offeror (corporate or key person references). Reference checks will be conducted by the designated Evaluation Committee Reference Team members and the results provided to all evaluators. Once reference checks are completed, the Evaluation Committee will review their scores of Offeror responses in the context of responses to reference checks. The Evaluation Committee may revise its original technical scores based on information from references (from 1 to 5) and consensus of the Evaluation Committee members. If a technical score is changed, based on information provided from a reference, the Evaluation Committee will note the reason for the score change.

#### Determination of Overall Technical Scores and Application of Thresholds

Once the Evaluation Committee has completed the final scoring (each Technical Proposal has been assigned a point score on each of the criteria within the category), the total point score for each category will be calculated. The point scores for each category will be summed to determine the Technical Proposal's total score.

All Offerors meeting the minimum requirements of the Technical Proposal will proceed to Step III. The scoring packages will be reviewed and validated by the Evaluation Committee.

### **Step III – Evaluation of Cost Proposals**

During Step III, the Evaluation Committee will evaluate the proposed prices on each of the pricing schedules to determine whether the Cost Proposal is consistent with the Technical Proposal and whether all calculations are correct. Cost Proposals will be opened by the Evaluation Committee. The Evaluation Committee will meet to review the Cost Proposals. The Evaluation Committee will:

- Validate that required signatures are present;
- Validate that prices on each schedule have been calculated correctly; and
- Validate that the Total Evaluated Proposed Price (Pricing Schedule A) has been calculated correctly based upon the proposed prices on each of Schedules B, C, and D.

The following pricing schedules will be evaluated and validated:



- Pricing Schedule A – Total Evaluated Proposal Price.
- Pricing Schedule B – Evaluated SLR Proposal Price.
- Pricing Schedule C – Evaluated Proposal Price for Project Management, Disaster Recovery, Privacy and Security, Testing, Provider Hotline, and Payment of SLR functions.
- Pricing Schedule D - Personnel Billing Rates & Related Services.

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.

#### Scoring of Offerors Proposed Prices

Scores for Cost Proposals will be recorded on the Cost Proposal Evaluation Form. Once all of the pricing schedules have been evaluated and validated, the Cost Proposal with the lowest total price as stated as the Total Evaluated Proposal Price on Schedule A will be awarded (300) points. Cost scores will then be normalized to one another, based on the lowest Cost Proposal evaluated. The normalization formula is as follows:

Offeror's Cost Score = (Lowest Cost Proposal Price divided by the Offeror's Cost Proposal Price) X 300.

Example:

OFFEROR 1	COST	POINTS
Total Evaluated Proposal Price (Lowest)	\$600	300

OFFEROR 2	COST	POINTS
Total Evaluated Proposal Price	\$800	225

(Lowest Cost Proposal Price) = \$600 / (Offeror 2's Evaluated Proposal Price) = \$800 = 0.75

300 points X 0.75 = 225 points for Offeror 2

### 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 Cost 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 Cost 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 Cost Proposals against the specified criteria and re-score the Cost Proposals. The Cost Proposal scores based on the best and final offers will replace the original scores on the Cost Proposal Evaluation Form (Appendix I).

### **Step IV - Selection of a Successful Offeror**

The Evaluation Committee will combine the scores of each Offeror's Technical and Cost Proposals and rank the Offerors based on the total combined points received for Technical and Cost Proposals. The evaluation results will be summarized and the Successful Offeror identified and recommended to the Procurement Officer. The Evaluation Summary will include the Proposal Summary and Ranking Form.

MQD will require the selected Successful Contractor to participate in contract negotiations regarding the terms and conditions of the contract. Upon resolution of the final negotiations, MQD will prepare a final contract. If for any reason MQD and the Successful Offeror are unable to reach agreement of the terms and conditions of a contract, MQD may then proceed to negotiate a contract with the Offeror with the next highest ranked proposal.

MQD may cancel negotiations entirely at any time at the exclusive discretion of MQD.

To secure maximum FFP and State matching funds, the contract award is contingent upon both Federal and State of Hawaii reviews and approvals. MQD will obtain all required State and Federal approvals prior to start of work by the Contractor. Every effort will be made by MQD, both before and after selection, to facilitate rapid approval.