



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

**OMBUDSMAN SERVICES  
FOR MEDICAID BENEFICIARIES AND PROVIDERS**

**RFP-MQD-2021-005**



**Med-QUEST Division  
Health Coverage Services Branch**

# **Request for Proposals**

## **RFP-MQD-2021-005**

### **OMBUDSMAN SERVICES FOR MEDICAID BENEFICIARIES AND PROVIDERS**

**July 10, 2020**

Note: It is the Offeror's responsibility to check the public procurement notice website, the request for proposal website, or to contact the RFP point-of-contact identified in the RFP for any addenda issued to this RFP. If this RFP was downloaded from the State Procurement Office RFP Website each applicant must provide contact information to the RFP contact person for this RFP to be notified of any changes. For your convenience, you may download the RFP Interest Form found in Appendix A, complete and e-mail or mail to the RFP contact person. The State shall not be responsible for any incomplete proposal submitted as a result of missing addenda, attachments or other information regarding the RFP.

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## **SECTION 10 ADMINISTRATIVE OVERVIEW**

### **10.100 Purpose of the Request for Proposals**

This Request for Proposals (RFP) solicits proposal from a qualified Offeror to provide Ombudsman services to eligible Medicaid beneficiaries and managed care Providers. The Ombudsman Offeror must be able to assist the Medicaid beneficiaries to ensure their access to care, promote their quality of care and to improve their satisfaction with the QUEST Integration (QI) program. The Offeror will assist Medicaid beneficiaries in resolving issues/concerns about access to, quality of, or limitations to, health care services in the QI program. The Ombudsman Offeror will also address concerns of the managed care Providers.

The Offeror shall not be affiliated with any of the QI health plans contracted by DHS. A list of the currently participating Hawaii QI health plans may be found in Appendix B.

The successful Offeror shall be responsible for all costs of providing the required services as described in this RFP. These include but are not limited to all staffing, office space, office equipment, travel expenses, computer hardware and software, and data reporting capacity to perform the services described herein.

Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be part of the contract with the successful Offeror. The Department of Human Services (DHS) 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, the State will consider allowing Offerors additional time to submit their proposals.

Offerors are encouraged to read each section of the RFP thoroughly. While sections may appear similar among RFP's, state purchasing agencies may add additional information as applicable. It is the responsibility of the Offeror to understand the requirements of each RFP.

#### 10.110 Medicaid Beneficiaries

Ombudsman services are an alternative service available to Medicaid beneficiaries to address and resolve their concerns and problems related to:

- Access to medical and behavioral health care;
- Quality of medical and behavioral health care; or
- Coverage for medical and behavioral health care.

Ombudsman services shall be provided to Medicaid beneficiaries participates in the Hawaii QUEST Integration Program listed in Section 30.300.

Ombudsman services will provide a resource for Medicaid beneficiaries to assist with resolution of problems and conflicts between the eligible Medicaid beneficiaries and the contracted QI health plans.

Ombudsman services shall not be a replacement for the grievance and appeals process which all contracted QI health plans are required to have in place, nor do they replace the right of a Medicaid beneficiary to request an Administrative Appeal with DHS. Receiving Ombudsman services does not preclude a Medicaid beneficiary from exercising the right to file a grievance with the QI health plans or to request for an Administrative Appeal Hearing separately or concurrently.

If the beneficiary chooses to go through the Administrative Appeal process, the MQD Ombudsman shall assist the Medicaid beneficiaries with that process. However, the MQD Ombudsman shall not represent Medicaid beneficiaries at a DHS Administrative Appeal Hearing. The MQD Ombudsman may refer beneficiaries to sources of legal representation.

#### 10.120 Providers

Ombudsman services will be made available to managed care Providers to address their concerns, as provided in Section 40.320.

Ombudsman services will provide a resource for managed care Providers to connect them with the contracted QI health plans, as provided in Section 40.320.



## **10.200 Authority for Issuance of RFP**

This RFP is issued under the authority of Title XIX of the Social Security Act, 42 USC Section 1396, et. seq. as amended, 42 CFR 438.71 the implementing regulations issued under the authority thereof, Section 346-14 of the Hawaii Revised Statutes (HRS), and the provisions of the Chapter 103F, HRS. 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. DHS reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

## **10.300 Issuing Officer**

This RFP is issued by the State of Hawaii, Department of Human Services. The Issuing Officer within DHS 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:

Mr. Jon Fujii  
Department of Human Services  
Med-QUEST Division  
1001 Kamokila Boulevard, Suite 317  
Kapolei, HI 96707-2005  
Telephone: (808) 692-8083  
Fax: (808) 692-8087

## **10.400 Campaign Contributions by State and County Contractors**

Pursuant to section 11-355, HRS, campaign contributions are prohibited from certain State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. For more information, refer to the Campaign Spending Commission webpage (<http://ags.hawaii.gov/campaign/>).

## **10.500      Organization of the RFP**

This RFP is composed of eight sections plus appendices:

- Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP and the organization of the RFP.
- Section 20 - RFP Schedule and Requirements – Provides information on the rules and schedules for procurement of this RFP.
- Section 30 – Background and Department of Human Services Responsibilities – Describes the current medical assistance programs.
- Section 40 – Scope of Services – Provides information on the services to be provided under the contract.
- Section 50 – Terms and Conditions – Describes the terms and conditions under which the work will be performed.
- Section 60 – Technical Proposal – Defines the required format of the technical proposal and the minimum information to be provided in the proposal.
- Section 70 – Business Proposal – Defines the required format of the business proposal and the minimum information to be provided in the proposal.
- Section 80 – Evaluation and Selection – Defines the evaluation process.

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

## **SECTION 20 RFP SCHEDULED REQUIREMENTS**

### **20.100 RFP Timeline**

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

| Action   | Date              |
|--|-------------------|
| Issue RFP  | July 10, 2020     |
| Orientation  | July 17, 2020     |
| Submission of Written Technical Proposal Questions | July 22, 2020     |
| Written Responses to Technical Proposal Question   | July 28, 2020     |
| Notice of Intent to Propose                        | July 24, 2020     |
| Proposal Due Date                                  | August 14, 2020   |
| Contract Award                                     | August 24, 2020   |
| Contract Effective Date                            | September 1, 2020 |

### **20.200 Orientation Conference**

An orientation for Offerors in reference to this RFP will be held on the date specified in Section 20.100, at 1:00 pm (H.S.T.) at the Med-QUEST Office, Kakuhihewa Building at 601 Kamokila Boulevard, #577A, Kapolei, Hawaii. In addition, Offerors may attend the orientation via teleconference at:

Call-In Number: 1-808-829-4853  
Conference ID: 922 061 147 #

Impromptu questions will be permitted at the orientation and spontaneous responses provided at the discretion of the state purchasing agency. However, responses provided at the orientation conference are intended only as general direction and may not represent the official position of the state purchasing agency. Formal responses will be provided in writing. To ensure a written response, any oral questions should be submitted in writing following the close of the orientation conference, but no later than the submittal deadline for written questions indicated in Section 20.100, Submission of Written Questions.

## **20.300 Submission of Written Questions**

Offerors shall submit questions in writing via email to the following address or email address:

Mr. Jon Fujii  
c/o Renee Souza  
Med-QUEST Division-Finance Office  
1001 Kamokila Boulevard, Room 317  
Kapolei, Hawaii 96707-2005  
E-mail: [rsouza2@dhs.hawaii.gov](mailto:rsouza2@dhs.hawaii.gov)

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

## **20.400 Notice of Intent to Propose**

Potential Offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than the date identified in Section 20.100 at 2:00 p.m. (H.S.T.) using the format provided in Appendix A. Submission of a Notice of Intent to Propose is not a prerequisite for the submission of a proposal, but it is necessary that the Issuing Officer receive the letter by this deadline to assure proper distribution of amendments, questions and answers, and other communication regarding this RFP.

The Notice of Intent can be mailed or emailed to:

Jon Fujii  
c/o Renee Souza  
Med-QUEST Division-Finance Office  
1001 Kamokila Boulevard, Room 317  
Kapolei, Hawaii 96707-2005  
Email: [rsouza2@dhs.hawaii.gov](mailto:rsouza2@dhs.hawaii.gov)

## **20.500 Documentation**

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

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

## **20.600 Requirements to Conduct Business in the State of Hawaii**

Offerors are advised that if awarded a contract under this RFP, each Offeror shall, upon award of the contract, furnish proof of compliance with the following requirements of HRS, required to conduct business in the State:

1. HRS Chapter 237, tax clearance
2. HRS Chapter 383, unemployment insurance
3. HRS Chapter 386, workers' compensation
4. HRS Chapter 392, temporary disability insurance
5. HRS Chapter 393, prepaid health care

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 Hawaii Compliance Express (HCE).

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

The DHS utilizes the HCE to verify compliance with the requirements to conduct business in the State, 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 for Department of Taxation and Internal Revenue Service tax clearances, Department of Labor and Industrial Relations (DLIR) labor law compliance, and Department of Commerce and Consumer Affairs (DCCA) good standing compliance. There is a nominal annual fee for the service. 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>

20.710 Suspension and Debarment

Pursuant to Office of Management and Budget (QMB) 2FR Section 180, no award of contract under this RFP shall be made if the Offeror, its subcontractors, and its principals have been suspended or debarred, disqualified or otherwise excluded from participating in this procurement.

**20.800 Rules of Procurement**

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

20.810 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.

20.820 Restriction on Communication with State Staff

Communication with State staff shall be consistent with requirements identified in Subchapter 4 Allowable

Communication Section 3-143, Hawaii Administrative Rules (HAR).

- Prior To Submittal Deadline:  
Discussions may be conducted with Offerors to promote understanding of the purchasing agency's requirements.
- After Proposal Submittal Deadline:  
Discussions may be conducted with Offerors whose proposals are determined to be reasonably susceptible of being selected for award, but proposals may be accepted without discussions, in accordance with Section 3-143-403, Hawaii Administrative Rules (HAR).

20.830 RFP Amendments

DHS reserves the right to modify, amend, change, add or delete any requirements in this RFP to serve the best interest of the State. DHS reserves the right to issue amendments to the RFP any time prior to the closing date for the submission of the proposals. In addition, addenda may also be made after proposal submission consistent with Section 3-143-301(e), HAR.

Amendments shall be sent to all Offerors who submitted a Notice of Intent to Propose from DHS pursuant to Section 20.400.

20.840 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.

20.850 Provider Participation in Planning

Provider participation in a state purchasing agency's efforts to plan for or to purchase health and human services prior to the state purchasing agency's release of an RFP, including the sharing of information on community needs, best practices, and providers' resources, shall not qualify providers from submitting proposals if conducted in accordance with HAR Sections 3-142-202 and 3-142-203, HAR, pursuant to Chapter 103F, HRS.

20.860 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. A copy of successful and unsuccessful proposal(s) shall be public record as part of the procurement file as described in Section 3-143-616, HAR, pursuant to Chapter 103F, HRS. 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.

According to Section 3-143-612, HAR, Offerors who submit technical proposals that fail to meet mandatory requirements or fail to meet all threshold requirements during the technical evaluation phase may retrieve their technical proposal within thirty (30) days after its rejection from the purchasing agency. After thirty (30) days, the purchasing agency may discard the rejected technical proposal.

20.870 Rules for Withdrawal or Revision of Proposals

A proposal may be withdrawn or revised at any time prior to, but not after, the Proposal Due Date specified in Section 20.100, provided that a request in writing executed by an Offeror or its duly authorized representative for the withdrawal or revision of such proposal is filed with DHS before the Proposal Due Date specified in Section 20.100. The withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal prior to Proposal Due Date specified in Section 20.100.

After the Proposal Due Date as defined in Section 20.100, all proposals timely received shall be deemed firm Offers that are binding on the Offerors for ninety (90) days. During this period, an Offeror may neither modify nor withdraw its proposals without written authorization or invitation from the DHS. Offerors may withdraw their bid without incurring penalties as described in Section 80.700.

Notwithstanding the general rules for withdraw or revision of proposals, the State purchasing agency may request that Offerors submit a final revised proposal in accordance with Section 3-143-607, HAR.



## 20.880 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 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.

## **20.900 Confidentiality Information**

The DHS shall maintain the confidentiality of proposals only to the extent allowed or required by law, including but not limited to Section 92F-13, HRS, and Sections 3-143-604 and 3-143-616, HAR. If the Offeror seeks to maintain the confidentiality of sections of the proposal, each page of the section(s) shall be marked as "Proprietary" or "Confidential." An explanation to the DHS of how substantial competitive harm would occur if the information were released is required. If the explanation is sufficient, then to the extent permitted by the exemptions in Section 92F-13, HRS, the affected section may be deemed confidential. Such information shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal to facilitate eventual public inspection of the non-confidential sections of the proposal. The DHS shall maintain the confidentiality of the information to the extent allowed by law. Blanket labeling of the entire document as "proprietary," however, shall result in none of the document being considered proprietary.

## **21.100 Acceptance of Proposals**

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

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

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

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

## **21.200 Submission of Proposals**

Each qualified Offeror may submit only one (1) proposal. More than one proposal shall not be accepted from any Offeror. Proposals shall be submitted both via electronic email and hard copy bound originals.

Proposals shall be submitted using Offeror's exact legal name as registered with the DCCA. Failure to do so may delay proper execution of the contract. The authorized signature on the Offer form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the Offer shall be automatically rejected unless accompanied by other material containing an original signature, indicating the Offeror's intent to be bound.

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

The hard copy bound original technical proposal shall be submitted in a separate envelope or box from the business proposal. The Offeror shall submit three (3) bound copies, one of which is the original of the technical proposal and a complete

electronic version (in MS Word 2013 or lower or in PDF) of the technical proposal on a Universal Serial Bus (USB).

Submission of the hard copy bound business proposal (Appendix G) shall include, one (1) bound original and one (1) electronic version on a USB.

Both proposals shall be received by the DHS Issuing Officer no later than 2:00 p.m. (H.S.T.) on the Proposal Due date specified in Section 20.100 or postmarked by the USPS no later than the date specified in Section 20.100 and received by the Department within ten (10) days of the Proposal Due date. All mail-ins postmarked by USPS after the date specified in Section 20.100, shall be rejected. Deliveries by private mail services such as FEDEX shall be considered hand deliveries and shall not be accepted if received after 2:00 p.m., H.S.T., the date specified in Section 20.100.

If discrepancies are found in the bound copies and the USB or emailed version, the original bound copy shall be considered as the final version.

Any proposals received after the deadline will be rejected and returned to the Offeror. Proposals shall be electronically emailed to:

[Rsouza2@dhs.hawaii.gov](mailto:Rsouza2@dhs.hawaii.gov) no later than 2:00 p.m. (H.S.T) on the date specified in Section 20.100 with a subject line of RFP-MQD-2021-005 Ombudsman Services Proposals.

Submission of bound copies and USBs of Technical and Business proposals shall be mailed or delivered to:

Mr. Jon Fujii  
c/o Renee Souza  
Department of Human Services  
Med-QUEST Division / Finance Office  
1001 Kamokila Boulevard, Suite 317  
Kapolei, HI 96707-2005

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

Hawaii DHS/RFP-MQD-2021-005  
Ombudsman Services  
Technical Proposal  
(Name of Offeror)

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

Hawaii DHS/RFP-MQD-2021-005  
Ombudsman Services  
Business Proposal  
(Name of Offeror)

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

### **21.300 Proposal Opening and Inspection**

Proposals, modifications to proposals, and withdrawals of proposals shall be date-stamped and, when possible, time-stamped upon receipt by the DHS. All documents so received shall be held in a secure place by the State purchasing agency and not opened until the Proposal Due Date as described in Sections 20.100 and 21.200.

Procurement files shall be open for public inspection after a contract has been awarded and executed by all parties.

### **21.400 Disqualification of Offerors**

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

- Proof of collusion among Offerors, in which case all bids involved in the collusive action shall be rejected and any participant to such collusion shall be barred from future bidding until reinstated as a qualified Offeror
- An Offeror's lack of responsibility and cooperation as shown by past work or services

- An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts
- An Offeror's lack of proper provider network
- An Offeror's lack of sufficient experience to perform the work contemplated, if required
- An Offeror's lack of a proper license to cover the type of work contemplated, if required
- An Offeror shows any noncompliance with applicable laws
- An Offeror's delivery of proposal after the 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

## **21.500 Irregular Proposals**

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

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

## **21.600 Rejection of Proposals**

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the issues involved and comply with the scope of service. Any

proposal Offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be automatically rejected for any or more of the following reasons: (Relevant sections of the HAR for Chapter 103F, HRS, are parenthesized)

1. Rejection for failure to cooperate or deal in good faith (Section 3-141-201, HAR);
2. Rejection for inadequate accounting system (Section 3-141-202, HAR);
3. Late Proposals (Section 3-143-603, HAR);
4. Unauthorized Multiple/Alternate Proposals (Section 3-143-605, HAR);
5. Inadequate response to RFPs (Section 3-143-609, HAR);
6. Proposal not responsive (Section 3-143-610(a)(1), HAR); or
7. Offeror not responsible (Section 3-143-610(a)(2), HAR).

## **21.700 Cancellation of RFP**

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

## **21.800 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.

## **21.900 Final Revised Proposal**

If requested, final revised proposals shall be submitted in the manner and by the date and time specified by the state purchasing agency. If a final revised proposal is not submitted, the previous submittal shall be construed as the Offerors best

and final offer/proposal. The Offeror shall submit only the section (s) of the proposal that are amended, along with the Proposal Application Identification Form (SPO-H-200). After final revised proposals are received, final evaluations will be conducted for an award.

## **22.100 Notice of Award**

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

The contract award is subject to the available funding. The award of a contract and any allowed renewal or extension thereof, is subject to allotments made by the Director of Finance, State of Hawaii, pursuant to HRS Chapter 37, and subject to the availability of State and/or Federal funds.

The State is not liable for work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the Contract Effective Date.

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

The State of Hawaii is not liable for any costs incurred prior to the Contract Effective Date identified in Section 20.100.

## **22.200 Cost Principles**

To promote uniform purchasing practices among state purchasing agencies procuring health and human services under HRS Chapter 103F, state purchasing agencies will utilize standard cost principles as outlined on the SPO website. See <http://spo.hawaii.gov>, search Keyword "Cost Principles". Nothing in this section shall be construed to create an exemption from any cost principle arising under federal law.

## **22.300 Protests**

Offerors may file a Notice of Protest against the awarding of the contract. The Notice of Protest form, SPO-H-801, is available on

the State Procurement Office (SPO) website <http://spo.hawaii.gov/for-vendors/vendor-guide/protests-for-health-and-human-services/>. Only the following may be protested:

1. A state purchasing agency's failure to follow procedures established by Chapter 103F, HRS;
2. A state purchasing agency's failure to follow any rule established by Chapter 103F, HRS; and
3. A state purchasing agency's failure to follow any procedure, requirement, or evaluation criterion in an RFP issued by the state-purchasing agency.

The Notice of Protest shall be postmarked by the USPS or hand delivered to: (1) the head of the state purchasing agency conducting the protested procurement; and (2) the procurement officer who is conducting the procurement (as indicated below) within five (5) working days of the postmark of the Notice of Findings and Decisions sent to the protestor. Delivery services other than USPS shall be considered hand deliveries and considered submitted on the date of the actual receipt by the DHS.

| <b>Procurement Officer</b>  | <b>Head of State Purchasing Agency</b>                                       |
|---|--|
| Name:<br>Jon Fujii  | Name:<br>Pankaj Bhanot   |
| Title: Med-QUEST Division<br>Health Care Services Branch<br>Administrator           | Title: Chief Procurement Officer   |
| Mailing Address:<br>P.O. Box 700190<br>Kapolei, Hawaii 96709-0190                   | Mailing Address:<br>P.O. Box 339<br>Honolulu, Hawaii 96809-0339              |
| Business Address:<br>1001 Kamokila Boulevard,<br>Suite 317<br>Kapolei, Hawaii 96707 | Business Address:<br>1001 Kamokila Blvd., Suite 317<br>Kapolei, Hawaii 96707 |

All protests are pursuant to Chapter 148 of Title 3, Hawaii Administrative Rules.



## **SECTION 30 BACKGROUND AND DEPARTMENT OF HUMAN SERVICES RESPONSIBILITIES**

### **30.100 Overview of Medical Assistance in Hawaii**

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

Together, Medicaid covers approximately 353,000 individuals. The basic eligibility requirements for Medicaid include being 1) a U.S. citizen or qualified alien; 2) a Hawaii resident; and 3) not residing in a public institution such as prison or the State psychiatric hospital. Most eligibility categories such as low-income adults, pregnant women and children have different income thresholds and are not subject to an asset limit.

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

### **30.200 Overview of Department of Human Services (DHS)**

DHS carries on the tradition of innovation by implementing the Hawaii `Ohana Nui Project Expansion (HOPE) program initiative to develop and implement a roadmap to achieve this vision of healthy families and healthy communities. Under the HOPE initiative, DHS's vision is that the people of Hawaii embrace health and wellness. DHS's mission is to empower Hawaii's residents to improve and sustain wellbeing by developing, promoting and administering innovative and high-quality healthcare programs with aloha.

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

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

### **30.300 Hawaii QUEST Integration**

The QUEST Integration program is designed to improve the health care and to enhance and expand coverage for persons eligible for Medicaid and Children’s Health Insurance Program (CHIP) by the most cost effective and efficient means with an emphasis on prevention and quality health care. (Because CHIP in Hawaii is operated as Medicaid expansion, Medicaid is used to represent both Medicaid and CHIP.) Certain other individuals’ ineligible for these programs due to citizenship status may be eligible for other medical assistance and served through contracted QI health plans.

The QI health plan shall assist the State of Hawaii in this endeavor through the tasks, obligations and responsibilities detailed herein.

Originally implemented as the QUEST program in 1994, QUEST stands for:

**Q**uality care  
**U**niversal access  
**E**fficient utilization  
**S**tabilizing costs, and  
**T**ransforming the way health care is provided to QUEST beneficiaries.

The QUEST program was designed in 1994 to increase access to health care and control the rate of growth in health care costs.

The QUEST program has gone through many changes since 1994 that included expanding the populations covered by QUEST. In 2009, DHS implemented its QUEST Expanded Access (QExA) program that allowed its aged, blind, or disabled (ABD) population to also benefit from managed care.

In 2014, the QUEST Integration (QI) program combined several programs to include but not limited to QUEST, QUEST-ACE, QUEST-Net and QExA program into one-Statewide program providing managed care services to all of Hawaii’s Medicaid population.

The goals of the QUEST Integration program are to:

- Improve the health care status of the Medicaid beneficiary population;
- Minimize administrative burdens, streamline access to care for enrollees with changing health status, and improve health outcomes by integrating programs and benefits;
- Align the program with the Affordable Care Act (ACA);
- Improve care coordination by establishing a “provider home” for beneficiaries through the use of assigned primary care providers (PCPs);
- Expand access to home and community-based services (HCBS) and allow beneficiaries to have a choice between institutional services and HCBS;
- Maintain a managed care delivery system that assures access to high quality, cost-effective care that is provided whenever possible, in the beneficiaries’ community, for all covered populations;
- Establish contractual accountability among the State, the QI health plans and health care providers;
- Continue the predictable and slower rate of expenditure growth associated with managed care; and
- Expand and strengthen a sense of beneficiary responsibility and promote independence and choice among beneficiaries that leads to a more appropriate utilization of the health care system.

## **SECTION 40      SCOPE OF SERVICES**

### **40.100      Introduction**

The purpose of this contract is to provide an alternative resource for Medicaid beneficiaries and the managed care Providers to resolve issues or concerns between themselves and the QI health plans.

Some Medicaid beneficiaries may have extensive or complex health care needs or have difficulty understanding how the managed care system works and how to access services. Ombudsman services shall be available to assist and educate Medicaid beneficiaries about managed care, how to maneuver through a managed care system to access needed health services, and how to navigate through the grievance and appeal system. The Ombudsman Offeror shall assist Medicaid beneficiaries with issues related to access to care, quality of care, and limitation to care.

The Ombudsman Offeror shall also respond to and address concerns from the managed care Providers and help them understand the requirements of the managed care system and work with the QI health plans to informally resolve problems. The Ombudsman Offeror shall also be available to educate the managed care Providers on how to access the provider grievance and appeals process of the managed care system. The Ombudsman Offeror shall assist managed care Providers with issues related to reimbursement, availability of services, quality of services, delivery of services, and limitations on services.

Ombudsman services, available through this RFP, do not replace the required grievance processes that each participating QI Health Plans must have in place or the right of a beneficiary to request an Administrative Appeal through the Department of Human Services' Administrative Appeals Office (DHS-AAO). Medicaid beneficiaries may still exercise their rights to file a grievance with the QI health plan or MQD or request for an Administrative Appeal at any time.

The Offeror receiving this award shall be referred to as the MQD Ombudsman Office hereafter. The term MQD Ombudsman Office shall not be confused with the State Office of the Ombudsman. The role of the MQD Ombudsman Office is to impartially

determine the issues and areas of concerns from the Medicaid beneficiary. Once the issue is defined, the MQD Ombudsman Office's role is to assist Medicaid beneficiaries and represent their interests to find the best resolution for them.

The MQD Ombudsman Office shall strive to resolve issues or concerns for a Medicaid beneficiary at the lowest level of appropriate intervention possible. If requested by the Medicaid beneficiary, the MQD Ombudsman Office shall assist and represent the enrollee to the extent possible in informal discussions with the QI health plans or through the grievance and appeal process.

The MQD Ombudsman Office shall also strive to resolve issues or concerns for managed care Providers at the lowest level of appropriate intervention possible.

The MQD Ombudsman Office shall be available to Medicaid beneficiaries and the Providers from 7:45 am to 4:30 PM (H.S.T.) Monday through Friday, excluding State holidays through telephone, e-mail, or virtual conferences.

The MQD Ombudsman Office is responsible for:

- identifying community groups, non-profits and other source to refer eligible beneficiaries within and outside of the MQD QI health plans to the MQD Ombudsman;
- compiling and preparing printed materials on frequently asked questions;
- identifying and resolving barriers MQD beneficiaries encounter trying to access MQD services and Ombudsman services;
- determining how to empower and support Medicaid beneficiaries to advocate for themselves;
- developing working relationships with representatives identified by contractors to resolve issues/concerns with Medicaid beneficiaries;
- referring Medicaid beneficiaries to appropriate community resources or agencies for assistance in pursuing an issue/concern beyond a QI health plan's grievance/appeals process; and
- referring Medicaid beneficiaries to appropriate community or non-profit resources to pursue an issue/concern beyond AAO.

The MQD Ombudsman Office shall provide reports as specified in Section 40.400 of this RFP to document their efforts to assist beneficiaries and Providers.

The first level of intervention on behalf of Medicaid beneficiaries encompasses providing them with information over the telephone, clarifying or answering their questions, talking informally on their behalf to the QI health plan to clarify issues/concerns and clear up misunderstandings either party may have. The MQD Ombudsman Office may assist and represent a beneficiary on issues related to accessing care, quality of care or limitations to care.

The MQD Ombudsman Office shall have a system in place to follow-up with a Medicaid beneficiary or a managed care Provider within two (2) weeks after the MQD Ombudsman Office makes initial contact with the Medicaid beneficiary or the Provider. The MQD Ombudsman Office shall find out if Medicaid beneficiaries or the Provider were successful and/or satisfied with their results.

If the Medicaid beneficiary was unsuccessful or dissatisfied with the results, the MQD Ombudsman Office shall assist or represent a Medicaid beneficiary in informal and formal member grievance/appeals processes with the QI health plans, if requested by the Medicaid beneficiary.

The Offeror shall provide a statement that, to their knowledge, no one from their organization is receiving payments from any of the participating Hawaii MQD QI health plans. The organization chosen to be the MQD Ombudsman Office shall not be affiliated with any of the health care plans contracted by DHS for the Hawaii QI Program.

#### **40.200 Target Population**

Current eligible Medicaid beneficiaries and managed care Providers shall have access to this Ombudsman services.

#### **40.300 Scope of Work**

The Offeror shall act as the access points for complaints and concerns about the QI health plans regarding enrollment, quality of care, and access to Medicaid covered services. The Offeror

shall also provide education and navigation on Medicaid beneficiaries' grievance and appeal rights and process within the QI health plans. The Offeror shall also educate the Medicaid beneficiaries on the DHS Administrative Appeal Process and refer them to sources of legal representation but may not provide representation at the DHS Administrative Appeal Hearing.

The Offeror shall:

1. Address and perform the tasks set forth in this RFP. It is also understood that this listing of tasks and activities is not all inclusive and that other elements of work may be addressed within the Offeror's proposal, if deemed appropriate.
2. Be prepared to accept concerns/complaints Statewide, initiated at the request of a Medicaid beneficiary or a managed care Provider. At each contact or encounter, the MQD Ombudsman Office shall confirm the identity, address, and telephone number for each Medicaid beneficiary or Provider requesting assistance.
3. Provide a detailed description of the Offeror's plan to have services available from the first day the resulting contract is to begin. The description shall include:
  - a timeline which specifies target dates; and
  - details the major tasks/steps (hiring of staff, staff training, development/printing of written materials on Ombudsman services).
4. The MQD Ombudsman Office shall at the minimum have one Ombudsman program coordinator who shall devote at least 50% of his/her time to managing the program.
5. The MQD Ombudsman Office shall develop a Medicaid Ombudsman website. Website shall include, but not limited to the following:
  - Services provided by the MQD Ombudsman Office;
  - MQD Ombudsman Office phone number;
  - Office address;
  - Office hours;
  - Compliance Information (civil rights, discrimination, language assistance);



- Health plans grievance and appeal contact information;
- Frequent asked questions; and
- Electronic direct link communication function

6. The MQD Ombudsman Office shall respond within two (2) business days of receiving a call, e-mail, website inquiry, or other contact regarding a Medicaid beneficiary or Provider. Additionally, the MQD Ombudsman Office shall have a follow-up contact within two (2) weeks of the issue being resolved in order to ensure that the Medicaid beneficiary's concerns are fully resolved or the Provider's concerns were addressed. The MQD Ombudsman Office shall find out if the Medicaid beneficiary or the Provider were successful and/or satisfied with their results.

The MQD Ombudsman Office shall generally provide assistance to Medicaid beneficiaries and Providers in the order in which calls, e-mails or other contact for assistance are received. However, the MQD Ombudsman Office shall establish and have in place a system or method for prioritizing urgent/emergent issues or concerns.

7. The MQD Ombudsman Office shall have a dedicated, toll-free intake telephone number. The telephone number shall be staffed Monday through Friday 7:45 a.m. to 4:30 p.m. (H.S.T.), excluding State holidays. In addition, the MQD Ombudsman Office shall have a voicemail account for a caller to leave a message twenty-four (24) hours per day. The greeting shall identify the office and explain that the caller will receive a return call within two (2) business days.

The MQD Ombudsman Office shall monitor messages no less than twice per day during each business day. When responding to calls, the staff of the MQD Ombudsman Office shall assure that all outbound calls protect the confidentiality of the telephone conversations.

8. The MQD Ombudsman Office shall operate a toll-free call center to respond to questions, comments and inquiries. The toll-free call center services shall be available and accessible to Medicaid beneficiaries and Providers from all islands.

9. The MQD Ombudsman Office shall have high-speed Internet access and secure email in order to communicate with the Medicaid beneficiaries, MQD, and other parties.
10. The MQD Ombudsman Office shall assure that no MQD Ombudsman Office staff shall assist or represent a Medicaid beneficiary or Provider on any issue/concern in which the staff member has any financial or personal interest, or any other conflict of interest, except by written consent of the Medicaid beneficiary or Provider and a representative of the QI Health Plan. Written consent includes messages sent via email in which all parties acknowledge they understand the conflict and explicitly agree to allow the MQD Ombudsman Office to continue to work on the issue despite the conflict.
11. The MQD Ombudsman Office shall provide outreach or education to the QI health plan, community resources, or agencies on issues related to or resulting from the Ombudsman cases.
12. The MQD Ombudsman Office shall provide the QI health plans a presentation of what services are available to the Medicaid beneficiaries and Providers through the MQD Ombudsman Office program at the beginning of the contract, annually, and as any large-scale QI health plan changes occur. The MQD Ombudsman Office shall also develop and continually update call scripts and call center procedures to help educate Medicaid beneficiaries and Providers to use the community or non-profit resources available to them.
13. Through collaboration with MQD, the MQD Ombudsman Office shall develop a standard pamphlet, at the minimum, with the following:
  - Services provided by the MQD Ombudsman Office;
  - All MQD Ombudsman Office phone numbers;
  - Language assistance;
  - Office address;
  - Office hours; and
  - Website informationto educate the Medicaid beneficiaries, QI health plans, and the Providers.

14. The MQD Ombudsman Office shall obtain from the beneficiary, written consents to release information, and written designations of authorized representatives, as applicable to perform the Ombudsman services.
15. The MQD Ombudsman Office shall keep all protected personal health information and personally identifiable information provided by beneficiaries and providers confidential in accordance with State and federal laws, rules and regulations.

40.310 Specific MQD Ombudsman Office Services for Medicaid Beneficiaries

1. At the initial contact by the Medicaid beneficiary, the MQD Ombudsman Office shall utilize a web-based portal supplied by the DHS in order to confirm that the Medicaid beneficiary's self-reported contact, eligibility, third-party liability (TPL), and QI health plan enrollment information is accurate. If during any conversation the Medicaid beneficiary indicates that his or her address, telephone, or TPL information has recently changed, then the MQD Ombudsman Office shall:
  - Inform the Medicaid beneficiary that he or she must contact the MQD Customer Service Branch with the updated contact information in order for MQD and the QI health plan to have the Medicaid beneficiary's updated contact information.
2. The MQD Ombudsman Office shall confirm that an individual claiming to be an authorized representative actually has the permission of the Medicaid beneficiary. To the extent possible, the MQD Ombudsman Office shall confirm with the Medicaid beneficiary (in private, without the presence and influence of any other parties) that the individual in question is his or her authorized representative before proceeding; the MQD Ombudsman Office should note this fact in the DHS prescribed paper form. If the Medicaid beneficiary is unavailable, the MQD Ombudsman Office shall confirm with either a court-order or authorized DHS form (DHS 1123 Authorization of Release form) the identity of a bona fide authorized representative.
3. The MQD Ombudsman Office, in compliance with ACA 1557, shall include:

- A non-discrimination notice in their websites and all written communications; and
  - Language taglines.
4. The MQD Ombudsman Office shall secure real-time access to a telephonic translation service. In addition, the MQD Ombudsman Office shall have TDD (Telephone Device for the Deaf), TTY (Teletype), or similar communication access in order to serve the hearing-impaired population.
  5. If the MQD Ombudsman Office determines that a Medicaid beneficiary is at imminent risk of harm and that efforts to resolve the situation are not working, the MQD Ombudsman Office shall immediately notify both the Medicaid beneficiary's QI health plan and MQD. As appropriate, the MQD Ombudsman Office shall notify appropriate local law enforcement and other first-responder personnel and/or direct the Medicaid beneficiary to go to the nearest emergency room.
  6. At the request of a Medicaid beneficiary, the MQD Ombudsman Office shall provide assistance to the Medicaid beneficiary with filing a formal grievance, within the QI health plan's grievance system. If the MQD Ombudsman Office files the grievance on behalf of the Medicaid beneficiary, it shall ensure that it files the grievance in a timely and prompt manner.

The MQD Ombudsman Office shall follow up with the Medicaid beneficiary to ensure that the QI health plan acknowledges the complaint within five (5) business days and provides a written disposition within thirty (30) days of the initial expression of dissatisfaction. The MQD Ombudsman Office shall report directly any concerns about the timeliness of the QI health plan's review and response to MQD.

If requested by the Medicaid beneficiary, the MQD Ombudsman Office may also help to prepare a grievance for a formal MQD review but only after the Medicaid beneficiary has exhausted the QI health plan's internal grievance system processes. .

7. At the request of a Medicaid beneficiary, the MQD Ombudsman Office shall provide assistance to the Medicaid beneficiary to resolve appeal issues as quickly as possible. Specifically, the MQD Ombudsman Office shall use telephone contacts and conference calls to obtain immediate relief and

resolution. After exhausting all informal methods and at the request of the Medicaid beneficiary, the MQD Ombudsman Office shall help a Medicaid beneficiary file an appeal under the QI health plan's internal appeals process. The MQD Ombudsman Office shall ensure that, if it files the appeal on behalf of the Medicaid beneficiary, it does so in a timely and prompt manner. At the Medicaid beneficiary's request and with the QI health plan, consent, the MQD Ombudsman Office may participate in any proceeding convened to resolve the appeal.

The MQD Ombudsman Office shall follow-up with the Medicaid beneficiary to ensure that the QI health plan acknowledges the written appeal within five (5) business days and provides a written disposition with thirty (30) calendar days of receiving it. The MQD Ombudsman Office shall report any concerns about the timeliness of the QI health plan review directly to MQD.

In the event that a QI health plan denies a Medicaid beneficiary's appeal, the MQD Ombudsman Office role is complete and its involvement in the matter terminates unless the Medicaid beneficiary chooses to file an Administrative Appeal. The MQD Ombudsman Office shall assist the Medicaid beneficiary with the DHS Administrative Appeal Hearing process. However, the MQD Ombudsman Office shall not represent the Medicaid beneficiary at a DHS Administrative Appeal Hearing but may refer the beneficiary to sources of legal representation.

8. In the event that the Medicaid beneficiary requests assistance in filing an expedited appeal, the MQD Ombudsman Office shall provide such assistance and ensure that the appeal is filed immediately with the QI health plan. At the Medicaid beneficiary's request and with the QI health plan's consent, the MQD Ombudsman Office may participate in any proceeding convened by the QI health plan to adjudicate the appeal.

The MQD Ombudsman Office shall follow up with the Medicaid beneficiary to ensure that the QI health plan resolves the appeal and provides written notice to the affected parties as expeditiously as the Medicaid beneficiary's health condition requires, within seventy-two (72) hours from the time the QI health plan received the appeal (unless the QI health plan extends the timeframe by no more than fourteen (14) days).

The MQD Ombudsman Office shall report any concerns about the timeliness of the QI health plan's review directly to MQD.

In the event that a QI health plan denies a Medicaid beneficiary's expedited appeal, the MQD Ombudsman Office role is complete and its involvement in the matter terminates unless the Medicaid beneficiary chooses to file an Administrative Appeal. The MQD Ombudsman Office shall assist the Medicaid beneficiary with the DHS Administrative Appeal Hearing process. However, the MQD Ombudsman Office shall not represent the Medicaid beneficiary at a DHS Administrative Appeal Hearing but may refer the beneficiary to sources of legal representation.

9. If a Medicaid beneficiary requests the participation of the MQD Ombudsman Office on the team of decision-makers that develop his or her care plan, the MQD Ombudsman Office shall participate on the team in the capacity requested by the Medicaid beneficiary.
10. If the MQD Ombudsman encounters a general question regarding Medicare, Medicare Advantage, or Medicare Part D, and cannot be addressed by the Ombudsman staff, then it shall be referred to Social Security Administration, Medicare, MQD Customer Service Branch, or other agencies.
11. The MQD Ombudsman Office shall refer all disenrollment requests to the MQD Customer Service Branch.

The MQD Ombudsman Office shall refer any request for an exemption from mandatory enrollment to the MQD Customer Service Branch.

The MQD Ombudsman Office shall be able to refer non-MQD inquiries to the appropriate entities. Specifically, the MQD Ombudsman shall be able to identify and correctly refer inquiries regarding the following issues:

- Medicaid eligibility (QI)
- Medicare Special Savings Program questions (e.g., premium deductions and cost-sharing issues), particularly as they related to deductions from Social Security payments;
- Medicare (including Parts A, B, C, and D), including both Medicare fee-for-service and Medicare Advantage plans and prescription drug plans;

- Social Security payments (particularly the Social Security retirement, disability, and Supplemental Security Income (SSI) programs); and
- Supplemental Nutrition Assistance Program (SNAP) and financial assistance questions.

12. When assisting a Medicaid beneficiary, the MQD Ombudsman Office shall maintain strict confidentiality of information, the status of a Medicaid beneficiary's issue/concern and records as required by the RFP and in Federal and State law. This information shall be made known to all parties requesting MQD Ombudsman Office services.

#### 40.320 Specific MQD Ombudsman Office Services for the Providers

At the request of the Provider, the MQD Ombudsman Office shall:

- Connect the Provider with the QI health plan;
- Inform on the provider grievance and appeal rights; and
- Assist Provider to communicate with the QI health plan and resolve problems and concerns informally.

MQD Ombudsman Office cannot file the provider grievance or appeal to the QI health plan on behalf of or represent the Provider.

### **40.400 Reporting Requirements**

#### 40.410 General Requirements

The Offeror shall submit to DHS all requested reports identified below in the timeframe identified in this Section and on electronic media in the format specified by DHS. In addition, the Offeror shall comply with all additional requests from DHS, or its designee, for additional data, information and reports. If the Offeror does not comply with the reporting requirement, the Offeror shall be required to submit a Corrective Action Plan (CAP) which details how the Offeror will correct the non-compliance. In the event the Offeror is under a CAP, the Offeror may be required to submit certain reports more frequently than stated in this Section.

Based on of the information from the reports required by this section, the MQD Ombudsman Office shall determine if trends exist or similar problems are reoccurring with specific QI health plans. If the MQD Ombudsman Office determines there is a trend or similar reoccurring problems, it shall inform MQD on its findings and develop a plan of action.

All reporting data shall be submitted to DHS in electronic format of either Word 2010 or lower (.docx), or Excel 2010 or lower (.xlsx). Reporting data shall not be submitted with read only or protected formatting.

DHS reserves the right to request additional data, information and reports from the Offeror, as needed, to comply with CMS requirements and for its own management purposes.

The requirement that the Offeror provide the requested data is a result of the terms and conditions established by the QUEST Integration Section 1115 demonstration waiver approved by CMS. The State shall perform periodic reviews to ensure compliance. The State is required to have provisions in its contract with the Offeror for the provision of the data and is authorized to impose financial penalties if the data is not provided timely and accurately according to the deadlines identified below.

The Offeror shall submit the following reports electronically to DHS to the Ombudsman File Transfer Protocol (FTP) site according to the specified schedule.

| Category                      | Report          | RFP Section | Due Dates   | Reviewer |
|-------------------------------|-----------------|-------------|---|----------|
| Member and Provider Services  | Summary Report  | 40.410.1    | November 15<br>February 15<br>May 15<br>August 15 | HCSB     |
| Other Services to be Provided | Language Report | 40.410.2    | November 15<br>February 15<br>May 15              | HCSB     |



|                               |                                  |          |   |      |
|-------------------------------|----------------------------------|----------|---|------|
|                               |                                  |          | August 15   |      |
| Covered Benefits and Services | Specific Call Information Report | 40.410.3 | fifteenth (15) calendar day (or next business day) following the end of each month. | HCSB |

#### 40.410.1 Summary Reports

The Summary Reports shall be submitted to MQD quarterly, by the end of the month following the end of each reporting period.

The Summary Report shall document activity for the respective reporting period as described below. The summary report narrative, if any, shall not exceed 300 words. The summary report shall include, at minimum, information on:

##### Medicaid beneficiaries

- Administrative activities provided during the prior period, including at a minimum:
  - > the number of calls answered in-person;
  - > the number of messages left on the voice mail;
  - > the number of duplicative calls;
  - > the average length of time taken to return calls;
  - > the average call length;
  - > the number of e-mail queries; and
  - > the average time taken to respond to e-mail queries.
- Number and percent of calls received that address the following types of concerns:
  - > General Information
  - > Referrals
  - > Navigation
  - > Issue Identification

> Complaints

Providers

- Administrative activities provided during the prior period, including at a minimum:
  - > the number of calls answered in-person;
  - > the number of messages left on the voice mail;
  - > the number of duplicative calls;
  - > the average length of time taken to return calls;
  - > the average call length;
  - > the number of e-mail queries; and
  - > the average time taken to respond to e-mail queries.
- Number and percent of calls received that address the following types of concerns:
  - > Reimbursement
  - > Benefits and limits
  - > Eligibility and enrollment
  - > QI health plan issues
  - > Issues related to availability of health services
  - > Issues related to delivery of health services
  - > Issues related to quality of services

Note: DHS will provide a specific format relating to sub-issues under these general topics upon award of contract.

- Administrative activities planned over the coming period including information on staffing or other technical adjustments based on prior month activity; and
- Updated Medicaid beneficiary contact information.

## **40.410.2 Language Reports**

The Language Reports shall be submitted to MQD quarterly by the end of the month following the end of each reporting period. The Language Report shall contain data regarding language assistance services provided to LEP individuals including, at minimum,

1. The number of LEP individuals who were offered interpreter services and, of those, how many declined or required language assistance services;
2. The primary language spoken by each LEP individuals
3. The type of interpreter service provided; and
4. The name of the interpreter (an agency, if applicable).

## **40.410.3 Specific Call Information Report**

The Specific Call Information Reports shall be submitted to MQD monthly by the fifteenth (15) calendar day (or next business day) following the end of each month.

The Specific Call Information Reports shall have a file that lists each Medicaid beneficiary for which the MQD Ombudsman Office received a call, e-mail or other contact during the reporting period. The file shall also include a separate worksheet with any updated information on cases that the MQD Ombudsman Office reported in past quarters. These reports shall contain the following information, at minimum, for each case:

### Medicaid Beneficiary

- Date of initial call, e-mail or contact;
- Medicaid ID number for the Medicaid beneficiary for which the MQD Ombudsman Office received a call or other contact;
- Medicaid beneficiary's last name and first name;
- Island on which Medicaid beneficiary resides;
- Medicaid beneficiary's MQD program;
- If QI, Medicaid beneficiary's QI health plan;

- Type of service (as defined by MQD, e.g. pharmacy, home health) involved;
- Type of Provider (as defined by MQD, e.g. primary care provider, specialist) involved, if applicable;
- Type(s) of assistance provided (i.e., filing grievance, filing appeal, filing expedited appeal, other);
- Current disposition (i.e., resolved in Medicaid beneficiary's favor, resolved against Medicaid beneficiary, pending)
- Date and outcome of final disposition; and
- Narrative summary of issues (no more than 100 words).

#### Provider

- Date of initial call, e-mail or contact;
- The Provider ID number and name for which the MQD Ombudsman Office received a call or other contact;
- Type of provider (as defined by MQD, e.g. primary care provider, specialist) involved, if applicable;
- Island on which the Provider services;
- The QI health plan that the Provider has issues with;
- Type of concerns (as defined in the quarterly summary report);
- Type of assistance provided; and
- Narrative summary of issues (no more than 100 words).

#### **40.410.4 Ad Hoc Reports as requested by DHS.**

The DHS reserves the right to request a report or reports not listed above. Any such request shall be submitted in writing.

#### **40.500 Readiness Review**

Offeror shall comply with all readiness review activities required by the DHS. Readiness Review requires the Offeror to submit to the DHS required documents thirty (30) days after the contract is awarded. Documents include the following:

- Staffing Chart, location of staff, job titles, and training plan;
- Outreach and education;
- Policies and Procedures for Oral Translation and Translation of Material;
- Policies and Procedures for Call Center;
- Policies and Procedures for grievance and appeal request from the Medicaid Beneficiary and the Provider;
- Provide a detail description on how services can be provided from first day of implementation as described in 40.300;
- MQD Ombudsman Office pamphlet that meet the factors identified in Section 40.300; and
- Policies and Procedures for Reporting Requirements.

The Offeror shall comply with all readiness review activities required by DHS. This includes, but is not limited to, submitting all required review documents identified in the table below by the required due date, participating in any on-site review activities conducted by DHS, and submitting updates on implementation activities. DHS reserves the right to request additional documents for review and approval during readiness review.

| <b>Document</b>  | <b>RFP Section</b> | <b>Reference</b> | <b>Due Date</b>                       |
|--|--------------------|------------------|---------------------------------------|
| Staffing Chart, location of staff, job titles, training plan                                 | 40.300             | Scope of Work    | 30 days after contract effective date |
| Outreach and Education   | 40.300             | Scope of Work    | 30 days after contract effective date |
| Call Center policies and procedures  | 40.300             | Scope of Work    | 30 days after contract effective date |
| Grievance and Appeals request from Medicaid Beneficiary and Provider policies and procedures | 40.300             | Scope of Work    | 30 days after contract effective date |
| Description on services being provided from first day of implementation                      | 40.300             | Scope of Work    | 30 days after contract effective date |

| Document                                       | RFP Reference Section         | Due Date                              |
|--|-------------------------------|---------------------------------------|
| MQD Ombudsman pamphlet                         | 40.300 Scope of Work          | 30 days after contract effective date |
| Reporting Requirements policies and procedures | 40.400 Reporting Requirements | 30 days after contract effective date |

**40.600 Other Services to be Provided**

In addition to the Ombudsman services to be provided, the eligible Medicaid beneficiaries shall be eligible for enabling services. Such services include, but are not limited to:

40.610 Language Assistance Services for Persons with Limited English Proficiency and American Sign Language (ASL)

- A. The Offeror shall make available to each beneficiary, including individuals with Limited English Proficiency (LEP), oral interpretation services, sign language services and TDD services. The Offeror shall take reasonable steps to provide meaningful access to the services provided under this agreement for persons with limited English proficiency (LEP), in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, *et seq.*), the U.S. Department of Health and Human Services Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (68 Fed. Reg. 47311), Hawai`i Revised Statutes (HRS) §§371-31 to -34.
- B. Language assistance services shall be provided at no cost to the individual whose primary language is not English. This can include services such as qualified interpreters. The Offeror is responsible for the cost of language assistance services.
- C. The Offeror shall provide language assistance services that meet the following minimum requirements:
- D. Provide free aids and services to beneficiaries to include but not limited to:
  - o Qualified sign language interpreters;

- TTY/TDD services; and
  - Written information in other formats (large print, audio, accessible electronic formats, other formats).
1. Oral Interpretation
    - a. The Offeror shall notify eligible beneficiaries of the right to free interpreter services.
    - b. The Offeror shall offer oral interpretation services to LEP individuals.
    - c. The Offeror shall document the offer of an interpreter, and whether an individual declined or accepted the interpreter service.
    - d. The Offeror is prohibited from requiring or suggesting that LEP persons bring their own interpreters, including family or friends, with them to orientation sessions, assessments, interviews, or other appointments.
  2. Translation
    - a. The Offeror, in consultation with the State and in accordance with the laws and regulations cited above, shall assess the language needs of the population served under the contract, and determine whether vital documents will be translated into, but not limited to, Chinese (Traditional), Ilocano, Korean and Vietnamese.
    - b. The Offeror shall give to the State each year a written assessment including a list of languages into which documents will be translated, if any, and those documents identified as vital documents to be translated.
  - D. American Sign Language (ASL)  
ASL shall be provided at no cost to the individual. The Offeror is responsible for the cost of ASL services.
  - E. The Offeror shall submit quarterly, by the end of the month following the end of each quarter, in a format provided by the State, a report with data regarding language assistance services provided to LEP individuals, including but not limited to the following:

1. The number of LEP individuals who were offered interpreter services and, of those, how many declined or required language assistance services;
2. The primary language spoken by each LEP individual;
3. The type of interpreter service provided; and
4. The name of the interpreter (and agency, if applicable).

## **40.700 Materials**

### 40.710 State approval of Materials

All printed materials, advertisements, videos presentations, marketing materials, and other information prepared by the MQD Ombudsman Office that pertain to or reference the programs or the Ombudsman program business shall be reviewed and approved by the MQD before use and distribution by the MQD Ombudsman Office. The MQD Ombudsman Office shall not advertise, distribute or provide any materials to Medicaid beneficiaries or Medicaid providers that have not been approved by the MQD.

The MQD Ombudsman Office shall not change any approved materials without the consent and approval of the MQD.



## **SECTION 50 TERMS AND CONDITIONS**

### **50.100 Contract Documents**

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

- Contract for Health and Human Services: Competitive Purchase of Service (AG Form 103F1 (10/08)), including General Conditions for Health & Human Services Contracts (AG Form 103F (10/08) (see Appendix E), any Special Conditions, attachments, and addenda;
- This RFP, appendices, attachments, and addenda, which shall be incorporated by reference; and
- The Offeror's technical proposal submitted in response to this RFP form, which shall be incorporated by reference.

References to "General Conditions" in this Section 50 are to the General Conditions for Health & Human Services Contracts attached as Appendix E.

### **50.200 Conflict Between Contract Documents, Statutes and Rules**

Replace General Condition 7.5 (see Appendix E), Conflict between General Conditions and Procurement Rules, with the following:

- Contract Documents: In the event of a conflict among the contract documents, the order of precedence shall be as follows: (1) Contract for Health and Human Services: Competitive Purchase of Service (AG Form 103F1), including all general conditions, special conditions, attachments, and addenda; (2) the RFP, including all attachments and addenda, as amended; and (3) Offeror's proposal. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.
- Contract and Statutes: In the event of a conflict between the language of the contract, and applicable statutes, the latter shall prevail.
- Contract and Procurement Rules/Directives: In the event of a conflict between the Contract and the Procurement Rules or a

Procurement Directive, the Procurement Rules or any Procurement Directive in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

- The sections of the rules and regulations cited in this RFP may change as the rules and regulations are amended for MQD. No changes shall be made to this RFP due to changes in the section numbers. The documents in the documentation library shall be changed as needed. The availability and extent of the materials in the documentation library shall have no effect on the requirements stated in this RFP.

### **50.300 Subcontractor Agreements**

Replace General Condition 3.2 (see Appendix E), Subcontracts and Assignments, with the following:

The Offeror may negotiate and enter into contracts or agreements with subcontractors to the benefit of the Offeror and the State. All such agreements shall be in writing. No subcontract that the Offeror enters into with respect to the performance under the contract shall in any way relieve the Offeror of any responsibility for any performance required of it by the contract.

The Offeror shall submit to the DHS for review and prior approval, all subcontractor agreements related to the Ombudsman services to eligible beneficiaries. In addition, the DHS reserves the right to inspect all subcontractor agreements at any time during the contract period.

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

The Offeror shall provide the DHS with immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor, and prompt notice of any claim made against the Offeror by any subcontractor that, in the opinion of the Offeror, may result in litigation related in any way to the contract with the State of Hawaii.

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

All subcontractor agreements must, at a minimum:

- Describe the activities, including reporting responsibilities, to be performed by the subcontractor and require that the subcontractor meet all established criteria prescribed and provide the services in a manner consistent with the minimum standards specified in the Offeror's contract with the State;
- Require that the subcontractor fulfill the requirements of 42 CFR Section 438.6 that are appropriate to the service delegated under the subcontract;
- Include a provision that allows the Offeror to:
  - Evaluate the subcontractor's ability to perform the activities to be delegated;
  - Monitor the subcontractor's performance on an ongoing basis and subject it to formal review according to a periodic schedule (the frequency shall be stated in the agreement) established by the DHS and consistent with industry standards or State laws and regulations;
  - Identify deficiencies or areas for improvement; and
  - Take corrective action or impose other sanctions including, but not limited to, revoking delegation, if the subcontractor's performance is inadequate.
- Require that the subcontractor submits to the Offeror a tax clearance certificate from the Director of the DOTAX, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor have been paid:
  - Include a provision that the Offeror shall designate itself as the sole point of recovery for any subcontractor;
  - Include a provision that neither the State nor the Offeror's eligible beneficiaries shall bear any liability of the Offeror's failure or refusal to pay valid claims of subcontractors;

- Require that the subcontractor track and report complaints against them to the Offeror;
- Require that the subcontractor fully adhere to the privacy, confidentiality and other related requirements stated in the RFP and in applicable federal and state law;
- Require that the subcontractor follow all audit requirements as outlined in Section 51.500 inclusive. The actual requirements shall be detailed in the agreement;
- Require that the subcontractor comply with all requirements related to confidentiality of information as outlined in Section 51.400. The actual requirements found in this section shall be detailed in the agreement; and
- Require that the subcontractor notify the Offeror and the MQD of all breaches of confidential information relating to eligible beneficiaries. The notice to the State shall be within two (2) business days of discovery of the breach and a written report of the investigation and resultant mitigation of the breach shall be provided to the State within thirty (30) calendar days of the discovery of the breach.

50.310 Retention of Medical Records

The following is added to the end of General Condition 2.3 (see Appendix E), Records Retention:

The Offeror and its providers shall retain all medical records, in accordance with Section 622-58, HRS, for a minimum of seven (7) years from the last date of entry in the records.

The Offeror shall include in its subcontracts and provider agreements record retention requirements that are at least equivalent to those stated in this section.

During the period that records are retained under this section, the Offeror and any subcontractor or provider shall allow the state and federal government's full access to such records, to the extent allowed by law.

## **50.400 Responsibility For Taxes**

In addition to the requirements of General Condition 3.4.4 (see Appendix E), PROVIDER's Responsibilities, subject to its corporate structure, licensure status, or other statutory exemptions, Offerors may be liable for, or exempt from, other federal, state, and/or local taxes including, but not limited to, the insurance premium tax (chapter 431, Article 7, Part II, HRS). Each Offeror is responsible for determining whether it is subject to, or exempt from, any such federal, state, or local taxes. The DHS makes no representations whatsoever as to the liability or exemption from liability of the Offeror to any tax imposed by any governmental entity.

## **50.500 Full Disclosure**

### **50.510 Business Relationships**

The Offeror warrants that it will be fully responsible for the work performed under the contract, and has fully disclosed all business relationships, joint ventures, subsidiaries, holding companies, or any other related entity in its proposal and that any new relationships shall be brought to the attention of the DHS as soon as such a relationship is consummated. The terms and conditions of CMS require full disclosure on the part of all contracting Offerors and providers.

The Offeror shall not knowingly have a director, officer, partner, or person with more than five percent (5%) of the Offeror's equity, or have an employment, consulting, or other agreement with such a person for the provision of items and services that are significant and material to the entity's contractual obligation with the State, who has been debarred, suspended or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549. The Offeror shall not, without prior approval of the DHS, lend money or extend credit to any related party. The Offeror shall fully disclose such proposed transactions and submit a formal written request for review and approval.

The Offeror shall include the provisions of this section in any subcontract agreement.

50.520 Litigation

The Offeror shall disclose any past and pending litigation both in and out of the State of Hawaii for which the company is a party, including the disclosure of any outstanding judgment. If applicable, please explain.

**50.600 Conflict of Interest**

The following is added to the end of General Condition 1.7 (see Appendix E), Conflicts of Interest:

No official or employee of the State of Hawaii or the federal government who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of the programs shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the contract. All officials or employees of the State of Hawaii shall be bound by Chapter 84, HRS, Standards of Conduct.

The Offeror shall not contract with the State of Hawaii unless safeguards of at least equal to Federal safeguards (41 U.S.C § 423) are in place.

Any official or employee of the MQD Ombudsman Office shall not exercise any function or responsibilities that may appear as a conflict of interest with any Medicaid managed care health plans. A list of the currently participating Hawaii contractors may be found in Appendix B.

**50.700 Employment of Department Personnel**

The Offeror shall not knowingly engage any persons who are or have been employed within the past twelve (12) months by the State of Hawaii to assist or represent the Offeror for consideration in matters which he/she participated as an employee or on matters involving official action by the State agency or subdivision, thereof, where the employee had served.

**50.800 Fiscal Integrity**

The Offeror warrants that it is of sufficient financial solvency to assure the DHS of its ability to perform the requirements of the contract. The Offeror shall comply with the solvency standards established by the State Insurance Commissioner for private health maintenance organizations or Offerors licensed in the State of Hawaii, and shall, upon request by DHS, provide financial data and information to prove its financial solvency.

## **50.900 Term of the Contract**

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of DHS in accordance with Section 3-149-302(c), HAR. The contract is for the initial term from the date of contract effective date as specified in Section 20.100 to June 30, 2022. 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, only upon mutual agreement of the parties in writing. The Offeror shall not contract with the State of Hawaii unless safeguards at least equal to Federal safeguards (41 USC 423, section 27) are in place.

The State of Hawaii operates on a fiscal year basis, which runs from July 1 to June 30 of each year. Funds are available for only the first fiscal period of the contract ending June 30 in the first year of the initial term. The contractual obligation of both parties in each fiscal period succeeding the first fiscal period is subject to the appropriation and availability of funds to DHS.

The contract will be terminated only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial fiscal period of the contract; however this does not affect either the State's rights or the Offeror's rights under any termination clause of the contract. The State shall notify the Offeror, 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 termination, as provided in this paragraph, the Offeror shall be reimbursed for the unamortized, reasonably incurred, nonrecurring costs.

The Offeror acknowledges that other unanticipated uncertainties may arise that may require an increase or decrease in the original scope of services to be performed, in which event the Offeror agrees to enter into a supplemental agreement upon request by the State. The supplemental agreement may also include an extension of the period of performance and a respective modification of the compensation, as allowed by law.

**50.900 Liability Insurance Requirements**

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

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

The policy or policies of insurance maintained by the Offeror shall be written by insurance companies licensed to do business in the State of Hawaii or meet the requirements of Section 431:8-301, et seq., HRS, 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:

| <b>Coverage</b>              | <b>Limits</b>  |
|------------------------------|--|
| Commercial General Liability | Per occurrence, not claims made <ul style="list-style-type: none"> <li>• \$1 million per occurrence</li> <li>• \$2 million in the aggregate</li> </ul>   |
| Automobile                   | May be combined single limit: <ul style="list-style-type: none"> <li>• Bodily Injury: \$1 million per person, \$1 million per accident</li> <li>• Property Damage: \$1 million per accident</li> </ul> |



|   |   |
|---|---|
| Workers Compensation / Employers Liability (E.L.) | <ul style="list-style-type: none"> <li>• Workers Comp: Statutory Limits</li> <li>• E.L. each accident: \$1,000,000</li> <li>• E.L. disease: \$1,000,000 per employee, \$1,000,000 policy limit</li> <li>• E.L. \$1 million aggregate</li> </ul> |
| Professional Liability, if applicable             | <p>May be claims made:</p> <ul style="list-style-type: none"> <li>• \$1 million per claim</li> <li>• \$2 million annual aggregate</li> </ul>  |

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

1. "The State of Hawaii is an additional insured with respect to operations performed for the State of Hawaii."
2. "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 excess coverage for the Offeror's employees who use their own vehicles in the course of their employment.

Offeror may satisfy the minimum liability limits required under an Umbrella or Excess Liability policy with \$1,000,000 per occurrence and \$2,000,000 aggregate. If Offeror is using its Umbrella or Excess Liability Insurance policy to satisfy the minimum requirements, Offeror shall agree to endorse the DHS as "Additional Insured" on the Umbrella or Excess Liability policy.

The Offeror shall immediately provide written notice to the DHS should any of the insurance policies required under the Contract be cancelled, limited in scope, or not be renewed upon expiration.

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

The procuring of such required policy or policies of insurance shall not be construed to limit Offeror's liability hereunder nor to

fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Offeror shall be liable for the full and total amount of any damage, injury, or loss caused by Offeror in connection with this contract.

If the Offeror is authorized by the DHS 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 Offeror agrees to require its subcontractors to obtain insurance in accordance with this section.

**50.910**      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.

**51.100**      **Modification of Contract**

The following is added as General Condition 4.1.4:

All modifications of the contract shall be modified accordingly by a written amendment signed by the Director of the DHS and an authorized representative of the Offeror. If the parties are unable to reach an agreement within thirty (30) days of the Offeror's receipt of a contract change, the MQD Administrator shall make a determination as to the contract modifications and the Offeror shall proceed with the work according to a schedule approved by the DHS, subject to the Offeror's right to appeal the MQD Administrator's determination of the contract modification and price under Section 51.700, Disputes.

## **51.200 Conformance with Federal Regulations**

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

## **51.300 Termination of the Contract**

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

- Termination for Default;
- Termination for Expiration of the Programs by CMS; or
- Termination for Bankruptcy or Insolvency.

### **51.310 Termination for Default**

The failure of the Offeror to comply with any term, condition, or provision of the contract or applicable requirements in Sections 1932, 1903(m) and 1905(t) of the Social Security Act shall constitute default by the Offeror. In the event of default, the DHS shall notify the Offeror by certified or registered mail, with return receipt requested, of the specific act or omission of the Offeror, which constitutes default. The Offeror shall have fifteen (15) days from the date of receipt of such notification to cure such default. In the event of default, and during the above-specified grace period, performance under the contract shall continue as though the default had never occurred. In the event the default is not cured within fifteen (15) days, the DHS may, at its sole option, terminate the contract for default. Such termination shall be accomplished by written notice of termination forwarded to the Offeror by certified or registered mail and shall be effective as of the date specified in the notice. If it is determined, after notice of termination for default, that the Offeror's failure was due to causes beyond the control of and

without error or negligence of the Offeror, the termination shall be deemed a termination for convenience under General Condition 4.3 in Appendix E.

The DHS' decision not to declare default shall not be deemed a waiver of such default for the purpose of any other remedy the Offeror may have.

51.320 Termination for Expiration or Modification of the Programs by CMS

The DHS may terminate performance of work under the contract in whole or in part whenever, for any reason, CMS terminates or modifies the programs. In the event that CMS elects to terminate its agreement with the DHS, the DHS shall so notify the Offeror by certified or registered mail, return receipt requested. The termination shall be effective as of the date specified in the notice.

51.330 Termination for Bankruptcy or Insolvency

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

In the event of insolvency of the Offeror, the Offeror shall cover continuation of services to eligible beneficiaries for the duration of period for which payment has been made. In addition, in the event of insolvency of the Offeror, eligible beneficiaries may not be held liable for the covered services provided to the eligible beneficiaries, for which the State does not pay the Offeror.

## 51.340 Procedure for Termination

In the event the State decides to terminate the contract, it shall provide the Offeror with a pre-termination hearing. The State shall:

- Give the Offeror written notice of its intent to terminate, the reason(s) for termination, and the time and place of the pre-termination hearing; and

Following the termination hearing, the State shall provide written notice to the Offeror of the termination decision affirming or reversing the proposed termination. If the State decides to terminate the contract, the notice shall include the effective date of termination.

In the event of any termination, the Offeror shall:

- Stop work under the contract on the date and to the extent specified in the notice of termination;
- Complete the performance of such part of the work as shall not have been terminated by the notice of the termination;
- Notify the beneficiaries of the termination and arrange for the orderly transition to the new Offeror(s), including timely provision of any and all records to the DHS that are necessary to transition the Offeror's eligible beneficiaries to another Offeror;
- Place no further orders or enter into subcontracts for materials, services, or facilities, except as may be necessary for completion of the work under the portion of the contract that is not terminated;
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination;
- Assign to the DHS in the manner and to the extent directed by the MQD Administrator of the right, title, and interest of the Offeror under the orders or subcontracts so terminated, in which case the DHS shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- With the approval of the MQD Administrator, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which

would be reimbursable, in whole or in part, in accordance with the provisions of the contract;

- Take such action as may be necessary, or as the MQD Administrator may direct, for the protection and preservation of any and all property or information related to the contract which is in the possession of the Offeror and in which the DHS has or may acquire an interest; and
- Within thirty (30) business days from the effective date of the termination, deliver to the DHS copies of all current data files, program documentation, and other documentation and procedures used in the performance of the contract at no cost to the DHS. The Offeror agrees that the DHS or its designee shall have a non-exclusive, royalty-free right to the use of any such documentation.

#### 51.350 Termination Claims

After receipt of a notice of termination, the Offeror shall submit to the MQD Administrator any termination claim in the form and with the certification prescribed by the MQD Administrator. Such claim shall be submitted promptly but no later than six (6) months from the effective date of termination. Upon failure of the Offeror to submit its termination claims within the time allowed, the MQD Administrator may, subject to any review required by the State procedures in effect as of the date of execution of the contract, determine, on the basis of information available to him/her, the amount, if any, due to the Offeror by reason of the termination and shall thereupon cause to be paid to the Offeror the amount to be determined.

Upon receipt of notice of termination, the Offeror shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this or any other contract. The Offeror shall be paid only the following upon termination:

- At a price mutually agreed to by the Offeror and the DHS.

In the event the Offeror and the DHS fail to agree, in whole or in part, on the amount of costs to be paid to the Offeror in connection with the total or partial termination of work pursuant to this section, the MQD Administrator shall determine, on the basis of information available to the DHS, the amount, if any,

due to the Offeror by reason of the termination and shall pay to the Offeror the amount so determined.

The Offeror shall have the right to appeal any such determination made by the MQD Administrator as stated in Section 51.700, Disputes.

## **51.400 Confidentiality of Information**

In addition to the requirements of General Condition 8, the Offeror understands that the use and disclosure of information concerning Offerors, eligible beneficiaries is restricted to purposes directly connected with the administration of the Hawaii Medicaid program, and agrees to guard the confidentiality of an Offeror's or beneficiary's or information as required by law. The Offeror shall not disclose confidential information to any individual or entity except in compliance with the following:

- 42 CFR Part 431, Subpart F;
- The Administrative Simplification provisions of HIPAA and the regulations promulgated thereunder, including but not limited to the Security and Privacy requirements set forth in 45 CFR Parts 160, 162 and 164, (if applicable);
- Section 346-10, HRS; and
- All other applicable federal and State statutes and administrative rules, including but not limited to:
  - Section 325-101, HRS, relating to persons with HIV/AIDS;
  - Section 334-5, HRS, relating to persons receiving mental health services;
  - Chapter 577A, HRS relating to emergency and family planning services for minor females;
  - 42 CFR Part 2 relating to persons receiving substance abuse services;
  - Chapter 487J, HRS, relating to social security numbers; and
  - Chapter 487N, HRS, relating to personal information.

Access to eligible beneficiaries identifying information shall be limited by the Offeror to persons or agencies that require the information in order to perform their duties in accordance with this contract, including the U.S. Department of Health and

Human Services (HHS), the Secretary, the DHS and other individuals or entities as may be required by the DHS. (See 42 CFR Section 431.300, et seq. and 45 CFR Parts 160 and 164.)

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

Federal and State Medicaid rules, and some other Federal and State 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 Offeror agrees that the confidentiality provisions contained in Chapter 17-1702, HAR, shall apply to the Offeror to the same extent as they apply to MQD.

As part of the contracting process, the Offeror shall sign a Business Associate Agreement (BAA) found in Appendix H to assure compliance with HIPAA regulations.

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

All breaches of confidential information relating to Medicaid eligible beneficiaries, shall be reported to the MQD. The Offeror shall notify the MQD within two (2) business days following actual knowledge of a breach of confidentiality, including any use or disclosure of confidential information, any breach of unsecured PHI, and any Security Incident (as defined in HIPAA regulations) of which the Offeror becomes aware with respect to PHI in the custody of the Offeror. In addition, the Offeror shall provide the MQD with a written report of the investigation and mitigation efforts within thirty (30) calendar days of the



discovery of the breach. The Offeror shall work with MQD to ensure that the breach has been mitigated and reporting requirements, if any, or complied with. The actual requirements found in this section shall be detailed in all provider and subcontractor agreements.

## **51.500 Audit Requirements**

The state and federal standards for audits of the DHS designees, contractors and programs conducted under contract are applicable to this subsection and are incorporated by reference into the contract. The DHS, the HHS, the Secretary, CMS, the Office of the Inspector General, the Comptroller General, and their designees may, at any time, inspect and audit any records, inspect premises, physical facilities, and equipment of the Offeror and its subcontractors where Medicaid-related activities or work is conducted.. There shall be no restrictions on the right of the State or Federal government to conduct whatever inspections and audits are necessary to assure quality, appropriateness or timeliness of services and reasonableness of their costs. The right to audit shall exist for ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later.

### **51.510 Accounting Records Requirements**

The Offeror shall, in accordance with generally accepted accounting practices, maintain fiscal records and supporting documents and related files, papers and reports that adequately reflect all direct and indirect expenditures and management and fiscal practices related to the Offeror's performance of services under the contract.

The Offeror's accounting procedures and practices shall conform to generally accepted accounting principles and the costs properly applicable to the contract shall be readily ascertainable from the records.

### **51.520 Inclusion of Audit Requirements in Subcontracts**

The provisions of Section 51.500 and its associated subsections shall be incorporated in every subcontract/provider agreement.

## **51.600 Ongoing Inspection of Work Performed**

The DHS, the State Auditor of Hawaii, the Secretary, the U.S. Department of Health and Human Services (HHS), CMS, the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), Medicaid Fraud Control Unit of the Department of the Attorney General, State of Hawaii, or their authorized representatives shall have the right to enter into the premises of the Offeror, all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed and have access to all records. All inspections and evaluations shall be performed in such a manner to not unduly delay work. This includes timely and reasonable access to the personnel for the purpose of interview and discussion related to the records. All records and files pertaining to the Offeror shall be accessible in the State of Hawaii at the Offeror's principal place of business or at a storage facility on Oahu that is accessible to the foregoing identified parties.

## **51.700 Disputes**

The parties shall first attempt to resolve all disputes arising under this contract by informal resolution. Where informal resolution cannot be reached, the Offeror shall submit a written request for dispute resolution within sixty (60) days of the events giving rise to the dispute or sixty (60) days of the failure to reach an informal resolution, whichever is later. Written requests for dispute resolution shall be sent by certified mail and return receipt requested to the Director of the DHS or the Director's duly authorized representative. The Offeror shall be afforded the opportunity to be heard and to present evidence in support of its position in the dispute. The Director of the DHS or the Director's authorized representative shall issue a written decision within ninety (90) days of the Offeror's written request. The decision of the Director of the DHS or the Director's authorized representative shall be final and binding and may only be set aside by a State court of competent jurisdiction where the decision was fraudulent, capricious, arbitrary, or grossly erroneous as to imply bad faith.

Pending any subsequent legal proceedings regarding the final decision, including all appeals, the Offeror shall proceed

diligently in the performance of the contract in accordance with the Director's final decision.

Any legal proceedings against the State of Hawaii regarding this RFP or any resultant contract shall be brought in a State court of competent jurisdiction in the City and County of Honolulu, State of Hawaii.

## **51.800 Liquidated Damages, Sanctions and Financial Penalties**

### **51.810 Liquidated Damages**

In the event of any breach of the terms of the contract by the Offeror, liquidated damages shall be assessed against the Offeror in an amount equal to the costs of obtaining alternative Ombudsman services for its eligible beneficiaries. The damages shall include, without limitation, the difference in the administrative fee paid to the Offeror and the fee paid to a replacement Offeror.

Notwithstanding the above, the Offeror shall not be relieved of liability to the State for any damages sustained by the State due to the Offeror's breach of the contract.

The DHS may withhold amounts for liquidated damages from payments to the Offeror until such damages are paid in full.

### **51.820 Sanctions**

The DHS may impose sanctions for non-performance or violations of contract requirements. If the Offeror disputes the sanction, the Offeror may proceed pursuant to the dispute resolution procedures detailed in Section 51.700. Sanctions shall be determined by the State and may include:

- Imposing civil monetary penalties (as described below);
- Suspending payment; or
- Terminating the contract (as described in Section 51.300).

The DHS will provide written notice that explains the basis and nature of the sanction. The Offeror may dispute the finding through procedures identified in Section 51.700.

The civil or administrative monetary penalties imposed by the DHS on the Offeror shall not exceed the maximum amount established by federal statutes and regulations.

The civil monetary penalties that may be imposed on the Offeror by the State are as follows:

| <b>Number</b> | <b>Activity</b>   | <b>Penalty</b>  |
|---------------|---|---|
| 1             | Misrepresentation of actions or falsification of information furnished to the CMS or the State  | A maximum of one hundred thousand dollars (\$100,000) for each determination  |
| 2             | Failure to implement requirements stated in the Offeror's proposal, the RFP or the contract, or other material failures in the Offeror's duties           | A maximum of fifty thousand dollars (\$50,000) for each determination   |
| 3             | Misrepresentation or false statements to beneficiaries, potential beneficiaries or providers  | A maximum of twenty-five thousand dollars (\$25,000) for each determination   |
| 4             | Violation of any of the other applicable requirements of Sections 1903(m), 1905(t)(3) or 1932 of the Social Security Act and any implementing regulations | A maximum of twenty-five thousand dollars (\$25,000) for each determination   |
| 5             | Not providing services to the beneficiary because of a discriminatory practice  | A maximum of fifteen thousand dollars (\$15,000) for each beneficiary the State determines was not providing services to the beneficiaries because of a discriminatory practice |

| Number | Activity  | Penalty  |
|--------|---|--|
| 6      | Failure to report confidentiality breaches relating to eligible beneficiaries to the DHS by the specific deadlines provided in Section 51.400 | One hundred dollars (\$100) per day per beneficiary. A maximum of twenty-five thousand dollars (\$25,000) until the reports are received |
| 7      | Failure to provide accurate information, data, and reports to the MQD by the specified deadlines provided in Section 40.400                   | Two hundred dollars (\$200) per day until all required information, data, and reports are received                                       |

Payments provided for under the contract shall be denied for new beneficiaries when, and for so long as, payment for those beneficiaries is denied by CMS.

**51.900 Compliance with Laws**

In addition to the requirements of General Condition 1.3, Compliance with Laws, the Offeror shall comply with the following:

51.910 Wages, Hours and Working Conditions of Employees Providing Services

Pursuant to Section 103-55, HRS, services to be performed by the Offeror and its subcontractors or providers shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work. Additionally, the Offeror shall comply with all applicable Federal and State laws relative to workers compensation, unemployment compensation, payment of wages, prepaid healthcare, and safety standards. Failure to comply with these requirements during the contract period shall result in cancellation of the contract unless such noncompliance is corrected within a reasonable period as determined by the DHS. Final payment under the contract shall not be made unless the DHS has determined that the noncompliance has been corrected. The Offeror shall complete and submit the Wage Certification provided in Appendix D.

51.920 Compliance with other Federal and State Laws

The Offeror shall agree to conform to the following federal and state laws as affect the delivery of services under the Contract including, but not limited to:

- Titles VI, VII, XIX, and XXI of the Social Security Act;
- Title VI of the Civil Rights Act of 1964;
- The Age Discrimination Act of 1975;
- The Rehabilitation Act of 1973;
- The Americans with Disability Act;
- The Patient Protection and Affordable Care Act of 2010;
- Chapter 489, HRS (Discrimination in Public Accommodations);
- Education Amendments of 1972 (regarding education programs and activities);
- Copeland Anti-Kickback Act;
- Davis-Bacon Act;
- Debarment and Suspension;
- All applicable standards, orders or regulations issued under section 306 of the Clean Air Act (42 USC 1857 (h)), section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15) and the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251, *et seq.*);
- The Byrd Anti-Lobbying Amendment (31 U.S.C. Section 1352); and
- E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375 "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor".

The Offeror shall recognize mandatory standards and policies relating to energy efficiency that are contained in any State energy conservation plan developed by the State in accordance with the Energy Policy and Conservation Act (Pub. L. 94-163, Title III, Part A).

The Offeror shall include notice of grantor agency requirements and regulations pertaining to reporting and patient rights under any contracts involving research, developmental, experimental or demonstration work with respect to any discovery or invention which arises or is developed in the course of or under such contract, and of grantor agency requirements and regulations pertaining to copyrights and rights in data.

## **52.100 Miscellaneous Special Conditions**

### 52.110 Use of Funds

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

### 52.120 Prohibition of Gratuities

Neither the Offeror nor any person, firm or corporation employed by the Offeror in the performance of the contract shall offer or give, directly or indirectly, to any employee or designee of the State of Hawaii, any gift, money or anything of value, or any promise, obligation, or contract for future reward or compensation at any time during the term of the contract.

### 52.130 Publicity

General Condition 6.1 is amended to read as follows:  
Acknowledgment of State Support. The Offeror shall not use the State's, DHS's, MQD's name, logo or other identifying marks on any materials produced or issued without the prior written consent of the DHS. The Offeror also agrees not to represent that it was supported by or affiliated with the State of Hawaii without the prior written consent of the DHS.

### 52.140 Force Majeure

If the Offeror 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 Offeror shall make a good faith effort to

perform such obligations through its then-existing facilities and personnel; and such non-performance shall not be grounds for termination for default.

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

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

52.150 Attorney's Fees

In addition to costs of litigation provided for under General Condition 5.2, in the event that the DHS shall prevail in any legal action arising out of the performance or non-performance of the contract, or in any legal action challenging a final decision under Section 51.700, the Offeror shall pay, in addition to any damages, all of the DHS' 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 in equity.

52.160 Time is of the Essence

Time is of the essence in the contract. As such, any reference to "days" shall be deemed calendar days unless otherwise specifically stated.

**52.200 Monthly Invoice**

The Offeror shall submit an original and one copy of the monthly invoice for reimbursements after the contract requirements are met including but not limited to the monthly reports to the following address:

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



## **SECTION 60      TECHNICAL PROPOSAL**

### **60.100      Introduction**

The following sections describe the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent. It is essential that the Offeror provide the information in the following order separated by tabs:

The mandatory proposal shall include the following sections (Sections 60.200 to 60.400):

- All Proposal forms in Appendix D that includes Proposal Letter
- Transmittal Letter
- Financial Status
  - Audited Financial Statements

The technical proposal shall include the following sections (Sections 60.500 to 60.900):

- Executive Summary
- Company Background and Experience
  - Company Experience
  - References
- Company Capabilities
- Organization and Staffing
  - Organization Charts
  - Staffing
- Data Processing Capabilities

The Offeror must state specifically where each requirement noted above is met within the RFP.

## **60.200 Proposal Letter**

The proposal letter (refer to Appendix D) shall be signed by an individual authorized to legally bind an Offeror and be affixed with a corporate seal, if applicable. Please provide a Corporate Resolution or a certificate of authority to sign on behalf of the company.

## **60.300 Transmittal Letter**

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

- A. 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. If subcontractors will not be used for this contract, a statement to this effect shall be included.
- B. A statement that the Offeror is registered to do business in Hawaii and has a State of Hawaii General Excise Tax License, if applicable. Provide the Hawaii Excise Tax number (if applicable).
- C. A statement that the Offeror's Hawaii Compliance Express is current and provide a copy of the "Certificate of Vendor Compliance" conducted no later than seven (7) days prior to proposal submission.
- D. A statement identifying all amendments and addenda to this RFP issued by the issuing office and received by the Offeror. If no amendments or addenda have been received, a statement to that effect should be included.
- E. A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, creed, ancestry, marital status, age, sex including gender identity or expression, sexual orientation, national origin, arrest and court records, or mental or physical handicap, except as provided by law;
- F. A statement that neither cost nor pricing is included in this letter or the technical proposal.

- G. 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.
- H. A statement that the person signing this proposal certifies that he/she is the person in the Offeror's organization responsible for, or authorized to make, decisions as to the prices quoted, that the offer is firm and binding, and that he/she has not participated and will not participate in any action contrary to the above conditions.
- I. A statement that the Offeror has read, understands and agrees to all provisions of this RFP.
- K. 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.
- L. A statement that the organization to be contracted with for the provision of Ombudsman services shall not be affiliated with contractors for QUEST Integration.
- M. If any page is marked "Confidential" or "Proprietary" in the Offeror's proposal, an explanation to DHS of how substantial competitive harm would occur if the information is released.

## **60.400 Financial Status**

The financial status of an Offeror and related entities shall be reviewed in order to determine the financial solvency of the organization. If an Offeror does not have adequate resources and fails to meet the financial requirements, the proposal shall not be scored and be returned to the Offeror.

### **60.410 Audited Financial Statements**

Audited Financial statements for the applicable legal entity and any subcontractor that is providing at a minimum of twenty (20%) of the work shall be provided for each of the last two years, including at a minimum:

- Balance Sheets
- Statements of Income
- Federal Income Tax returns
- Cash on hand

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

### **60.500 Executive Summary**

The executive summary should provide DHS with a broad understanding of the entire proposal. The executive summary shall clearly and concisely condense and highlight the contents of the technical proposal.

The Offeror shall provide a statement that, to their knowledge, no one from their organization is receiving payments from any of the participating Hawaii MQD QI health plans.

### **60.600 Company Background and Experience**

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

#### **60.610 Background of the Company**

A description of the history of the company and Offeror including:

- The legal name any names under which the Offeror has done business;
- Address, telephone number and email address of the Offeror's headquarter office;
- Date company was established;
- Date company began operations;

- A general description of the primary business of your organization and its experience working with a Medicaid population;
- A brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile. An out-of-state Offeror must become duly qualified to do business in the State of Hawaii before a contract can be executed;
- Ownership of the company, including names and address of offices and directors;
- 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;
- Total current number of employees both in the State of Hawaii and nationally;
- The size of organization in assets and gross revenue;
- The areas of specialization;
- Description of any allegations against the company and each subcontractor is a party, both in and out of the State of Hawaii in the past ten (10) years, if applicable, please explain; and
- Disclosure of any past and pending, (within ten (10) years), litigation both in and out of the State of Hawaii for which the company and each subcontractor is a party, including the disclosure of any outstanding judgment, if applicable, please explain.

60.620 Company Experience

The details of company experience including subcontractor experience, relevant to the proposal shall cover and include but not limited to:

- experience in Ombudsman or advocacy services;
- experience working with the Medicaid population in any health care field or health-related field; and
- experience in working the Hawaii Medicaid population

- Hawaii Medicaid experience.

60.630 References

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

**60.700 Company Capabilities**

The company shall have the capabilities to meet the specifications as outlined in the RFP. The following questions will provide the evaluators with an understanding of the abilities of the company.

- Describe the philosophy of your company on resolution of complaints/grievances of Medicaid beneficiaries
- Describe the quality measures that your company uses to assure contract expectations are addressed

**60.800 Organization and Staffing**

The organization and staffing section shall include organization charts of proposed personnel and resumes of all management, supervisory and key personnel. The information should provide the State with a clear understanding of the organization, functions of key personnel and on-site personnel during start-up and on-going operations.

The Offeror shall provide an estimate of the proposed number of staff, hours and resources to be engaged to complete the contracted activities.

60.810 Organization Charts

The organization charts shall show:

- Organization chart which shows the structure of the project team and identifies the proposed project personnel
- Relationships of an Offeror to related entities

- All proposed key personnel, including an indication of their major areas of responsibility and position within the organization
- Geographic location of the Offeror's personnel
- Proposed involvement of MQD personnel
- Estimates of man hours for each individual, including a description of major areas of responsibility for each individual

## 60.820 Staffing

The resumes of key personnel proposed shall include, if applicable:

- Experience with the Hawaii Medicaid program
- Experience in managed care systems
- Experience working with Hawaii Medicaid beneficiaries
- Length of time with the Offeror or related organization
- Previous relevant experiences
- Relevant education and training
- Names, position titles and phone numbers of references who can provide information on the individuals' experience and competence
- Other relevant experience

Resumes should be provided, at a minimum, for the Administration/Program Director, all supervisory personnel, and financial officer. An Offeror shall identify an individual within the organization who will be the key contact person for MQD. The resume for this individual shall be included with any other relevant resumes.

## **60.900 Data Processing Capabilities**

The processing (tracking and reporting) and maintenance of data is a crucial component of this contract. Therefore, this section shall explain the adequacy of an Offeror's system to collect, maintain, process, and report the required information by island

(East & West Hawaii for the island of Hawaii) and on a Statewide basis. This section shall also include explanations as to any modifications or expansions needed in order to meet the specified data requirements. The proposal shall also include the following information:

- a. Hardware to be used and availability on a statewide basis.
- b. Software to be used on a statewide basis.
- c. Explanation of how and what data and information will be collected, compiled, and transmitted by the Offeror between islands.
- d. A general listing of the data and information which will be maintained within the Offeror's information system for this RFP.
- e. Explain or provide systems staff the Offeror will require to establish and/or to maintain the computer system and produce the required reports specified in the RFP.



## **SECTION 70 BUSINESS PROPOSAL**

### **70.100 Business Proposal**

The Offeror shall provide a total cost for the scope of work specified in the RFP. The Offer submitted will be the Offeror's best and final offer. The business proposal shall include the schedules in Appendix G. The Proposal Application Identification (form SPO-H-200) shall be completed and submitted with the business proposal (Appendix G).

### **70.200 Annual Rate**

The Offeror shall submit an annual rate for the services set forth in this RFP. The rate shall be inclusive of all services and activities encompassed by this RFP.

Detail of the annual rate must be provided to the State. Detail shall include all cost data including, but not limited to salaries, fringe benefits, travel, office space, equipment, and all other cost items. All costs models will be kept confidential if requested by the Offeror.

The Offeror shall provide a cost proposal (Appendix G) and the Offer submitted will be your best and final offer.

## **SECTION 80 EVALUATION AND SELECTION**

### **80.100 Introduction**

The evaluation of proposals received in response to the RFP will be conducted comprehensively, fairly and impartially. Structural, quantitative scoring techniques will be utilized to maximize the objectivity of the evaluation.

### **80.200 Evaluation Committee**

The DHS shall establish an evaluation committee that shall evaluate designated sections of the proposal. The committee shall consist of members who are familiar with the programs and the minimum standards or criteria for the particular area. Additionally, the DHS may, at its discretion, designate additional representatives to assist in the evaluation process. The committee shall evaluate the proposal and document their comments, concerns and questions.

### **80.300 Mandatory Requirements**

Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met. The proposal shall first be evaluated against the following criteria:

- Proposal was submitted within the closing date and time for proposals as required in Section 21.200;
- The proper number of separately bound copies are in sealed envelopes as required in Section 21.200;
- All information required in Sections 60.100, 60.200, and 60.300 has been submitted;
- Ability for Offeror and their subcontractors, if applicable, to remain solvent for the length of the contract in accordance with information submitted for Section 60.400; and
- Proposal contains the necessary information in the proper order.

A proposal must meet all mandatory requirements prior to the technical evaluation.

### **80.400 Technical Proposal Evaluation and Scoring**

80.410 Step I- Technical Proposal

The proposals that have met the minimum mandatory requirements shall be evaluated in order to identify those Offerors that meet the minimum technical requirements detailed in this section.

| <b><u>Evaluation Categories</u></b> | <b>Available Points</b> |
|-------------------------------------|-------------------------|
| <b>Proposal Letter</b>              | Pass/Fail               |
| <b>Transmittal Letter</b>           | Pass/Fail               |
| <b>Financial Status</b>             | Pass/Fail               |
| <b>Proposal Application</b>         |                         |
| Executive Summary                   | 10 points               |
| Company Background and Experience   | 25 points               |
| Company Capabilities                | 20 points               |
| Organization and Staffing           | 15 points               |
| Data Processing Capabilities        | 10 points               |
| <b>Business Proposal</b>            | 20 points               |
| <b>TOTAL POSSIBLE POINTS</b>        | <b>100 points</b>       |

80.420 Step II – Business Proposal

The Offeror with the lowest cost proposal shall be awarded 20 points; the next lowest bidder shall be awarded 15 points; and the next lowest bidder shall be awarded 10 points. A detailed description of evaluation of the business proposal is located in Section 80.600.

**80.500 Evaluation Criteria**

Each evaluated category shall be given a rating score using the following rating system:

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

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

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

The Offeror must receive a rating score of 3 for each Evaluation Category or the proposal will not be considered technically acceptable and shall be rejected. Those proposals that do not meet the minimum points to pass each of the required criteria shall be returned to the Offeror with a letter of explanation.

The rating score (0-5) shall represent the corresponding conversion factor used to calculate the points awarded for each Evaluation Category listed in section 80.400, as follows:

| <u>Rating Score</u> | <u>Conversion Factor</u> |
|---------------------|--------------------------|
| 0                   | 0                        |
| 1                   | 25%                      |
| 2                   | 50%                      |
| 3                   | 75%                      |
| 4                   | 88%                      |
| 5                   | 100%                     |

The total maximum number of points available for each Evaluation Category will be multiplied by the applicable conversion factor, based on the rating score given, to determine the number of points awarded for the Evaluation Category. The points awarded for each Evaluation Category shall be totaled to yield a final score. The Offeror with the highest final score shall be awarded the contract.

Scoring will be based on the entire content of the proposal and the information as communicated to the evaluators. The information contained in any part of the proposal may be evaluated by the DHS with respect to any other scored section of the proposal. Lack of clarity and inconsistency in the proposal will impede effective communication of the content and may result in a lower score.

The broad criteria for each Evaluation Category are listed below and includes consideration of the specific elements identified in Section 60. MQD reserves the right to add, delete or modify any criteria in accordance with applicable procurement rules.

All proposals that meet a minimum score of 75% on the technical proposal evaluation shall be evaluated according to Section 80.600 for its business proposal.

80.510 Proposal Letter (Pass/Fail)

- Signed by an individual authorized to legally bind the Offeror and affixed with a corporate seal, if applicable;
- Include a Corporate Resolution or a certificate of authority to sign on behalf of the company; and
- Includes all statements as specified in Section 60.200.

If the proposal letter is incomplete, the proposal will be rejected and not be scored and will be returned to the Offeror since this is part of the mandatory requirements established in Section 80.300.

80.520 Transmittal Letter (Pass/Fail)

- On an official letterhead and signed by an individual authorized to legally bind the Offeror

- Includes all statements as specified in Section 60.300.

If the transmittal letter is incomplete, the proposal will be rejected and not be scored and will be returned to the Offeror since this is part of the mandatory requirements established in Section 80.300.

80.530 Financial Status (Pass/Fail)

- The financial status of an Offeror and related entities shall be reviewed in order to determine the financial solvency of the organization. Quality services cannot be provided without adequate resources; and
- Other factors identified in section 60.400.

If the Financial Status is incomplete or is determined that the Offeror does not have adequate resources, the proposal will be rejected and not be scored and will be returned to the Offeror since this is part of the mandatory requirements established in Section 80.300.

80.540 Executive Summary (10 points possible)

- Provides a broad understanding of the proposal
- Clearly and concisely condenses the proposal
- Highlights the contents of the proposal
- Identifies how the Offeror will implement the MQD Ombudsman program consistent with the RFP requirements if a contract is awarded to them.
- Includes all the required information described in Section 60.500.

80.550 Company Background and Experience (25 points possible)

- Answers all of the questions posed in Section 60.600 for both themselves and each subcontractor, if applicable
- Company background and experience including experience implementing a program of the nature required by this contract
- Each subcontractor's background and experience

- Extent to which the scope of services under this RFP can be completed by the Offeror
- Quality with which scope of services under this RFP can be completed by the Offeror
- Offeror's ability to meet the contract requirements
- Other factors identified in Section 60.600 for both themselves and each Subcontractor

80.560 Company Capabilities (20 points possible)

- Ability to resolve Medicaid beneficiaries complaints/grievances
- Ability to use effective quality measures to track interaction with Medicaid beneficiaries
- Quality with which scope of services provided are measured
- Other factors identified in Section 60.700

80.570 Organization and Staffing (15 points possible)

- Basis of relevant experience
- Past and current management experience for similar services of like projects in scope
- Ability to understand MQD programs
- Ability to assist Medicaid beneficiaries in resolution of issues/concerns with their MQD program
- Relevant program experience and success in performing projects of similar scope to that described herein
- Competence of proposed key professionals and other employees
- Qualifications of personnel including education, experience with Medicaid populations, length of time with the organization, and Hawaii Medicaid experience. (Resumes of all key personnel must be provided.)
- Capability of organizational and administrative systems in Hawaii to implement contractual obligations for this RFP
- Sufficient staff and resources identified and allocated to fulfill the requirements of the contract.
- Other factors identified in Section 60.800

80.580 Data Processing Capabilities (10 points possible)

- Ability of Offeror to process and maintain data
- Detailed description of hardware and software the Offeror will use on a Statewide basis
- Description of how information is collected, compiled, and transferred by the Offeror between islands
- Description of systems staff the Offeror has to establish and maintain the systems for management of the Ombudsman program
- Other factors identified in Section 60.900

**80.600 Step II-Business Proposal**

Each proposal will be examined to ensure that all required pricing schedules have been included by the Offeror. Proposals will be evaluated to ensure that reasonable firm fixed prices have been assigned. The points shall be given by the chart below:

|                 | Lowest Proposal | 2 <sup>nd</sup> Lowest Proposal | 3 <sup>rd</sup> Lowest Proposal | 4 <sup>th</sup> Lowest or More |
|-----------------|-----------------|---------------------------------|---------------------------------|--------------------------------|
| Two Offeror's   | 20              | 15                              |                                 |                                |
| Three Offeror's | 20              | 15                              | 10                              |                                |
| Four Offeror's  | 20              | 15                              | 10                              | 0                              |

**80.700 Step III - Contract Award**

The technical and business proposal scores will be combined to determine the winning proposal. DHS shall award a single contract to the Offeror that submitted the proposal ranked most advantageous under the evaluation process.

Upon receipt and acceptance of the winning bid, DHS shall initiate the contracting process. This RFP and the Offeror's technical proposal shall become part of the contract.

The Offeror shall be notified in writing that DHS intends to contract with the Offeror. This letter shall serve as notification that the Offeror should begin to develop its program, materials, policies and procedures.



A statement of findings and decision shall be provided to each responsive and responsible Offeror by mail upon completion of the evaluation of competitive purchase of services proposals.

The contracts shall be awarded on or about the Contract Award date identified in Section 20.100. If an awarded Offeror requests to withdraw its proposal, it must be requested in writing to the MQD before the close of business (4:30 p.m. H.S.T.) on the Contract Award date identified in Section 20.100. After that date, the State expects to enter into a contract with the applicant.