



STATE OF HAWAII

Department of Human Services

REQUEST FOR PROPOSALS (RFP)

Appendices

QUEST Integration (QI)

Managed Care to Cover Medicaid

and Other Eligible Individuals

RFP-MQD-2021-008

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APPENDIX A – WRITTEN QUESTIONS FORMAT

Appendix A

**Written Questions
Format for RFP-MQD-2021-008**

Applicant Name	Date Submitted	Question #	RFP Section #	RFP Page #	Paragraph #	Question

**Written Questions on Amendments
Format for RFP-MQD-2021-008**

Applicant Name	Date Submitted	Question #	Amendment #	# (first column of list of amendments)	Question

Written Questions on Clarifications
Format for RFP-MQD-2019-002 MQD-2021-008

Applicant Name	Date Submitted	Q & A #	Q & Posting Date #	Question

QUEST Integration RFP Notice of Intent to Propose

RFP Number and Title: RFP-MQD-2021-008
Health Plan Name: _____
Name and Title of the Authorized Individual: _____

Signature and Date: _____

List up to five (5) Health Plan contact person(s) who can upload, revise or edit the Mandatory and Technical proposals in the DHS proposal designated electronic submission site. DHS will provide the submission site address to these five (5) staff no later than ten (10) calendar days before the proposal due date as described in Section 1.5.

	First Name, Last Name	Title	E-mail Address	Contact Phone Number
1				
2				
3				
4				
5				

Appendix C – Proposal Forms (14 documents)

- (01) Proposal Application Identification Form (SPO-H 200)**
- (02) State of Hawaii DHS Proposal Letter**
- (03) Certification for Contracts, Grants, Loans and Cooperative Agreements Form**
- (04) Disclosure Statement (CMS Required)**
- (05) Disclosure Statement (Related Party Transactions and Attestation)**
- (06) Disclosure Statement (Ownership)**
- (07) Financial Reporting Guide Forms (Organization Structure and Financial Planning)**
- (08) Controlling Interest Form**
- (09) Background Check Information**
- (10) Operational Certification Submission Form**
- (11) Grievance System Form**
- (12) Insurance Requirements Certification Form**
- (13) Wage Certification Form**
- (14) Provider's Standards of Conduct Declaration**

STATE OF HAWAII
STATE PROCUREMENT OFFICE
PROPOSAL APPLICATION IDENTIFICATION FORM

STATE AGENCY ISSUING RFP: _____

RFP NUMBER: _____

RFP TITLE: _____

Check one:

Initial Proposal Application

Final Revised Proposal (Completed Items _____ - _____ only)

1. APPLICANT INFORMATION

Legal Name:

Doing Business As:

Street Address:

Mailing Address:

Contact person for matters involving this application:
Name:

Title:

Phone Number:

Fax Number:

e-mail:

2. BUSINESS INFORMATION

Type of Business Entity (*check one*):

Non-Profit Corporation

Limited Liability Company

Sole Proprietorship

For-Profit Corporation

Partnership

If applicable, state of incorporation and date incorporated:

State: _____ Date: _____

3. PROPOSAL INFORMATION

Geographic area(s):

Target group(s):

4. FUNDING REQUEST

FY _____

FY _____

FY _____

FY _____

FY _____

FY _____

Grand Total _____

I certify that the information provided above is to the best of my knowledge true and correct.

Authorized Representative Signature

Date Signed

Name and Title

STATE OF HAWAII
Department of Human Services
PROPOSAL LETTER

We propose to furnish and deliver any and all of the deliverables and services named in the attached Request for Proposal for medical services. The administrative rates offered herein shall apply for the period of time stated in said RFP.

It is understood that this proposal constitutes an offer and when signed by the authorized State of Hawaii official will, with the RFP and any amendments thereto, constitute a valid and legal contract between the undersigned applicant and the State of Hawaii.

It is understood and agreed that we have read the State's specifications described in the RFP and that this proposal is made in accordance with the provisions of such specifications. By signing this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all such State specifications.

We agree, if awarded the contract, to deliver goods or services which meet or exceed the specifications.

Authorized Applicant's Signature/Corporate Seal

Date

**CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND
COOPERATIVE AGREEMENTS**

1. The undersigned certifies, to the best of his or her knowledge and belief, that no Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence on officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of Federal grant, the making of any Federal loan, the entering into of any cooperative Federal contract, grant, loan or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit "Disclosure Form to Report Lobbying" in accordance with its instructions.

3. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for such failure.

Applicant: _____
Signature: _____
Title: _____
Date: _____

DISCLOSURE STATEMENT (CMS REQUIRED)

DHS may refuse to enter into a contract and may suspend or terminate an existing contract, if the applicant fails to disclose ownership or controlling information and related party transaction as required by this policy.

a) Disclosures in accordance with 42 CFR 455 Subpart B
§ 455.104

Disclosure by Medicaid providers and fiscal agents: Information on ownership and control.

(a) Who must provide disclosures. The Medicaid agency must obtain disclosures from disclosing entities, fiscal agents, and managed care entities.

(b) What disclosures must be provided. The Medicaid agency must require that disclosing entities, fiscal agents, and managed care entities provide the following disclosures:

(1) (i) The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.

(ii) Date of birth and Social Security Number (in the case of an individual).

(iii) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest.

(2) Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.

(3) The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.

(4) The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity).

(c) When the disclosures must be provided.

(1) Disclosures from providers or disclosing entities. Disclosure from any provider or disclosing entity is due at any of the following times:

(i) Upon the provider or disclosing entity submitting the provider application.

(ii) Upon the provider or disclosing entity executing the provider agreement.

(iii) Upon request of the Medicaid agency during the re-validation of enrollment process under § [455.414](#).

(iv) Within 35 days after any change in ownership of the disclosing entity.

(2) Disclosures from fiscal agents. Disclosures from fiscal agents are due at any of the following times:

(i) Upon the fiscal agent submitting the proposal in accordance with the State's procurement process.

(ii) Upon the fiscal agent executing the contract with the State.

(iii) Upon renewal or extension of the contract.

(iv) Within 35 days after any change in ownership of the fiscal agent.

(3) Disclosures from managed care entities. Disclosures from managed care entities (MCOs, PIHPs, PAHPs, and HIOs), except PCCMs are due at any of the following times:

(i) Upon the managed care entity submitting the proposal in accordance with the State's procurement process.

(ii) Upon the managed care entity executing the contract with the State.

(iii) Upon renewal or extension of the contract.

(iv) Within 35 days after any change in ownership of the managed care entity.

(d) To whom must the disclosures be provided. All disclosures must be provided to the Medicaid agency.

(e) Consequences for failure to provide required disclosures. Federal financial participation (FFP) is not available in payments made to a disclosing entity that fails to disclose ownership or control information as required by this section.

§ 455.105

Disclosure by providers: Information related to business transactions.

(a) Provider agreements. A Medicaid agency must enter into an agreement with each provider under which the provider agrees to furnish to it or to the Secretary on request, information related to business transactions in accordance with paragraph (b) of this section.

(b) Information that must be submitted. A provider must submit, within 35 days of the date on a request by the Secretary or the Medicaid agency, full and complete information about—

(1) The ownership of any subcontractor with whom the provider has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and

(2) Any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the 5-year period ending on the date of the request.

(c) Denial of Federal financial participation (FFP). **(1)** FFP is not available in expenditures for services furnished by providers who fail to comply with a request made by the Secretary or the Medicaid agency under paragraph (b) of this section or under § [420.205](#) of this chapter (Medicare requirements for disclosure).

(2) FFP will be denied in expenditures for services furnished during the period beginning on the day following the date the information was due to the Secretary or the Medicaid agency and ending on the day before the date on which the information was supplied.

§ 455.106

Disclosure by providers: Information on persons convicted of crimes.

(a) Information that must be disclosed. Before the Medicaid agency enters into or renews a provider agreement, or at any time upon written request by the Medicaid agency, the provider must disclose to the Medicaid agency the identity of any person who:

(1) Has ownership or control interest in the provider, or is an agent or managing employee of the provider; and

(2) Has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the title XX services program since the inception of those programs.

(b) Notification to Inspector General. **(1)** The Medicaid agency must notify the Inspector General of the Department of any disclosures made under paragraph (a) of this section within 20 working days from the date it receives the information.

(2) The agency must also promptly notify the Inspector General of the Department of any action it takes on the provider's application for participation in the program.

(c) Denial or termination of provider participation. **(1)** The Medicaid agency may refuse to enter into or renew an agreement with a provider if any person who has an ownership or control interest in the provider, or who is an agent or managing employee of the provider, has been convicted of a criminal offense related to that person's involvement in any program established under Medicare, Medicaid or the title XX Services Program.

(2) The Medicaid agency may refuse to enter into or may terminate a provider agreement if it determines that the provider did not fully and accurately make any disclosure required under paragraph (a) of this section.

b) Additional information which must be disclosed to DHS is as follows:

- 1) Names and addresses of the Board of Directors of the disclosing entity.
- 2) Name, title and amount of compensation paid annually (including bonuses and stock participation) to the ten (10) highest management personnel.
- 3) Names and addresses of creditors whose loans or mortgages are secured by a five (5) percent or more interest in the assets of the disclosing entity.

c) Additional Related Party Transactions which must be disclosed to DHS is as follows:

- 1) Describe transactions between the disclosing entity and any related party in which a transaction or series of transactions during any one (1) fiscal year exceeds the lesser of \$10,000 or two (2) percent of the total operating expenses of the disclosing entity. List property, goods, services, and facilities involved in detail. Note the dollar amounts or other consideration for each item and the date of the transaction(s). Also include justification of the transaction(s) as to the reasonableness, potential adverse impact on the fiscal soundness of the disclosing entity, and the nature and extent of any conflict of interest. This requirement includes, but is not limited to, the sale or exchange, or leasing of any property; and the furnishing for consideration of goods, services or facilities.
- 2) Describe all transactions between the disclosing entity and any related party which includes the lending of money, extensions of credit or any investments in a related party. This type of transaction requires advance administrative review by the Director before being made.
- 3) As used in this section, "related party" means one that has the power to control or significantly influence the applicant, or one that is controlled or significantly influenced by the applicant. "Related parties" include, but are not limited to agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any of such entities or persons.

§ 455.101

Definitions.

Agent means any person who has been delegated the authority to obligate or act on behalf of a provider.

Disclosing entity means a Medicaid provider (other than an individual practitioner or group of practitioners), or a fiscal agent.

Other disclosing entity means any other Medicaid disclosing entity and any entity that does not participate in Medicaid, but is required to disclose certain ownership and control information because of participation in any of the programs established under title V, XVIII, or XX of the Act. This includes:

(a) Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility, rural health clinic, or health maintenance organization that participates in Medicare (title XVIII);

(b) Any Medicare intermediary or carrier; and

(c) Any entity (other than an individual practitioner or group of practitioners) that furnishes, or arranges for the furnishing of, health-related services for which it claims payment under any plan or program established under title V or title XX of the Act.

Fiscal agent means a contractor that processes or pays vendor claims on behalf of the Medicaid agency.

Group of practitioners means two or more health care practitioners who practice their profession at a common location (whether or not they share common facilities, common supporting staff, or common equipment).

Health insuring organization (HIO) has the meaning specified in § [438.2](#).

Indirect ownership interest means an ownership interest in an entity that has an ownership interest in the disclosing entity. This term includes an ownership interest in any entity that has an indirect ownership interest in the disclosing entity.

Managed care entity (MCE) means managed care organizations (MCOs), PIHPs, PAHPs, PCCMs, and HIOs.

Managing employee means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization, or agency.

Ownership interest means the possession of equity in the capital, the stock, or the profits of the disclosing entity.

Person with an ownership or control interest means a person or corporation that—

(a) Has an ownership interest totaling 5 percent or more in a disclosing entity;

(b) Has an indirect ownership interest equal to 5 percent or more in a disclosing entity;

(c) Has a combination of direct and indirect ownership interests equal to 5 percent or more in a disclosing entity;

(d) Owns an interest of 5 percent or more in any mortgage, deed of trust, note, or other obligation secured by the disclosing entity if that interest equals at least 5 percent of the value of the property or assets of the disclosing entity;

(e) Is an officer or director of a disclosing entity that is organized as a corporation; or

(f) Is a partner in a disclosing entity that is organized as a partnership.

Significant business transaction means any business transaction or series of transactions that, during any one fiscal year, exceed the lesser of \$25,000 and 5 percent of a provider's total operating expenses.

Subcontractor means—

(a) An individual, agency, or organization to which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its patients; or

(b) An individual, agency, or organization with which a fiscal agent has entered into a contract, agreement, purchase order, or lease (or leases of real property) to obtain space, supplies, equipment, or services provided under the Medicaid agreement.

Supplier means an individual, agency, or organization from which a provider purchases goods and services used in carrying out its responsibilities under Medicaid (e.g., a commercial laundry, a manufacturer of hospital beds, or a pharmaceutical firm).

Termination means—

(1) For a—

(i) Medicaid or CHIP provider, a State Medicaid program or CHIP has taken an action to revoke the provider's billing privileges, and the provider has exhausted all applicable appeal rights or the timeline for appeal has expired; and

(ii) Medicare provider, supplier or eligible professional, the Medicare program has revoked the provider or supplier's billing privileges, and the provider has exhausted all applicable appeal rights or the timeline for appeal has expired.

(2) (i) In all three programs, there is no expectation on the part of the provider or supplier or the State or Medicare program that the revocation is temporary.

(ii) The provider, supplier, or eligible professional will be required to reenroll with the applicable program if they wish billing privileges to be reinstated.

(3) The requirement for termination applies in cases where providers, suppliers, or eligible professionals were terminated or had their billing privileges revoked for cause which may include, but is not limited to—

(i) Fraud;

(ii) Integrity; or

(iii) Quality.

Wholly owned supplier means a supplier whose total ownership interest is held by a provider or by a person, persons, or other entity with an ownership or control interest in a provider.

DISCLOSURE STATEMENT

Instructions

DHS is concerned with monitoring the existence of related party transactions in order to determine if any significant conflicts of interest exist in the offeror's ability to meet Behavioral Health objectives. Related party transactions include transactions which are conducted in an arm's length manner or are not reflected *in* the accounting records at all (e.g., the provision of services without charge).

Transactions with related parties maybe in the normal course of business or they may represent something unusual for the offeror. In the normal course of business, there may be numerous routine and recurring transactions with parties that meet the definition of a related party. Although each party may be appropriately pursuing its respective best interests, this is usually not objectively determinable. In addition to transactions in the normal course of business, there may be transactions which are neither routine nor recurring and may be unusual in nature or in financial statement impact.

1) Describe transactions between the offeror and any related party in which a transaction or series of transactions during any one (1) fiscal year exceeds the lesser of \$10,000 or two (2) percent of the total operating expenses of the disclosing entity. List property, goods, services and facilities in detail noting the dollar amounts or other consideration for each and the date of the transaction(s) including a justification as to the reasonableness of the transaction(s) and its potential adverse impact on the fiscal soundness of the disclosing entity.

a) The sale or exchange, or leasing of any property:

Description of Transaction(s)	Name of Related Party and Relationship	Dollar Amount for Reporting Period
Justification		

2. Describe all transactions between the disclosing entity *and* any related party which includes the lending of money, extensions of credit or any investments in a related party. This type of transaction requires advance administrative review by the Director before being made.

Description of Transaction(s)	Name of Related Party and Relationship	Dollar Amount for Reporting Period

Justification

DISCLOSURE STATEMENT

BHO NAME/NO. _____

DISCLOSURE STATEMENT FOR THE YEAR ENDED _____

I hereby attest that the information contained in the Disclosure Statement is current, complete and accurate to the best of my knowledge. I also attest that these reported transactions are reasonable, will not impact on the fiscal soundness of the BHO, and are without conflict of interest. I understand that whoever knowingly and willfully makes or causes to be made a false statement or representation on the statement may be prosecuted under applicable state laws. In addition, knowingly and willfully failing to fully and accurately disclose the information requested may result in denial of a request to participate in Behavioral Health Services.

_____	_____
Date Signed	Chief Executive Officer (Name and Title Typewritten)
_____	_____
Notarized	Signature

DISCLOSURE STATEMENT OWNERSHIP

Provider Name, Provider No.: _____
Address (City, State, Zip): _____
Telephone: _____

For the period beginning: _____ and ending _____ Type

of Provider:

- Staff — A Provider that delivers services through a group practice established to provide health services to Provider members; doctors are salaried,
- Group — A Provider that contracts with a group practice to provide health services; the group is usually compensated on a capitation basis.
- IPA — A Provider that contracts with an association of doctors from various settings (some solo practitioners, some groups) to provide health services.
- Network — A Provider that contracts with two or more group practices to provide health services.

Type of Entity:

- Sole Proprietorship
- Partnership
- Corporation
- Governmental

- For-Profit
- Not-For-Profit
- Other (specify) _____

Appendix C (06) - Disclosure Statement (Ownership)

455.104 Information on Ownership and Control

a. List the names and addresses of any individuals or organizations with an ownership or controlling interest in the disclosing entity. "Ownership or control interest" means, with respect to the entity, an individual or organization who (A)(i) has a direct or indirect ownership interest of 5 per centum or more in the entity, or in the case of nonprofit corporation, is a member; or (ii) is the owner of a whole or part interest in *any* mortgage, deed or trust, note, or other obligation secured (in whole or in part) *by* the entity or any of the property or assets thereof, which whole or part interest is equal to or exceeds 5 per centum of the total property and assets of the entity; or (B) has the ability to appoint or is otherwise represented by an officer or director of the entity, if the entity is organized as a corporation; or (C) is a partner in the entity, if the entity is organized as a partnership.

Name	Address	Percent of Ownership Control

b. List the names and addresses of any individuals or organizations with an ownership or controlling interest in any subcontractor in which the disclosing entity has direct or indirect ownership of five (5) percent or more.

Name	Address	Percent of Ownership Control

c. Names of persons named in (a) and (b) above who are related to another as spouse, parent, child, or sibling of those individuals or organizations with an ownership or controlling interest.

Name	Address	Percent of Ownership Control

Appendix C (06) - Disclosure Statement (Ownership)

d. List the names of any other disclosing entity in which a person with an ownership or controlling interest in the disclosing entity also has an ownership or controlling interest.

Name	Address	Percent of Ownership Control

455.105 Information Related to Business Transactions

e. List the ownership of any subcontractor with whom the offerer has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request.

Describe Ownership of Subcontractors	Type of Business Transaction with Provider	Dollar Amount of Transaction

f. List any significant business transactions between the offeror and any wholly owned supplier or between the offerer and any subcontractor during the five-year period ending on the date of the request.

Describe Ownership of Subcontractors	Type of Business Transaction with Provider	Dollar Amount of Transaction

455.106 Information on Persons Convicted of Crime

g. List the names of any person who has ownership or controlling interest in the offeror, or is an agent or managing employee of the offeror and has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid or the Title XX services program since the inception of those programs.

Name	Address	Title

2. Additional information which must be disclosed to DHS as follows: a. List the names and addresses of the Board of Director of the Health Plan.

Name/Title	Address

Financial Reporting Guide Forms Organization Structure and Financial Planning Form

- 1) If other than a government agency:
- a. When was your organization formed?

 - b. If your organization is a corporation, attach a list of the names and addresses of the Board of Directors.

2) License/Certification

- a. Indicate all licenses and certifications (i.e., Federal HMO status or State certifications) your organization maintains. Use a separate sheet of paper using the following format:

<u>Service Component</u>	<u>License/Requirement</u>	<u>Renewal Date</u>
--------------------------	----------------------------	---------------------

- b. Have any licenses been denied, revoked, or suspended?

Yes _____ No _____ If yes, please explain:

3) Civil Rights Compliance Data

Has any Federal or State agency ever made a finding of noncompliance with any relevant civil rights requirements with respect to your program?

Yes _____ No _____ If yes, please explain:

4) Handicapped Assurance

Does your organization provide assurance that no qualified handicapped person will be denied benefits of or excluded from participation in a program or activity because the offeror's facilities (including subcontractors) are inaccessible to or unusable by handicapped persons? (note: check with local zoning ordinances for handicapped requirements)

Yes _____ If yes, briefly describe how such assurances are provided.
If no, briefly describe how your organization is taking affirmative steps to provide assurance.

No _____

5) Prior Convictions

List all felony convictions of any key personnel (i.e., Chief Executive Officer, BHO Manager, Financial Officers, major stockholders or those with controlling interest, etc.). Failure to make full and complete disclosure shall result in the rejection of your proposal as unresponsive.

6) Federal Government Suspension/Exclusion

Has offeror been suspended or excluded from any federal government programs for any reason?

Yes _____

No _____ If yes, please explain:

Financial Planning Form

1) Is the offerors accounting system based on a cash, accrual, or modified method?

- a. Cash []
- b. Accrual []
- c. Modified [] Give brief explanation

2) Does the offeror prepare an annual financial statement?

Yes _____ No _____ If yes, please explain:

3) Are interim financial statements prepared? Yes _____ No _____

a. If yes, how often are they prepared? _____

b. If yes, are footnotes and supplementary schedules an integral part of the statements?
Yes _____ No _____

c. If yes, are actuals analyzed and compared to budgeted amounts?
Yes _____ No _____

d. If yes, provide a copy of the latest statements including all necessary data to support your answers in (a) through (c) above.

4) Is the offeror audited by an independent accounting firm/accountant?

Yes _____ No _____

a. If yes, how often are audits conducted? _____

b. By whom are they conducted? _____

c. Did this auditor perform that offeror's last audit?

Yes _____ No _____

If no, provide the name, address, and telephone number of the firm that performed the offeror's last audit.

d. Are management letters on internal controls issued by the accounting firm?

Yes _____ No _____

If yes, attach a copy of the management letter from the latest audit. This must be on the auditor's letterhead and the offeror, by its submission, certifies the letter is unaltered.

If no, the offeror shall provide a comprehensive description of internal control systems. The offeror is responsible for instituting adequate procedures against irregularities and improprieties and enforcing adherence to generally accepted accounting principles.

e. Do you have any uncorrected audit exceptions?

Yes _____ No _____

If yes, provide a copy of the auditor's management letter (see 4(d) of this form for instructions regarding submittal).

5) Does the offeror have an accounting manual?

Yes _____ No _____

If no, the offeror must explain, if it has proper accounting policies and procedures, and how it provides for the dissemination of such accounting policies and procedures within its organization and what controls exist to ensure the integrity of its financial information. The offeror agrees to furnish copies of such written accounting policies and procedures for inspection upon request from the DHS.

6) Does the offeror have a formal basis to allocate indirect costs reflected in your financial statement?

Yes _____ No _____

Explain principal allocation techniques used or to be used. Note the allocation base used for each type of cost allocated.

7) What types of liability insurance does the offeror have?

a. With what company(s)? _____

b. What is the amount of coverage for each type of insurance? _____

8) Provide a complete analysis of revenues and expenses by business segment (lines of business) and by geographic area (by county) for the offeror or its owner(s).

9) Are there any suits, judgements, tax deficiencies, or claims pending against the offeror?

Yes _____ No _____

Briefly describe each item and indicate probable amount.

10) Has the offeror or its owner(s) ever gone through bankruptcy?

Yes _____ No _____

If yes, when? _____

11) Do(es) the offeror's owner(s) intend to provide all necessary funds to make full and timely payments for liabilities (reported or not recognized)?

Yes _____ No _____

If yes, describe the dollar amount(s) and source(s) of all funding.

If no, briefly describe how your organization is taking affirmative steps to provide funding.

12) Does the offeror have a performance bonding mechanism in accordance with DHS rules?

Yes _____ No _____

If yes, provide the following information:

Amount of Bond	\$ _____
Term of Bond	_____
Bonding Company	_____
Restrictions on Bond	_____

If no, describe how the offeror intends to provide a bond and/or security to meet established DHS rules.

13) Does the offeror have a financial management system to account for incurred, but not reported liabilities?

Yes _____ No _____

If no, the offeror must describe in detail (and attach this description to this form) how it intends to manage, monitor and control IBNR's, The offeror, regardless of response (either yes or no) must complete items "a" through "h" below.

- a. Is your system capable of accurately forecasting all significant claims prior to receipt of all billing? Yes _____ No _____
- b. How often are IBNRs projected? _____
- c. Identify all major data sources most often used.
- d. Are data from open referrals and prior notifications used?
Yes _____ No _____ If so, how?
- e. Are detailed written procedures maintained? Yes _____
No _____
- f. Are IBNR amounts compared with actuals and adjusted when necessary?
Yes _____ No _____
- g. Is the basis of periodic IBNR estimates well documented?
Yes _____ No _____
- h. The offeror must provide a copy of their IBNR procedures and a summary of their IBNR practices. If these procedures do not adequately support any response to this item the offeror is cautioned to provide additional data.

Please identify the developer and name of any computerized IBNR system utilized. Indicate if it is administered by internal or external staff. If administered by external staff, state by whom, define how the offeror will control this function. Specify what other IBNR estimation methods will be used to test the accuracy of IBNR estimates, along with the primary system previously identified. (For the purposes of this item "administered" refers to either performing computer related operations or to providing direct supervision of staff operating a system).

14) Does the offeror have a full-time (100%) controller or chief financial officer?

Yes _____ No _____ If yes, enter name: _____

15) Are the following items reported on the offeror's financial statements?

a. Medicare reimbursement Yes _____ No _____

b. Other third-party recoveries Yes _____ No _____

If no, explain why.

Controlling Interest Form

The Offeror must provide the name and address of any individual which owns or controls more than ten percent (10%) of stock or that has a controlling interest (i.e., ability to formulate, determine or veto business policy decisions, etc.). Failure to make full disclosure may result in rejection of the Offeror's proposal as unresponsive.

Name	Address	Owner or Controller	Has Controlling Interest?	
			Yes	No

Background Check Information

The Offeror must provide fingerprint criminal background check results for all the key personnel (i.e. Chief Executive Officer, Medical Director, Financial Officer, Consultants, Accountants, Attorneys, etc.) to DHS.

Operational Certification Submission Form

The Offeror must complete the attached certification as documentation that it shall maintain Member Handbook, appointment procedures, referral procedures and other operating requirements in accordance with either DHS rules or policies and procedures.

By signing below, the Offeror certifies that it shall at all times during the term of this contract provide and maintain Member Handbook, appointment procedures, referral procedures, quality assurance program, utilization management program and other operating requirements in accordance with either DHS rule(s) or policies and procedures. The Offeror warrants that in the event DHS discovers, through an operational review, that the Offeror has failed to maintain these operating procedures, the Offeror will be subject to a non-refundable, non-waivable sanction in accordance with DHS Rules.

Signature

Date

**Grievance and Appeal
System Form**

The Health Plan must complete the form below and submit with this proposal.

I hereby certify that _____
Health Plan Name

shall have in place on the commencement date of this contract a system for reviewing and adjudicating grievances and appeals by members and providers arising from this contract in accordance with DHS Rules and as set forth in the Request for Proposal.

I understand such a system must provide for prompt resolution of grievances and appeals, and assure the participation of individuals with authority to require corrective action.

I further understand the Health Plan must have a grievance and appeal policy for members and providers which defines their rights regarding any adverse action by the Health Plan. The grievance and appeal policy shall be in writing and shall meet the minimum standards set forth in this Request for Proposal.

I further understand evaluation of the grievance and appeal procedures shall be conducted through documentation submission, monitoring, reporting, and on-site audit, if necessary, by DHS and deficiencies are subject to sanction in accordance with DHS rules.

Authorized Signature

Date

Printed Name

Title

C (11) - 1

INSURANCE REQUIREMENTS CERTIFICATION

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

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

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

(Check and complete one)

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

If Offeror is awarded a contract, then Offeror certifies that the foregoing deficiencies will be corrected within five (5) business days after contract award.

Name of Offeror

Authorized Representative Signature

Date

Print Name and Title

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

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

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

- | | | |
|------------|--|---|
| NO. | CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS | ✓ |
| (1) | THE DATE THE COLI ISSUED SHOULD NOT BE MORE THAN 15 DAYS FROM THE DATE OF ITS REQUEST. THE COLI SHOULD NOT BE ISSUED OVER 30 DAYS FROM THE DATE OF SUBMISSION. | |
| (2) | THE NAME OF THE "INSURED" MUST MATCH THE NAME OF THE CONTRACTOR/PROVIDER. | |
| (3) | THE INSURER MUST BE LICENSED TO DO BUSINESS IN THE STATE OF HAWAII OR MEET THE REQUIREMENTS OF SECTION 431:8-301, HAWAII REVISED STATUTES. | |
| (4) | THE "COMMERCIAL GENERAL LIABILITY" COVERAGE SHOULD INDICATE COVERAGE ON A "PER OCCURRENCE" BASIS. | |
| (5) | A "POLICY NUMBER" OR BINDER NUMBER SHOULD BE INDICATED. | |
| (6) | THE "EFFECTIVE DATE" SHOULD BE NO LATER THAN THE CONTRACT DATE OR THE FIRST DATE THAT THE CONTRACTOR COMMENCES WORK FOR THE STATE. | |
| (7) | THE "EXPIRATION DATE" SHOULD BE AFTER THE EFFECTIVE DATE OF THE AGREEMENT OR SUPPLEMENTAL AGREEMENT, AS APPLICABLE, AND BE MONITORED TO ENSURE THAT RENEWAL COLI ARE RECEIVED ON A TIMELY BASIS. | |
| (8) | THE LIMITS OF LIABILITY FOR THE FOLLOWING TYPES OF COVERAGE SHOULD BE FOR AT LEAST AS MUCH AS REQUIRED BY THE CONTRACT, NORMALLY IN THE FOLLOWING AMOUNTS (CHECK CONTRACT LANGUAGE FOR SPECIFICS): | |
| | A. COMMERCIAL GENERAL LIABILITY | |
| | \$1 MILLION PER OCCURRENCE, AND | |
| | \$2 MILLION IN THE AGGREGATE | |
| | B. AUTOMOBILE – MAY BE COMBINED SINGLE LIMIT: | |
| | BODILY INJURY: \$1 MILLION PER PERSON, \$1 MILLION PER ACCIDENT | |
| | PROPERTY DAMAGE: \$1 MILLION PER ACCIDENT | |
| | C. WORKERS COMPENSATION/EMPLOYERS LIABILITY (E.L.) | |
| | E.L. EACH ACCIDENT: \$1 MILLION | |
| | E.L. DISEASE: \$1 MILLION PER EMPLOYEE, \$1 MILLION POLICY LIMIT | |
| | E.L. \$1 MILLION AGGREGATE | |

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

- NO. CERTIFICATE OF INSURANCE LIABILITY REQUIRED ELEMENTS ✓**
- D. PROFESSIONAL LIABILITY**
\$1 MILLION PER CLAIM, AND
\$2 MILLION ANNUAL AGGREGATE
- (9) "ANY AUTO" COVERAGE IS REQUIRED, OR IF NOT MARKED, "HIRED AUTOS" AND "NON-OWNED AUTOS" SHOULD BE INDICATED. IF THERE ARE NO CORPORATE-OWNED AUTOS, THEN THE "HIRED & NON-OWNED AUTO" MAY BE ENDORSED TO THE COMMERCIAL GENERAL LIABILITY TO SATISFY THIS REQUIREMENT.
- (10) IF THE LIMITS OF LIABILITY SHOWN FOR GENERAL LIABILITY OR AUTOMOBILE LIABILITY ARE LESS THAN REQUIRED BY CONTRACT, THEN UMBRELLA LIABILITY WITH COMBINED LIMIT MAY SATISFY THE MINIMUM REQUIREMENT AND THE STATE LISTED AS "ADDITIONAL INSURED" ON THE UMBRELLA POLICY OR THE UMBRELLA POLICY IS NOTED AS "FOLLOW FORM" ON THE CERTIFICATE.
- (11) NOTE: THE STATE REQUIRES HIGHER LIMITS OF \$1 MILLION, AS COMPARED TO THE BASIC LIMITS REQUIRED BY STATE LAW REGARDING WORKERS COMPENSATION COVERAGE.
- (12) THE REQUIRED "PROFESSIONAL LIABILITY" COVERAGE SHOULD BE INDICATED IN THIS SECTION.
- (13) THE "ADDL INSR" BOX SHOULD BE CHECKED TO INDICATE THAT THE STATE IS AN ADDITIONAL INSURED UNDER THE POLICY(IES), OR NOTED IN THE DESCRIPTION OF OPERATION BOX AT THE BOTTOM OF THE FORM.
- (14) THE "CERTIFICATE HOLDER" SHOULD BE THE NAME AND ADDRESS OF THE DEPARTMENT OF HUMAN SERVICES/MED-QUEST DIVISION, 1001 KAMOKILA BOULEVARD, SUITE 317, KAPOLEI, HAWAII 96707
- (15) THE COLI SHOULD BE SIGNED BY THE INSURANCE AGENT OR AN INSURANCE COMPANY REPRESENTATIVE.
- DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES BOX: THIS SECTION SHOULD CONTAIN THE FOLLOWING LANGUAGE:
- THE STATE OF HAWAII IS AN ADDITIONAL INSURED WITH RESPECT TO OPERATIONS PERFORMED FOR THE STATE OF HAWAII.
 ANY INSURANCE MAINTAINED BY THE STATE OF HAWAII SHALL APPLY IN EXCESS OF, AND NOT CONTRIBUTE WITH, INSURANCE PROVIDED BY THIS POLICY.

Wage Certification

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

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

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

Offeror: _____
Signature: _____
Title: _____
Date: _____

CONTRACT NO. _____

**PROVIDER'S
STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

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

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

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

On behalf of:

(Name of) PROVIDER

PROVIDER, the undersigned does declare as follows:

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

PROVIDER understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawai'i Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the

• Reminder to agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract may not be awarded unless the agency posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

AG Form 103F9 (10/08)

Standards of Conduct Declaration

CONTRACT NO. _____

declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

PROVIDER _____

By _____
(Signature)

Print Name _____

Print Title _____

Date _____

AG Fonn 103F9 (10/08)

STAFFING CHANGE NOTIFICATION FORM

Use this form (Notification Form) to notify Med-QUEST Division (MQD) of staffing changes, for which written notification to MQD is a requirement under the Request for Proposal (RFP). The submission to MQD of this Notification Form, will serve as written notification to MQD. Complete a Notification Form for each position affected for which written notification is required. (See sample Notification Form provided.) If this Notification Form is not adequate to describe, or is not applicable to, the staffing change to be reported, please notify MQD using written correspondence that explains the staffing change in detail.

1. Date Notification Form is submitted to MQD:

2. Date Health Plan has knowledge of the subject staffing change:

(For example: the date of the employee's resignation letter; the date of the decision to terminate an employee; the date an applicant accepts the offer of employment; or the date an employee receives the promotion to a new position.)

3. QI CCS Other

4. Health Plan Position Title and FTE:

5. RFP Position Title and Required FTE (as listed in the RFP):

6. Name of person exiting the above position:

7. Name & contact information of person entering the above position and FTE this person will serve in the position & program:

(If there is no entering person at this time, please provide information for the Interim Contact Employee below in item #10.)

Name:
FTE:
Phone:
Email:

8.

- Does the entering person reside in the State of Hawaii? Yes No
- Does the entering person work in the State of Hawaii? Yes No
- ****Submit to MQD, a current RESUME of the entering person, along with this Notification Form.** (This resume submission may not apply to the above position. Please refer to the RFP.)

9. Describe the staffing change:

(For example: "Jane Doe is retiring and will no longer be the **QI Member Services Director** as of 11/1/20. Effective 11/1/20, Bob Sox will be the **QI Member Services Director**. Bob Sox accepted the promotion to the **QI Member Services Director** (Officer, Medicaid Member Services) position, from his position as the **QI Member Grievance Coordinator**. A separate Notification Form will be submitted for the **QI Member Grievance Coordinator** position that Bob Sox will be vacating.") (Complete separate Notification Forms for each position affected that requires a written notification.)

10. Interim Contact Employee (if applicable):

Name:
Position Title:
Phone:
Email:

11. Name, position title, and contact information of the person who completed this Notification Form:

STAFFING CHANGE NOTIFICATION FORM (10/20)

INSTRUCTIONS

PURPOSE:

The purpose of this form (Notification Form) is to notify Med-QUEST Division (MQD) of staffing changes, for which written notification to MQD is a requirement under the Request for Proposal (RFP). The submission to MQD of this Notification Form, will serve as written notification to MQD. Complete a Notification Form for each position affected for which written notification is required. (See SAMPLE Notification Form provided.) If this Notification Form is not adequate to describe, or is not applicable to, the staffing change to be reported, please notify MQD using written correspondence that explains the staffing change in detail.

FORM INSTRUCTIONS:

1. Date Notification Form is submitted to MQD

Enter the date that this Notification Form is submitted to MQD.

2. Date Health Plan has knowledge of the subject staffing change

Enter the date that the Health Plan is informed of, or decides upon, the staffing change being reported. Health Plans must notify MQD in writing within seven (7) days of learning of a change in the status of particular positions.

3. QI CCS Other

Check the box next to the program to which the staffing change being reported applies. Only one box shall be checked. If "Other" is checked, provide the name of the applicable program in the space provided.

4. Health Plan Position Title and FTE

If more than one position is affected by the staffing change, select one to be the "subject position" for this Notification Form, and complete separate Notification Forms for each position affected that requires written notification. Enter the official name of the subject position given by the Health Plan. Also, enter the full-time equivalent (FTE) assignment from the Health Plan for the subject position. The FTE indicates the extent to which an individual serving in the subject position is required by the Health Plan to dedicate work to that position as it relates to the program specified above (QI, CCS, or Other). For example, a 1.0 FTE assignment by a Health Plan regarding QI, indicates that its employee serving in the subject position is specifically designated and assigned to perform only the work of the position as it relates to QI, in an amount equal to a full-time schedule. Likewise, a 0.6 FTE assignment by a Health Plan regarding QI, of a full-time employee indicates that the full-time employee serving in the subject position, may perform other work not pertaining to the QI program or QI position, in an amount equal to 40% of a full-time schedule.

5. RFP Position Title and Required FTE (as listed in the RFP)

Enter the name of the position listed in the RFP (as it is listed in the RFP) to which the subject position of this Notification Form corresponds. Also, enter the FTE requirement (if any) for this position as stated in the RFP.

6. Name of person exiting the above position

Enter the name of the person leaving the subject position.

7. Name & contact information of person entering the above position and FTE this person will serve in the position & program

Enter the name, phone number, and email address of the person hired or promoted to officially fill the subject position. Also, enter the FTE this person is required by the Health Plan to dedicate toward this position and program. If no one has yet been hired or promoted to fill the subject position, provide information for the Interim Contact Employee in item #10.)

8.

- Does the ***entering*** person reside in the State of Hawaii? Yes No
- Does the ***entering*** person work in the State of Hawaii? Yes No

Check one box for each question. For some positions, the RFP requires that the employee reside and work in the State of Hawaii.

- ****Submit to MQD, a current RESUME of the *entering* person, along with this Notification Form**

Submit to MQD along with this Notification Form, an updated resume of the person officially hired or promoted to fill the subject position. Most positions for which a staffing change notification is required, also require the submission of a resume. If a resume for the person officially hired or promoted to fill the subject position has already been submitted to MQD within the past year, and there are no updates for the resume, then state so below in the space provided for "Describe the staffing change", and re-submission of the same resume is not necessary.

9. Describe the staffing change

In the space provided, briefly describe the staffing change.

For example: "Jane Doe is retiring and will no longer be the ***QI Member Services Director*** as of 11/1/20. Effective 11/1/20, Bob Sox will be the ***QI Member Services Director***. Bob Sox accepted the promotion to the ***QI Member Services Director*** (Officer, Medicaid Member Services) position, from his position as the ***QI Member Grievance Coordinator***. A separate Notification Form will be submitted for the ***QI Member Grievance Coordinator*** position that Bob Sox will be vacating."

(Note: Complete separate Notification Forms for each position affected that requires a written notification.)

10. Interim Contact Employee (if applicable)

Complete this section only if the subject position has not been officially filled. Enter the name, position title, phone number, and email address of the person designated as the Interim Contact for the subject position while the subject position remains vacant.

11. Name, position title, and contact information of the person who completed this Notification Form

Enter the name, position title, phone number, and email address of the person who filled-out this form.

****SAMPLE** STAFFING CHANGE NOTIFICATION FORM **SAMPLE****

Use this form (Notification Form) to notify Med-QUEST Division (MQD) of staffing changes, for which written notification to MQD is a requirement under the Request for Proposal (RFP). The submission to MQD of this Notification Form, will serve as written notification to MQD. Complete a Notification Form for each position affected for which written notification is required. (See sample Notification Form provided.) If this Notification Form is not adequate to describe, or is not applicable to, the staffing change to be reported, please notify MQD using written correspondence that explains the staffing change in detail.

1. Date Notification Form is submitted to MQD:

10/18/20

2. Date Health Plan has knowledge of the subject staffing change:

10/14/20

(For example: the date of the employee's resignation letter; the date of the decision to terminate an employee; the date an applicant accepts the offer of employment; or the date an employee receives the promotion to a new position.)

3. QI CCS Other

4. Health Plan Position Title and FTE:

Officer, Medicaid Member Services (1.0 FTE)

5. RFP Position Title and Required FTE (as listed in the RFP):

Member Services Director (1.0 FTE)

6. Name of person exiting the above position:

Jane Doe

7. Name & contact information of person entering the above position and FTE this person will serve in the position & program:

(If there is no entering person at this time, please provide information for the Interim Contact Employee below in item #10.)

Name: Bob Sox
FTE: 1.0 FTE
Phone: 808-123-4567
Email: B.sox@healthplan.org

8.

- Does the entering person reside in the State of Hawaii? Yes No
- Does the entering person work in the State of Hawaii? Yes No
- ****Submit to MQD, a current RESUME of the entering person, along with this Notification Form.** (This resume submission may not apply to the above position. Please refer to the RFP.)

9. Describe the staffing change:

Jane Doe is retiring and will no longer be the **QI Member Services Director** as of 11/1/20. Effective 11/1/20, Bob Sox will be the **QI Member Services Director**. Bob Sox accepted the promotion to the **QI Member Services Director** (Officer, Medicaid Member Services) position, from his position as the **QI Member Grievance Coordinator**. A separate Notification Form will be submitted for the **QI Member Grievance Coordinator** position that Bob Sox will be vacating. (Complete separate Notification Forms for each position affected that requires a written notification.)

10. Interim Contact Employee (if applicable):

Name: N/A
Position Title: N/A
Phone: N/A
Email: N/A

11. Name, position title, and contact information of the person who completed this Notification Form:

Charles Brown QI Compliance Officer 808-222-5555 C.brown@healthplan.org

APPENDIX E – ATTORNEY GENERAL FORMS

AG Form 103F1

General Conditions (AG Form 103F)



**STATE OF HAWAI'I
CONTRACT FOR HEALTH AND HUMAN SERVICES:
COMPETITIVE PURCHASE OF SERVICES**

This Contract, executed on the respective dates indicated below, is effective as of

_____, 20 _____ between the _____

_____,
(Name of the state department, agency board or commission)

State of Hawai'i ("STATE"), by its _____
(Title of person signing for the STATE)

whose address is: _____

and _____
(Name of PROVIDER)

("PROVIDER"), a _____
(Legal form of PROVIDER i.e., Corporation, Limited Liability Company, etc.)

under the laws of the State of _____ whose business street address and taxpayer
identification numbers are as follows:

Business street address:

Mailing address if different than business street address:

Federal employer identification number: _____

Hawai'i general excise tax number: _____

RECITALS

A. This Contract is for a competitive purchase of services (a “Competitive POS”), as defined in section 103F-402, Hawaii Revised Statutes (“HRS”), and chapter 3-143, Hawai‘i Administrative Rules.

B. The STATE needs the health and human services described in this Contract and its attachments (“Required Services”) and the PROVIDER agrees to provide the Required Services.

C. Money is available to fund this Contract pursuant to:

(1) _____,
(Identify state sources)

in the amount of _____, or
(state funding)

(2) _____,
(Identify federal sources)

in the amount of _____, or both.
(federal funding)

D. The STATE is authorized to enter into this Contract pursuant to:

(Legal authority for Contracts)

E. The undersigned representative of the PROVIDER represents, and the STATE relies upon such representation, that he or she has authority to sign this Contract by virtue of (check any or all that apply):

- corporate resolutions of the PROVIDER or other authorizing documents such as partnership resolutions;
- corporate by-laws of the PROVIDER, or other similar operating documents of the PROVIDER, such as a partnership contract or limited liability company operating contract;
- the PROVIDER is a sole proprietor and as such does not require any authorizing documents to sign this Contract;
- other evidence of authority to sign:

F. The PROVIDER has provided a “Certificate of Insurance” to the STATE that shows to the satisfaction of the STATE that the PROVIDER has obtained liability insurance

which complies with paragraph 1.4 of the General Conditions of this Contract and with any relevant special condition of this Contract.

G. The PROVIDER produced, and the STATE inspected, a tax clearance certificate as required by section 103-53, HRS.

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the PROVIDER agree as follows:

1. Scope of Services. The PROVIDER shall, in a proper and satisfactory manner as determined by the STATE, provide the Required Services set forth in Attachment “1” to this Contract, which is hereby made a part of this Contract, and the Request for Proposals (“RFP”), and the PROVIDER’s Proposal, which are incorporated in this Contract by reference. In the event that there is a conflict among the terms of this Contract, and either the Proposal or the RFP, or both, then the terms of this Contract shall control.

2. Time of Performance. The PROVIDER shall provide the Required Services from _____, 20 _____, to _____, 20 _____, as set forth in Attachment “2” to this Contract, which is hereby made a part of this Contract.

3. Compensation. The PROVIDER shall be compensated a total amount for all required services not to exceed _____ DOLLARS (\$ _____), which amount includes all fees and costs incurred and any federal, state, and local taxes, as set forth in Attachment “3” to this Contract, which is hereby made a part of this Contract.

4. Certificate of Exemption from Civil Service. The Certificate of Exemption from Civil Service is attached and made a part of this Contract.

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the PROVIDER is attached and made a part of this Contract.

6. General and Special Conditions. The General Conditions for Health and Human Services Contracts (“General Conditions”) and any Special Conditions are attached hereto and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.

7. Notices. Any written notice required to be given by any party under this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid.

Notice required to be given to the STATE shall be sent to:

Notice to the PROVIDER shall be sent to the mailing address as indicated on page 1. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The PROVIDER is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures below.

STATE

By _____
(Signature)

Print Name _____

Print Title _____

Date _____

FUNDING AGENCY (to be signed by head of funding agency if other than the Contracting Agency)

By _____
(Signature)

Print Name _____

Print Title _____

Date _____

CONTRACT NO. _____

CORPORATE SEAL
(if available)

PROVIDER

By _____
(Signature)

Print Name _____

Print Title _____

Date _____

APPROVED AS TO FORM:

Deputy Attorney General

**GENERAL CONDITIONS
FOR HEALTH & HUMAN SERVICES CONTRACTS**

1. Representations and Conditions Precedent

1.1 Contract Subject to the Availability of State and Federal Funds.

1.1.1 State Funds. This Contract is, at all times, subject to the appropriation and allotment of state funds, and may be terminated without liability to either the PROVIDER or the STATE in the event that state funds are not appropriated or available.

1.1.2 Federal Funds. To the extent that this Contract is funded partly or wholly by federal funds, this Contract is subject to the availability of such federal funds. The portion of this Contract that is to be funded federally shall be deemed severable, and such federally funded portion may be terminated without liability to either the PROVIDER or the STATE in the event that federal funds are not available. In any case, this Contract shall not be construed to obligate the STATE to expend state funds to cover any shortfall created by the unavailability of anticipated federal funds.

1.2 Representations of the PROVIDER. As a necessary condition to the formation of this Contract, the PROVIDER makes the representations contained in this paragraph, and the STATE relies upon such representations as a material inducement to entering into this Contract.

1.2.1 Compliance with Laws. As of the date of this Contract, the PROVIDER complies with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the PROVIDER's performance of this Contract.

1.2.2 Licensing and Accreditation. As of the date of this Contract, the PROVIDER holds all licenses and accreditations required under applicable federal, state, and county laws, ordinances, codes, rules, and regulations to provide the Required Services under this Contract.

1.3 Compliance with Laws. The PROVIDER shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the PROVIDER's performance of this Contract, including but not limited to the laws specifically enumerated in this paragraph:

1.3.1 Smoking Policy. The PROVIDER shall implement and maintain a written smoking policy as required by Chapter 328K, Hawaii Revised Statutes (HRS), or its successor provision.

1.3.2 Drug Free Workplace. The PROVIDER shall implement and maintain a drug free workplace as required by the Drug Free Workplace Act of 1988.

1.3.3 Persons with Disabilities. The PROVIDER shall implement and maintain all practices, policies, and procedures required by federal, state, or county law, including but not limited to the Americans with Disabilities Act (42 U.S.C. §12101, et seq.), and the Rehabilitation Act (29 U.S.C. §701, et seq.).

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

1.4 Insurance Requirements. The PROVIDER shall obtain from a company authorized by law to issue such insurance in the State of Hawai'i commercial general liability insurance ("liability insurance") in an amount of at least TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) coverage for bodily injury and property damage resulting from the PROVIDER's performance under this Contract. The PROVIDER shall maintain in effect this liability insurance until the STATE certifies that the PROVIDER's work under the Contract has been completed satisfactorily.

The liability insurance shall be primary and shall cover the insured for all work to be performed under the Contract, including changes, and all work performed incidental thereto or directly or indirectly connected therewith.

A certificate of the liability insurance shall be given to the STATE by the PROVIDER. The certificate shall provide that the STATE and its officers and employees are Additional Insureds. The certificate shall provide that the coverages being certified will not be cancelled or materially changed without giving the STATE at least 30 days prior written notice by registered mail.

Should the "liability insurance" coverages be cancelled before the PROVIDER's work under the Contract is certified by the STATE to have been completed satisfactorily, the PROVIDER shall immediately procure replacement insurance that complies in all respects with the requirements of this section.

Nothing in the insurance requirements of this Contract shall be construed as limiting the extent of PROVIDER's responsibility for payment of damages resulting from its operations under this Contract, including the PROVIDER's separate and independent duty to defend, indemnify, and hold the STATE and its officers and employees harmless pursuant to other provisions of this Contract.

1.5 Notice to Clients. Provided that the term of this Contract is at least one year in duration, within 180 days after the effective date of this Contract, the PROVIDER shall create written procedures for the orderly termination of services to any clients receiving the Required Services under this Contract, and for the transition to services supplied by another provider upon termination of this Contract, regardless of the circumstances of such termination. These procedures shall include, at

the minimum, timely notice to such clients of the termination of this Contract, and appropriate counseling.

- 1.6 Reporting Requirements. The PROVIDER shall submit a Final Project Report to the STATE containing the information specified in this Contract if applicable, or otherwise satisfactory to the STATE, documenting the PROVIDER’s overall efforts toward meeting the requirements of this Contract, and listing expenditures actually incurred in the performance of this Contract. The PROVIDER shall return any unexpended funds to the STATE.
- 1.7 Conflicts of Interest. In addition to the Certification provided in the Standards of Conduct Declaration to this Contract, the PROVIDER represents that neither the PROVIDER nor any employee or agent of the PROVIDER, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the PROVIDER’s performance under this Contract.

2. Documents and Files

- 2.1 Confidentiality of Material.
 - 2.1.1 Proprietary or Confidential Information. All material given to or made available to the PROVIDER by virtue of this Contract that is identified as proprietary or confidential information shall be safeguarded by the PROVIDER and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
 - 2.1.2 Uniform Information Practices Act. All information, data, or other material provided by the PROVIDER to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS, and any other applicable law concerning information practices or confidentiality.
- 2.2 Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished that is developed, prepared, assembled, or conceived by the PROVIDER pursuant to this Contract, and all such material shall be considered “works made for hire.” All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the PROVIDER pursuant to this Contract.
- 2.3 Records Retention. The PROVIDER and any subcontractors shall maintain the books and records that relate to the Contract, and any cost or pricing data for three (3) years from the date of final payment under the Contract. In the event that any litigation, claim, investigation, audit, or other action involving the records retained under this provision arises, then such records shall be retained for three (3) years from the date of final payment, or the date of the resolution of the action, whichever occurs later. During the period that records are retained under this section, the

PROVIDER and any subcontractors shall allow the STATE free and unrestricted access to such records.

3. Relationship between Parties

- 3.1 Coordination of Services by the STATE. The STATE shall coordinate the services to be provided by the PROVIDER in order to complete the performance required in the Contract. The PROVIDER shall maintain communications with the STATE at all stages of the PROVIDER’s work, and submit to the STATE for resolution any questions which may arise as to the performance of this Contract.
- 3.2 Subcontracts and Assignments. The PROVIDER may assign or subcontract any of the PROVIDER’s duties, obligations, or interests under this Contract, but only if (i) the PROVIDER obtains the prior written consent of the STATE and (ii) the PROVIDER’s assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawai‘i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state law against the PROVIDER’s assignee or subcontractor have been paid. Additionally, no assignment by the PROVIDER of the PROVIDER’s right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawai‘i, as provided in section 40-58, HRS.
- 3.3 Change of Name. When the PROVIDER asks to change the name in which it holds this Contract, the STATE, shall, upon receipt of a document acceptable or satisfactory to the STATE indicating such change of name such as an amendment to the PROVIDER’s articles of incorporation, enter into an amendment to this Contract with the PROVIDER to effect the change of name. Such amendment to this Contract changing the PROVIDER’s name shall specifically indicate that no other terms and conditions of this Contract are thereby changed, unless the change of name amendment is incorporated with a modification or amendment to the Contract under paragraph 4.1 of these General Conditions.
- 3.4 Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - 3.4.1 Independent Contractor. In the performance of services required under this Contract, the PROVIDER is an “independent contractor,” with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE’s opinion, the services are being performed by the PROVIDER in compliance with this Contract.
 - 3.4.2 Contracts with Other Individuals and Entities. Unless otherwise provided by special condition, the STATE shall be free to contract with other individuals and entities to provide services similar to those performed by the Provider under this Contract, and the

PROVIDER shall be free to contract to provide services to other individuals or entities while under contract with the STATE.

3.4.3 PROVIDER's Employees and Agents. The PROVIDER and the PROVIDER's employees and agents are not by reason of this Contract, agents or employees of the State for any purpose. The PROVIDER and the PROVIDER's employees and agents shall not be entitled to claim or receive from the STATE any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees. Unless specifically authorized in writing by the STATE, the PROVIDER and the PROVIDER's employees and agents are not authorized to speak on behalf and no statement or admission made by the PROVIDER or the PROVIDER's employees or agents shall be attributed to the STATE, unless specifically adopted by the STATE in writing.

3.4.4 PROVIDER's Responsibilities. The PROVIDER shall be responsible for the accuracy, completeness, and adequacy of the PROVIDER's performance under this Contract.

Furthermore, the PROVIDER intentionally, voluntarily, and knowingly assumes the sole and entire liability to the PROVIDER's employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the PROVIDER, or the PROVIDER's employees or agents in the course of their employment.

The PROVIDER shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the PROVIDER by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The PROVIDER also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

The PROVIDER shall obtain a general excise tax license from the Department of Taxation, State of Hawai'i, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The PROVIDER shall obtain a tax clearance certificate from the Director of Taxation, State of Hawai'i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state law against the PROVIDER have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The PROVIDER shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under section 103-53, HRS, and these General Conditions.

The PROVIDER is responsible for securing all employee-related insurance coverage for the PROVIDER and the PROVIDER's employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

3.5 Personnel Requirements.

3.5.1 Personnel. The PROVIDER shall secure, at the PROVIDER's own expense, all personnel required to perform this Contract, unless otherwise provided in this Contract.

3.5.2 Requirements. The PROVIDER shall ensure that the PROVIDER's employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Modification and Termination of Contract

4.1 Modification of Contract.

4.1.1 In Writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the PROVIDER and the STATE.

4.1.2 No Oral Modification. No oral modification, alteration, amendment, change, or extension of any term, provision or condition of this Contract shall be permitted.

4.1.3 Tax Clearance. The STATE may, at its discretion, require the PROVIDER to submit to the STATE, prior to the STATE's approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawai'i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state and federal law against the PROVIDER have been paid.

4.2 Termination in General. This Contract may be terminated in whole or in part because of a reduction of funds available to pay the PROVIDER, or when, in its sole discretion, the STATE determines (i) that there has been a change in the conditions upon which the need for the Required Services was based, or (ii) that the PROVIDER has failed to provide the Required Services adequately or satisfactorily, or (iii) that other good cause for the whole or partial termination of this Contract exists. Termination under this section shall be made by a written notice sent to the PROVIDER ten (10) working days prior to the termination date that includes a brief statement of the reason for the termination. If the Contract is terminated under this paragraph, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.

- 4.3 Termination for Necessity or Convenience. If the STATE determines, in its sole discretion, that it is necessary or convenient, this Contract may be terminated in whole or in part at the option of the STATE upon ten (10) working days' written notice to the PROVIDER. If the STATE elects to terminate under this paragraph, the PROVIDER shall be entitled to reasonable payment as determined by the STATE for satisfactory services rendered under this Contract up to the time of termination. If the STATE elects to terminate under this section, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.
- 4.4 Termination by PROVIDER. The PROVIDER may withdraw from this Contract after obtaining the written consent of the STATE. The STATE, upon the PROVIDER's withdrawal, shall determine whether payment is due to the PROVIDER, and the amount that is due. If the STATE consents to a termination under this paragraph, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.
- 4.5 STATE's Right of Offset. The STATE may offset against any monies or other obligations that STATE owes to the PROVIDER under this Contract, any amounts owed to the State of Hawai'i by the PROVIDER under this Contract, or any other contract, or pursuant to any law or other obligation owed to the State of Hawai'i by the PROVIDER, including but not limited to the payment of any taxes or levies of any kind or nature. The STATE shall notify the PROVIDER in writing of any exercise of its right of offset and the nature and amount of such offset. For purposes of this paragraph, amounts owed to the State of Hawai'i shall not include debts or obligations which have been liquidated by contract with the PROVIDER, and that are covered by an installment payment or other settlement plan approved by the State of Hawai'i, provided, however, that the PROVIDER shall be entitled to such exclusion only to the extent that the PROVIDER is current, and in compliance with, and not delinquent on, any payments, obligations, or duties owed to the State of Hawai'i under such payment or other settlement plan.

5. Indemnification

- 5.1 Indemnification and Defense. The PROVIDER shall defend, indemnify, and hold harmless the State of Hawai'i, the contracting agency, and their officers, employees, and agents from and against any and all liability, loss, damage, cost, expense, including all attorneys' fees, claims, suits, and demands arising out of or in connection with the acts or omissions of the PROVIDER or the PROVIDER's employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
- 5.2 Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the PROVIDER in connection with this Contract, the PROVIDER shall pay any cost and expense incurred by or imposed on the STATE, including attorneys' fees.

6. Publicity

- 6.1 Acknowledgment of State Support. The PROVIDER shall, in all news releases, public statements, announcements, broadcasts, posters, programs, computer postings, and other printed, published, or electronically disseminated materials relating to the PROVIDER's performance under this Contract, acknowledge the support by the State of Hawai'i and the purchasing agency.
- 6.2 PROVIDER's Publicity Not Related to Contract. The PROVIDER shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, or to the services or goods, or both provided under this Contract, in any of the PROVIDER's publicity not related to the PROVIDER's performance under this Contract, including but not limited to commercial advertisements, recruiting materials, and solicitations for charitable donations.

7. Miscellaneous Provisions

- 7.1 Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the PROVIDER, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.
- 7.2 Paragraph Headings. The paragraph headings appearing in this Contract have been inserted for the purpose of convenience and ready reference. They shall not be used to define, limit, or extend the scope or intent of the sections to which they pertain.
- 7.3 Antitrust Claims. The STATE and the PROVIDER recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the PROVIDER hereby assigns to the STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.
- 7.4 Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawai'i. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawai'i.
- 7.5 Conflict between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions 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.
- 7.6 Entire Contract. This Contract sets forth all of the contracts, conditions, understandings, promises, warranties, and representations between the STATE and the PROVIDER relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings,

promises, warranties, and representations, which shall have no further force or effect. There are no contracts, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the PROVIDER other than as set forth or as referred to herein.

- 7.7 Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
- 7.8 Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE’s right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the Procurement Rules or one section of the Hawai‘i Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE’s rights or the PROVIDER’s obligations under the Procurement Rules or statutes.
- 7.9 Execution in Counterparts. This Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one instrument.

8. Confidentiality of Personal Information

8.1 Definitions.

8.1.1 Personal Information. “Personal Information” means an individual’s first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

- 1) Social Security number;
- 2) Driver’s license number or Hawaii identification card number; or
- 3) Account number, credit or debit card number, access code, or password that would permit access to an individual’s financial information.

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

8.1.2 Technological Safeguards. “Technological safeguards” means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

8.2 Confidentiality of Material.

8.2.1 Safeguarding of Material. All material given to or made available to the PROVIDER by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the PROVIDER and shall not be disclosed without the prior written approval of the STATE.

8.2.2 Retention, Use, or Disclosure. PROVIDER agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

8.2.3 Implementation of Technological Safeguards. PROVIDER agrees to implement appropriate “technological safeguards” that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

8.2.4 Reporting of Security Breaches. PROVIDER shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

8.2.5 Mitigation of Harmful Effect. PROVIDER agrees to mitigate, to the extent practicable, any harmful effect that is known to PROVIDER because of a use or disclosure of personal information by PROVIDER in violation of the requirements of this paragraph.

8.2.6 Log of Disclosures. PROVIDER shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by PROVIDER on behalf of the STATE.

8.3 Security Awareness Training and Confidentiality Agreements.

8.3.1 Certification of Completed Training. PROVIDER certifies that all of its employees who will have access to the personal information have completed training on security awareness topics related to protecting personal information.

8.3.2 Certification of Confidentiality Agreements. PROVIDER certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

- 1) The personal information collected, used, or maintained by the PROVIDER will be treated as confidential;
- 2) Access to the personal information will be allowed only as necessary to perform the Contract; and
- 3) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

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

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

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

8.5 Records Retention.

8.5.1 Destruction of Personal Information. Upon any termination of this Contract, PROVIDER shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

8.5.2 Maintenance of Files, Books, Records. The PROVIDER and any subcontractors shall maintain the files, books, and records, that relate to the Contract, including any personal information created or received by the PROVIDER on behalf of the STATE, and any cost or pricing data, for three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall not be disclosed without the prior written approval of the STATE. After the three (3) year retention period has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS.

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APPENDIX F – BUSINESS ASSOCIATE AGREEMENT

APPENDIX J BUSINESS ASSOCIATE AGREEMENT

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

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

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

1. DEFINITIONS.

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

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

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

¹ Business Associate is defined at 45 CFR §160.103

² Breach: 45 CFR §164.402.

Breach excludes:

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

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

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

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

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

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

Protected Health Information (PHI) means any oral, paper or electronic information, data, documentation, and materials, including, but not limited to, demographic, medical, genetic, and financial information that is created or received by a Health Care Provider, Health Plan, Employer, or Health Care Clearinghouse, and relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual; or the past, present, or future payment for the provision of health care to an Individual; and that identifies the Individual or with respect to which there is a reasonable basis to believe the information can be used to identify the Individual. For purposes of this Agreement, the term

³ Designated Record Set: 45 CFR §164.501.

⁴ Electronic Protected Health Information: 45 CFR §160.103

Protected Health Information is limited to the information created, maintained, received, or transmitted by BUSINESS ASSOCIATE on behalf of or from the STATE under the CONTRACT. Protected Health Information includes without limitation EPHI, and excludes education records under 20 U.S.C. §1232(g), employment records held by the STATE as an employer, and records regarding an Individual who has been deceased for more than 50 years.⁵

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

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

Unsecured Protected Health Information means protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology or methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.⁶

2. BUSINESS ASSOCIATE'S OBLIGATIONS.

BUSINESS ASSOCIATE agrees to:

- a. Not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law. In no event may BUSINESS ASSOCIATE use or further disclose PHI in a manner that would violate the Privacy Rule if done by the STATE, except as expressly provided in this Agreement and as required by 45 CFR §§ 164.502(a)(3), 164.502(a)(4) and 164.504(e)(2)(ii)(A).
- b. Implement appropriate safeguards, and comply, where applicable, with the Security Rule to ensure the confidentiality, integrity, and availability of all EPHI the BUSINESS ASSOCIATE creates, receives, maintains, or transmits on behalf of the STATE; protect against any reasonably anticipated threats or hazards to the security or integrity of such information; prevent uses or disclosures of such information other than as provided for by this Agreement or as Required by Law; and ensure compliance with the HIPAA Rules by BUSINESS ASSOCIATE's Workforce.⁷ These safeguards include, but are not limited to:
 - (i) Administrative Safeguards. BUSINESS ASSOCIATE shall implement policies and procedures to prevent, detect, contain, and correct security violations, and reasonably preserve and protect the confidentiality, integrity

⁵ Protected Health Information: 45 CFR §160.103

⁶ 45 CFR §164.402.

⁷ 45 CFR §164.306(a)

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

- (ii) Physical Safeguards. BUSINESS ASSOCIATE shall implement appropriate physical safeguards to protect PHI, including, but not limited to, facility access, facility security, workstation use, workstation security, device and media controls, and disposal;⁸
 - (iii) Technical Safeguards. BUSINESS ASSOCIATE shall implement appropriate technical safeguards to protect PHI, including, but not limited to, access controls, authentication, and transmission security;⁹ and
 - (iv) Security Awareness and Training. BUSINESS ASSOCIATE shall provide training to relevant workforce members, including management, on how to prevent the improper access, use, or disclosure of PHI; and update and repeat training on a regular basis.¹⁰
- c. In accordance with 45 CFR §164.316, document the required policies and procedures and keep them current, and cooperate in good faith in response to any reasonable requests from STATE to discuss, review, inspect, and/or audit BUSINESS ASSOCIATE's safeguards. BUSINESS ASSOCIATE shall retain the documentation required for six (6) years from the date of its creation or the date when it last was in effect, whichever is later.¹¹
 - d. Comply with the provisions found in 45 CFR §164.308 (a)(1) (ii)(A) and (B), requiring BUSINESS ASSOCIATE to conduct an accurate and thorough *risk analysis*, and to periodically update the risk analysis (no less than once every 3 years); and to implement *risk management* measures to reduce the risk and vulnerabilities to a reasonable and appropriate level to comply with 45 CFR §164.306(a).
 - e. As applicable only to the PHI BUSINESS ASSOCIATE receives from STATE, BUSINESS ASSOCIATE shall ensure that any subcontractor of BUSINESS ASSOCIATE that creates, receives, maintains, or transmits PHI on behalf of BUSINESS ASSOCIATE agrees in writing to the same restrictions, conditions, and requirements that apply to BUSINESS ASSOCIATE through this Agreement with respect to such PHI.¹²
 - f. Notify the STATE following discovery of any use or disclosure of PHI not permitted by this Agreement of which it becomes aware, or any Breach of Unsecured PHI.¹³

⁸ 45 CFR §164.310

⁹ 45 CFR §§ 164.310, 164.312

¹⁰ 45 CFR §164.308(a)(5)

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

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

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

- (i) BUSINESS ASSOCIATE shall immediately notify the STATE's HIPAA Privacy or Security Officer verbally.
 - (ii) BUSINESS ASSOCIATE shall subsequently notify the STATE's HIPAA Privacy or Security Officer in writing, without unreasonable delay, and in no case later than two (2) business days following discovery of the impermissible use or disclosure of PHI, or Breach of Unsecured PHI.
 - (iii) A Breach of Unsecured PHI shall be treated as discovered by the BUSINESS ASSOCIATE as of the first day on which such breach is known to the BUSINESS ASSOCIATE or, by exercising reasonable diligence, would have been known to the BUSINESS ASSOCIATE. BUSINESS ASSOCIATE shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of the BUSINESS ASSOCIATE.¹⁴
- g. Take prompt corrective action to mitigate, to the extent practicable, any harmful effect that is known to BUSINESS ASSOCIATE of a Security Incident or a misuse or unauthorized disclosure of PHI by BUSINESS ASSOCIATE in violation of this Agreement, and any other action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations. BUSINESS ASSOCIATE shall reasonably cooperate with the STATE's efforts to seek appropriate injunctive relief or otherwise prevent or curtail potential or actual Breaches, or to recover its PHI, including complying with a reasonable corrective action plan.¹⁵
- h. Investigate such Breach and provide a written report of the investigation and resultant mitigation to STATE's HIPAA Privacy and/or Security Officer within thirty (30) calendar days of the discovery of the Breach.
- i. Provide the following information with respect to a Breach of Unsecured PHI, to the extent possible, as the information becomes available, to the STATE's HIPAA Privacy or Security Officer:
- (i) The identification of each Individual whose Unsecured PHI has been, or is reasonably believed by BUSINESS ASSOCIATE to have been accessed, acquired, used, or disclosed during the breach; and
 - (ii) Any other available information that the STATE is required to include in notification to the Individual under the HIPAA Rules, including, but not limited to the following:¹⁶

¹⁴ 45 CFR §164.410(a)(2)

¹⁵ 45 CFR §§164.308(a)(6)(ii); 164.530(f)

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

- A. Contact information for Individuals who were or who may have been impacted by the HIPAA Breach (e.g., first and last name, mailing address, street address, phone number, and email address);
 - B. A brief description of the circumstances of the Breach, including the date of the Breach and date of discovery, if known;
 - C. A description of the types of Unsecured PHI involved in the Breach (such as whether the full name, social security number, date of birth, address, account number, diagnosis, disability and/or billing codes, or similar information was involved);
 - D. A brief description of what the BUSINESS ASSOCIATE has done or is doing to investigate the Breach, mitigate harm to the Individual(s) impacted by the Breach, and protect against future Breaches; and
 - E. Contact information for BUSINESS ASSOCIATE's liaison responsible for investigating the Breach and communicating information relating to the Breach to the STATE.
- j. Promptly report to STATE's HIPAA Privacy and/or Security Officer any Security Incident of which BUSINESS ASSOCIATE becomes aware with respect to EPHI that is in the custody of BUSINESS ASSOCIATE, including breaches of Unsecured PHI as required by 45 CFR §164.410, by contacting the STATE's HIPAA Privacy and/or Security Officer.¹⁷
- k. Implement reasonable and appropriate measures, including training, to ensure compliance with the requirements of this Agreement by Workforce members who assist in the performance of functions or activities on behalf of the STATE under this Agreement and use or disclose PHI, and discipline such Workforce members who intentionally violate any provisions of these special conditions, which may include termination of employment.¹⁸
- l. Make its internal policies, procedures, books, and records relating to the use and disclosure of PHI received from or created or received by BUSINESS ASSOCIATE on behalf of the STATE available to the Secretary of Health and Human Services or to STATE if necessary or required to assess BUSINESS ASSOCIATE's or the STATE's compliance with the HIPAA Rules. BUSINESS ASSOCIATE shall promptly notify STATE of communications with the U.S. Department of Health and Human Services (HHS) regarding PHI provided by or created by STATE and shall provide STATE with copies of any information BUSINESS ASSOCIATE has made available to HHS under this paragraph.¹⁹

¹⁷ 45 CFR §§164.314(a)(2), 164.410

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

¹⁹ 45 CFR §164.504(e)(2)(ii)(I)

- m. Upon notice from STATE, accommodate any restriction to the use or disclosure of PHI and any request for confidential communications to which STATE has agreed in accordance with the Privacy Rule.²⁰
- n. Make available PHI held by BUSINESS ASSOCIATE, which the STATE has determined to be part of its Designated Record Set, to the STATE as necessary to satisfy the STATE's obligations to provide an Individual with access to their PHI under 45 CFR §164.524, in the time and manner designated by the STATE.²¹
- o. Make available PHI held by BUSINESS ASSOCIATE, which the STATE has determined to be part of its Designated Record Set, for amendment, and incorporate any amendments to PHI that the STATE directs or agrees to in accordance with 45 CFR §164.526, upon request of the STATE or an Individual, subject to State law and BUSINESS ASSOCIATE policies regarding amending vital records.
- p. Document disclosures of PHI made by BUSINESS ASSOCIATE, which are required to be accounted for under 45 CFR §164.528(a)(1), and make this information available as necessary to satisfy the STATE's obligation to provide an accounting of disclosures to an Individual within two (2) business days notice by the STATE of a request by an Individual of a request for an accounting of disclosures of PHI. If an Individual directly requests an accounting of disclosures of PHI from BUSINESS ASSOCIATE, BUSINESS ASSOCIATE shall notify STATE's HIPAA Privacy and/or Security Officer of the request within two (2) business days, and STATE shall either direct BUSINESS ASSOCIATE to provide the information directly to the Individual, or it shall direct that the information required for the accounting be forwarded to STATE for compilation and distribution to the Individual.²²
- q. Comply with any other requirements of the HIPAA Rules not expressly specified in this Agreement, as and to the extent that such requirements apply to Business Associates under the HIPAA Rules.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

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

- a. General Use and Disclosure: Create, receive, maintain or transmit PHI only for the purposes listed in the CONTRACT and this Agreement, provided that the use or disclosure would not violate the HIPAA Rules if done by the STATE or violate the Minimum Necessary requirements applicable to the STATE.²³
- b. Limited Use of PHI for BUSINESS ASSOCIATE's Benefit. Use PHI received by the BUSINESS ASSOCIATE in its capacity as the STATE's BUSINESS ASSOCIATE, if

²⁰ 45 CFR §164.522

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

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

²³ 45 CFR §§164.502(a) and (b), 164.504(e)(2)(i)

necessary, for the proper management and administration of the BUSINESS ASSOCIATE or to carry out the legal responsibilities of the BUSINESS ASSOCIATE. BUSINESS ASSOCIATE's proper management and administration does not include the use or disclosure of PHI by BUSINESS ASSOCIATE for Marketing purposes or for sale of PHI.²⁴

- c. Limited Disclosure of PHI for BUSINESS ASSOCIATE's Benefit. Disclose PHI for BUSINESS ASSOCIATE's proper management and administration or to carry out its legal responsibilities only if the disclosure is Required by Law, or BUSINESS ASSOCIATE obtains reasonable assurances from the person to whom PHI is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies BUSINESS ASSOCIATE of any instances of which it is aware in which the confidentiality of PHI has been breached.²⁵
- d. Minimum Necessary. BUSINESS ASSOCIATE shall only request, use, and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use, or disclosure.²⁶
- e. Data Aggregation. Use PHI to provide Data Aggregation services relating to the STATE's Health Care Operations as permitted by 45 CFR §164.504(e)(2)(i)(B).
- f. Disclosures by Whistleblowers: Disclose PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).

4. STATE'S OBLIGATIONS.

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

5. TERM AND TERMINATION.

- a. This Agreement shall be effective as of the date of the CONTRACT or CONTRACT amendment to which this Agreement is attached, and shall terminate on the date the STATE terminates this Agreement or when all PHI is destroyed or returned to STATE.
- b. In addition to any other remedies provided for by this Agreement or the CONTRACT, upon the STATE's knowledge of a material Breach by BUSINESS ASSOCIATE of this

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

²⁵ 45 CFR §164.504(e)(4)(ii)

²⁶ 45 CFR §164.502(b)

Agreement, the BUSINESS ASSOCIATE authorizes the STATE to do any one or more of the following, upon written notice to BUSINESS ASSOCIATE describing the violation and the action it intends to take:

- (i) Exercise any of its rights to reports, access and inspection under this Agreement or the CONTRACT;
- (ii) Require BUSINESS ASSOCIATE to submit a plan of monitoring and reporting, as STATE may determine necessary to maintain compliance with this Agreement;
- (iii) Provide BUSINESS ASSOCIATE with a reasonable period of time to cure the Breach, given the nature and impact of the Breach; or
- (iv) Immediately terminate this Agreement if BUSINESS ASSOCIATE has breached a material term of this Agreement and sufficient mitigation is not possible.²⁷

c. Effect of Termination.²⁸

- (i) Upon any termination of this Agreement, until notified otherwise by the STATE, BUSINESS ASSOCIATE shall extend all protections, limitations, requirements and other provisions of this Agreement to all PHI received from or on behalf of STATE or created or received by BUSINESS ASSOCIATE on behalf of the STATE, and all EPHI created, received, maintained or transmitted by BUSINESS ASSOCIATE on behalf of the STATE.
- (ii) Except as otherwise provided in subsection 5(c)(iii) below, upon termination of this Agreement for any reason, BUSINESS ASSOCIATE shall, at the STATE's option, return or destroy all PHI received from the STATE, or created or received by the BUSINESS ASSOCIATE on behalf of the STATE, that the BUSINESS ASSOCIATE still maintains in any form, and BUSINESS ASSOCIATE shall retain no copies of the information. This provision shall also apply to PHI that is in the possession of subcontractors or agents of BUSINESS ASSOCIATE. BUSINESS ASSOCIATE shall notify the STATE in writing of any and all conditions that make return or destruction of such information not feasible and shall provide STATE with any requested information related to the STATE's determination as to whether the return or destruction of such information is feasible.
- (iii) If the STATE determines that returning or destroying any or all PHI is not feasible or opts not to require the return or destruction of such information, the protections of this Agreement shall continue to apply to such PHI, and BUSINESS ASSOCIATE shall limit further uses and disclosures of PHI to those purposes that make the return or destruction infeasible, for so long as BUSINESS ASSOCIATE maintains such PHI. STATE hereby acknowledges and agrees that

²⁷ 45 CFR §164.504(e)(2)(iii)

²⁸ 45 CFR §164.504(e)(2)(ii)(J)

infeasibility includes BUSINESS ASSOCIATE's need to retain PHI for purposes of complying with its work product documentation standards.

6. MISCELLANEOUS.

- a. Amendment. BUSINESS ASSOCIATE and the STATE agree to take such action as is necessary to amend this Agreement from time to time for compliance with the requirements of the HIPAA Rules and any other applicable law.
- b. Interpretation. In the event that any terms of this Agreement are inconsistent with the terms of the CONTRACT, then the terms of this Agreement shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Rules, as amended, the HIPAA Rules shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of this Agreement shall control. Any ambiguity in this Agreement shall be resolved to permit STATE to comply with the HIPAA Rules. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to supersede any federal or State law or regulation related to confidentiality of health information or vital record information that is more stringent than the HIPAA Rules.
- c. Indemnification. BUSINESS ASSOCIATE shall defend, indemnify, and hold harmless the STATE and STATE's officers, employees, agents, contractors and subcontractors to the extent required under the Contract for incidents that are caused by or arise out of a Breach or failure to comply with any provision of this Agreement or the HIPAA Rules by BSUBSINESS Associates or any of BUSINESS ASSOCIATE's officers, employees, agents, contractors or subcontractors.
- d. Costs Related to Breach. BUSINESS ASSOCIATE shall be responsible for any and all costs incurred by the STATE as a result of any Breach of PHI by BUSINESS ASSOCIATE, its officers, directors, employees, contractors, or agents, or by a third party to which the BUSINESS ASSOCIATE disclosed PHI under this Agreement, including but not limited to notification of individuals or their representatives of a Breach of Unsecured PHI,²⁹ and the cost of mitigating any harmful effect of the Breach.³⁰
- e. Response to Subpoenas. In the event BUSINESS ASSOCIATE receives a subpoena or similar notice or request from any judicial, administrative, or other party which would require the production of PHI received from, or created for, the STATE, BUSINESS ASSOCIATE shall promptly forward a copy of such subpoena, notice or request to the STATE to afford the STATE the opportunity to timely respond to the demand for its PHI as the STATE determines appropriate according to its State and federal obligations.

²⁹ 45 CFR Part 164, Subpart D

³⁰ 45 CFR §164.530(f)

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

STATE:

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

BUSINESS ASSOCIATE:

 Fax: (____) _____
 Email: _____

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

BUSINESS ASSOCIATE

Dated: _____ By _____
 Representative

DEPARTMENT OF HUMAN SERVICES, STATE OF HAWAII

Dated: _____ By _____
 Director

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

This Appendix includes Contract non-performance for which DHS may assess Liquidated Damages.

No.	Non-performance of Contract	Liquidated Damages
Readiness Reviews and Implementation Activities		
1.	Failure to meet readiness review requirements as set forth in Section 13, Readiness Review and Contract Implementation Activities, within timelines as set by the DHS, including non-submission of deliverables or submitting deliverables late, with inaccuracies or incomplete.	Up to \$5,000.00 per day for each day of non-compliance or \$5,000.00 per deliverable for non-submission, late, inaccurate, or incomplete deliverables.
2.	Failure to be operational by the agreed upon operational start date of the Contract, based on DHS determination as to when the Health Plan is considered to be fully operational.	Up to \$10,000.00 per day for each day beyond the start date of the Contract that the Health Plan is not operational until the day that the Health Plan is fully operational as determined by DHS.
Administration and Management		
3.	Failure to comply with licensure requirements, as set forth in Section 14.3, Licensing and Accreditation.	Up to \$5,000.00 per day that Health Plan is not licensed or qualified as required by applicable state or local law.
4.	Violation of a subcontracting requirement as set forth in Section 14.4, Subcontractor Agreements, and other sections of the Contract as applicable.	Up to \$10,000.00 per violation.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
5.	Failure to comply with the Health Plan staffing requirements, as set forth in Section 11.0, Health Plan Personnel.	Up to \$5,000.00 per day for each separate failure to comply, for the first thirty (30) days non-compliance. At its discretion, DHS may double this amount for each day after thirty (30) days for each specific instance that the Health Plan remains non-compliant.
6.	Failure to have appropriate staff member(s) attend meetings as requested and designated by DHS.	Up to \$250.00 per appropriate staff person per meeting as requested by DHS.
7.	Failure of the Health Plan to respond to a Notice of Concern within three (3) business days of receipt or to provide a sufficient response as set forth in Section 14.20.D, Notice of Concern and Opportunity to Cure.	Up to \$500.00 per day for each day until the response is received and \$1,000.00 for failure to respond sufficiently to Notice of Concern.
8.	Failure of the Health Plan to submit a Corrective Action Plan within ten (10) business days following the date of the Written Deficiency Notice or to provide an acceptable Corrective Action Plan as set forth in Section 14.20.E, Corrective Action Plan.	Up to \$1000.00 per day for each day until an acceptable Corrective Action Plan is received.
9.	Failure to timely implement and comply with an accepted Corrective Action Plan as set forth in Section 14.20.E, Corrective Action Plan.	Up to \$500.00 per day for each day the Health Plan fails to comply with an accepted Corrective Action Plan as determined by DHS.
10.	For requests not otherwise specifically addressed in this Contract, failure to respond or to submit a complete or accurate written response to a DHS written request within the designated timeframe.	Up to \$500.00 per day penalty until the response is received, complete or accurate, whichever is applicable.
11.	Failure to provide notice of any known or suspected conflicts of interest or criminal conviction disclosures, as set forth in Section 14.8, Conflict of Interest.	Up to \$1,000.00 per day that disclosure is late.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
Financial Requirements and Reimbursement		
12.	Failure to submit accurate and complete information or respond to a DHS request regarding Medical Loss Ratio Calculation within the requested timeframe and as defined in the Contract.	Up to \$500.00 per day until the information or response is received
13.	Failure to seek, collect and/or report third party information, as set forth in Section 7.3, Third Party Liability.	Up to \$5,000.00 per day.
Information Systems		
14.	Failure of the Health Plan's MIS to meet all requirements in Section 10, Information Systems and Information Technology, at any given time during operations.	Up to \$5,000.00 per day of non-compliance.
15.	Failure of the Health Plan to provide notice to DHS, as set forth in Section 10, Information Systems and Information Technology, at least 6 months or as soon as the Health Plan is made aware, prior to implementation of any significant system changes that may impact data integrity, including such changes as new Claims processing software, new Claims processing vendors.	Up to \$5,000.00 per day of non-compliance.
Encounter Data		
16.	Failure to submit accurate, complete, and timely encounter data to MQD in accordance with the requirements and specifications defined by the State and included in the Health Plan Manual.	Timeliness: \$5,000.00 per day late. Accuracy: Per Encounter File error fee of \$1,000.00.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
17.	Failure of the Health Plan to submit encounter data in the required form or format (as required by the Health Plan Manual and the Hawaii Companion Guide) for one calendar month.	\$50,000 per file.
18.	Failure of the Health Plan to submit the required attestation as required in Section 6.5. B, Health Plan Certification	Up to \$10,000.00 per file and an additional penalty of \$1,000.00 per each late day beyond the thirty (30) days of notification.
19.	Encounter records are not resubmitted within thirty (30) days of the date the record is returned, as set forth in the Contract.	Per Encounter File error fee of \$1,000.00.
Quality and Health Outcomes		
20.	Failure to submit quality measures including audited HEDIS and CAHPS results within required timeframes, as set forth in Section 5, Quality, Utilization Management, and Administrative Requirements.	Up to \$1,000.00 per day for every day reports are late.
21.	Failure to achieve minimum performance targets set for each quality performance measure as set forth in Section 5, Quality, Utilization Management, and Administrative Requirements; measures subject to damages, and minimum targets for each measures, will be set annually.	Up to \$100,000.00 per violation.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
22.	Failure to achieve minimum targets set forth for operational metrics included in the Operational Effectiveness Program, as set forth in Section 7, DHS and Health Plan Financial Responsibilities; measures subject to damages, and minimum targets for each measure, will be set no more frequently than quarterly and no less frequently than annually; encounter data submissions are not subjected to this damage as they are addressed elsewhere.	Up to \$25,000.00 per violation.
23.	Failure to timely submit appropriate PIPs to DHS as set forth in Section 6, Quality, Utilization Management, and Administrative Requirements.	Up to \$1,000.00 per day beyond the due date for which an appropriate PIP is received.
Utilization Management		
24.	Imposing arbitrary utilization guidelines, prior authorization restrictions, or other quantitative coverage limits on an Enrollee as prohibited under the Contract or not in accordance with an approved policy.	Up to \$5,000.00 per occurrence per Enrollee.
Enrollee Services		
25.	Failure to obtain approval of Enrollee materials, as set forth in the Contract.	\$500.00 per day for each day that DHS determines the Health Plan has provided Enrollee materials that have not been approved by DHS.
26.	Failure to comply with timeframes for providing Enrollee materials to Enrollees as set forth the Contract.	\$250.00 per occurrence per Enrollee.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
27.	Engaging in prohibited marketing activities or discriminatory practices or failure to market statewide, as set forth in the Contract.	Up to \$5,000.00 per occurrence.
28.	Failure of the Health Plan to issue written notice to Enrollees upon Provider's notice of termination in the Health Plan's plan, as set forth in the Contract.	\$1,000.00 per occurrence.
Complaints, Grievances and Appeals		
29.	Failure to resolve at least 85% of Enrollee and provider complaints within required timeframes from the date the complaint, grievance or appeal is received.	Up to \$2,500.00 per reporting period.
30.	Failure to maintain a Grievance or Appeal System as set forth in Section 9.5, Member Grievance and Appeals System.	Up to \$500.00 per day the Health Plan is in default.
31.	Failure to resolve Enrollee appeals and grievances within required timeframes as set forth in Section 9.5, Member Grievance and Appeals System.	Up to \$5,000.00 per violation.
32.	Failure to provide a timely and content-compliant Notice of Adverse Benefit Determination in accordance with Section 9.5, Member Grievance and Appeals System.	\$500.00 per day the Health Plan is in default.
33.	Failure to comply with all orders and final decisions relating to claim disputes, grievances, appeals and/or State Fair Hearing as issued or as directed by DHS and as set forth in Section 9.5, Member Grievance and Appeals System.	Up to \$5,000.00 per occurrence.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
34.	Failure to comply with transition of care requirements as set forth in the Contract.	\$100.00 per day, per Enrollee and the value of the services the Health Plan failed to cover during the applicable transition of care period, as determined by DHS.
Provider Services and Network		
35.	Failure to comply with requirements and timeframes to process credentialing as set forth in the Contract.	Up to \$5,000.00 per incident.
36.	Failure to maintain provider agreements as set forth in the Contract.	Up to \$5,000.00 per provider agreement found to be non-compliant.
37.	Failure to meet minimum targets across measures that ensure an adequate provider network of physicians, pharmacies, hospitals and other specified health care providers for Enrollees as set forth in the Contract; measures subject to damages, and minimum targets for each measure, will be set no more frequently than quarterly and no less frequently than annually.	Up to \$25,000.00 per violation.
38.	Failure to provide covered services within the timely access, distance, and wait-time standards as described in the Contract.	\$2,500.00 per month for failure to meet any of the listed standards, either individually or in combination.
39.	Failure to maintain accurate provider directory information as set forth in the Contract.	\$500.00 per confirmed incident.
Covered Services		
40.	Failure to timely provide a covered service as required under this Contract or when not specified therein, with reasonable promptness.	The cost of services not provided plus \$500 per day, per occurrence, for each day that covered service is not provided timely.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
41.	Failure to timely provide a covered service as required under this contract when determined by DHS that such failure results in actual harm to an Enrollee or places an Enrollee at risk of imminent harm.	Up to \$7,500.00 per day for each incidence of non-compliance.
42.	Failure to timely authorize and arrange provision of a service under this Contract as directed by DHS and in accordance with 42 C.F.R. 438.210(d).	\$500.00 per standard service authorization request for each day the Health Plan is in default, and at the DHS's discretion, an additional amount for one of the following: (1) amounts sufficient to offset any savings the Health Plan garnered by failing to authorize provision of the service, or (2) actual cost to have the service covered.
EPSDT		
43.	Failure to comply with obligations and timeframes in the delivery of EPSDT services as set forth in the Contract.	\$1,000.00 per violation.
Program Integrity		
44.	Failure to fully implement, enforce and monitor the Health Plan's compliance plan as set forth in Section 12.1.A.4, Administrative Requirements.	\$1,000.00 per day for each day of non-compliance.
45.	Failure to establish and maintain a special investigative unit as described in Section 12.1.A.4, Administrative Requirements.	\$1,000.00 per day for each day of non-compliance.
46.	Failure to comply with other Fraud, Waste and Abuse provisions set forth in Section 12, Program Integrity.	\$1,000.00 per day for each day of non-compliance.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
47.	Failure to respond to informational or reporting requests whether recurring or a onetime request from DHS, the OIG, the OAG, the MFCU or any other agent or contractor of DHS within the timeframe requested.	\$500 a day penalty until the information is received.
Data, Reporting Requirements and Deliverables		
48.	Failure to follow the specified methodology or submit complete and accurate data in any report submitted as part of this Contract; encounter data submissions are not subjected to this damage as they are addressed elsewhere.	\$5,000.00 per determination.
49.	Failure to provide a required report set forth in the Health Plan Manual in the required timeframe; or failure to cure identified reporting or deliverable errors upon notification by DHS within five (5) business days or an alternative deadline as agreed to by DHS.	\$250 per day per report until the violation is remedied.
Confidentiality and Protected Health Information		
50.	Failure to ensure Enrollee confidentiality in accordance with 45 CFR 160 and 45 CFR 164; and an incident of non-compliance will be assessed as per Member and/or per HIPAA regulatory violation, as set forth in Section 14.16, Confidentiality of Information.	Up to \$5,000.00 for each breach.

APPENDIX G. REMEDIES FOR NON-PERFORMANCE OF CONTRACT

No.	Non-performance of Contract	Liquidated Damages
51.	Failure to ensure that all Hawaii Medicaid data containing protected health information (PHI), as defined by HIPAA, is secured as set forth in Section 14.16, Confidentiality of Information.	\$500.00 per Enrollee per occurrence, and if DHS deems credit monitoring and/or identity theft safeguards are needed to protect those Enrollees whose PHI was placed at risk by the Health Plan's failure to comply with the terms of this Contract, the Health Plan shall be liable for all costs associated with the provision of such monitoring and/or safeguard services.
52.	Failure to seek express written approval from DHS prior to the use or disclosure of Enrollee data or Hawaii Medicaid confidential information as set forth in Section 14.15, Confidentiality of Information.	\$1,000.00 per Enrollee or per occurrence.
53.	Failure to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of provisional breach.	\$500.00 per Enrollee per occurrence, not to exceed \$10,000,000.00.

APPENDIX H – PROVIDER DIRECTORY TEMPLATE

Provider Directory Template

*Use the following provider types and specialties in the table below for the Provider Directory template. Please type out each provider type and specialty as it is typed below.

PROVIDER [TYPE/SPECIALTY]	
ADULT DAY PROGRAMS	NURSE PRACTITIONER
ALLERGY / IMMUNOLOGY	NURSING FACILITY
ANESTHESIOLOGY	OCCUPATIONAL MEDICINE
ASSISTED LIVING	ONCOLOGY
BEHAVIORAL THERAPY	OPHTHALMOLOGY
BEHAVIORAL / MENTAL HEALTH	OPTOMETRY
CARDIOLOGY	ORTHOPEDIC
CASE MANAGER	OSTEOPATHY
CHIROPRACTIC	OTOLARYNGOLOGY
CLINIC	OUTREACH
COUNSELING and TRAINING	PAIN MANAGEMENT
CRISIS	PATHOLOGY / LABORATORY
DENTISTRY	PEDIATRIC SPECIALTIES
DERMATOLOGY	PERSONAL EMERGENCY RESPONSE (PERS)
DIALYSIS CLINIC	PHARMACY
DIETARY / NUTRITION	PHYSICAL THERAPY
DURABLE MEDICAL EQUIPMENT (DME) / MEDICAL SUPPLY	PHYSICIAN ASSISTANT
ELECTROPHYSIOLOGY	PODIATRY
EMERGENCY MEDICINE	PREVENTIVE MEDICINE
ENDOCRINOLOGY	PRIMARY CARE PROVIDER (PCP)
ENVIRONMENT	PSYCHIATRY
FINANCIAL SERVICES	PSYCHOLOGY
GASTROENTEROLOGY	PULMONOLOGY
GENETICS	RADIOLOGY / IMAGING
GERONTOLOGY	REHABILITATION
GYNECOLOGY / OBSTETRICS	RESIDENTIAL CARE
HEALTH EDUCATION	RESPIRATORY THERAPY
HEMATOLOGY	RESPIRE
HOME CARE	RHEUMATOLOGY
HOME DELIVERED MEALS	SOCIAL WORKER
HOME HEALTH	SPEECH-HEARING
HOME MAINTENANCE	SPORTS MEDICINE
HOSPICE	SUB-ACUTE CARE
HOSPITAL	SUBSTANCE USE DISORDER
HOTEL / SHELTER	SURGERY
INFECTIOUS DISEASE	SURGERY- AMBULATORY/OUTPATIENT
INTERNAL MEDICINE	SURGERY SPECIALTIES
INTERPRETATION	TELEHEALTH
MARRIAGE AND FAMILY THERAPY	TRANSPORTATION - EMERGENCY
MEDICINE	TRANSPORTATION - NON EMERGENCY (NEMT)
MOVING ASSISTANCE	TRANSPORTATION - NON MEDICAL (NMT)
NEONATOLOGY	URGENT CARE
NEPHROLOGY	UROLOGY
NEUROLOGY	WOUND CARE
NURSE MIDWIFE (LICENSED)	

APPENDIX I – Litigation Events

Table 15.2.B-1: Litigation Events

Disclosure of Pending or Recent Litigation	
Date litigation brought against Entity including case title and case ID	
Name of Entity (Health Plan or subcontractor)	
Type of Contract and Contracting Entity (e.g., full risk managed care contract with State of Hawaii MQD, etc.)	
Describe nature of litigation, including action leading to the litigation.	
Indicate amount of damages sought or awarded.	
Does the pending or recent litigation have the potential to or will impair your organization's performance in a Hawaii Medicaid managed care Contract? Please explain if "yes."	
Indicate the status of the litigation.	
Indicate outcome of litigation, if resolved.	

APPENDIX J – PHI Breach Events

Table 15.2.B-2: PHI Breach Events

Date of Breach	Location of breach (State or States)	Did the breach result in the exposure of PHI?	Where did the exposure occur? (i.e. internal, subcontractor, etc.)	How many Members' data were included in the breach?	How many total records of data were breached?	To what extent was the breached data seen or used?	What steps were taken to mitigate the breach?