



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

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

RFP-MQD-2022-001



STATE OF HAWAII

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

Legal Ad / RFP Release Date: August 19, 2021

REQUEST FOR PROPOSALS

No. RFP-MQD-2022-001

Competitive Sealed Proposal:

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

**will be received up to 2:00 p.m. Hawaii Standard Time (H. S.T.)
on October 4, 2021**

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

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

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SECTION 10 ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposals (RFP)

- A. The Department of Human Services (DHS), Med-QUEST Division (MQD), Hawaii's Medicaid program, is seeking a qualified organization to provide all federally required Peer Review Organization (PRO) services for the state Medicaid managed care programs as well as provide all federally mandated External Quality Review Organization (EQRO) services to the Medicaid population. The PRO and EQR services offeror hereafter collectively referred to as the "Offeror".
- B. PRO functions include performing level of care determinations for all long-term services and supports (LTSS); conducting independent medical reviews of pre-admission screening and resident reviews (PASRR) of beneficiaries in nursing facilities.
- C. External Quality Review Organization (EQRO) services are required by the Balanced Budget Act of 1997, 42 CFR §438.352, Subpart E- *External Quality Review*. These services will be updated based upon revised guidance from the Centers for Medicare & Medicaid Services (CMS). These services include the following EQR mandated activities:
 - 1. BBA-Mandated Activities:
 - a. Validation of performance improvement projects required of the Managed Care Organization (MCOs)/Prepaid Inpatient Health Plan (PIHP) by the State;
 - b. Validation of the MCOs/PIHP performance measures as required by the State including those related to long-term services and supports and those specified by CMS, or calculated by the State during the preceding twelve (12) months; and
 - c. Determination of MCOs'/PIHP's compliance with standards established by the State and outlined in the BBA-required State Quality Strategy.

- D. Technical assistance for both PRO and EQR to the MCOs/PIHP and the State in the mandatory activities as well as quality review areas requiring improvements and/or updating.
- E. The successful contractor must provide all staffing, office space, office equipment, travel expenses, computer hardware and software and procedures required to perform the services described herein. The contractor shall be responsible for all costs of providing required services as described in this RFP.
- F. Offerors are advised that the entire RFP, including all appendices, attachments, addenda, and the corresponding proposal shall be part of the contract with the selected Offeror.
- G. DHS reserves the rights to modify, amend, change, add, or delete any requirements in this RFP and the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, interested parties shall be provided additional time to submit their proposals.

10.200 Statement of Need

- A. The DHS, Med-QUEST Division (MQD) will meet its federal Medicaid utilization review requirement by contracting with a federally qualified peer review organization (PRO). Federally qualified peer review organizations are companies that perform peer review duties for Medicare and who qualify for a Federal Financial Participation (FFP) rate of 75 per cent. For the QUEST Integration and Community Care Services (CCS) programs, provisions in the Balanced Budget Act, 1997, require the DHS/MQD to contract with an EQRO to evaluate the health plans in areas designated by federal law for mandatory review as well as on issues identified by the MQD. Federal law (Section 1932(c)(2)(A) of the Social Security Act) requires the EQRO and its sub-contractors to be external to and independent from the State Medicaid agency and from the MCOs/PIHP that they review, and to perform, on an annual basis, a review of the quality of services furnished by each MCO/PIHP. The EQRO must retain its qualifications so that DHS is able to obtain 75 (seventy-five) percent FFP for the scope of its services over the length of the contract with

the exception of work related to the prepaid inpatient health plans (PIHP) which is eligible for 50 (fifty) percent FFP.

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

10.300 Authority for Issuance of RFP

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

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

10.400 Issuing Officer

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

Mr. Jon Fujii,
Department of Human Services
Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, HI 96707-2005
Email: jfujii@dhs.hawaii.gov

10.500 Use of Subcontractors

- A. In the event of a proposal submitted jointly by more than one organization, one organization shall be designated as the

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

10.600 Organization of the RFP

- A. This RFP is composed of eight sections plus appendices:
1. Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP and the organization of the RFP
 2. Section 20 - RFP Schedule and Procurement Requirements– Provides information on the rules and schedules for procurement of this RFP
 3. Section 30 – Background – Describes the current medical assistance programs
 4. Section 40 – Scope of Services- Provides information on the services to be provided under the contract
 5. Section 50 – Terms and Conditions – Describes the terms and conditions under which the work shall be performed
 6. Section 60 – Technical Proposal – Defines the Technical proposal and the minimum information to be provided in the proposal
 7. Section 70 – Business Proposal – Defines the required format of the business proposal and the minimum information to be provided in the proposal
 8. Section 80 – Proposal Evaluation and Price Analysis – Defines the evaluation criteria and explains the evaluation process

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

SECTION 20 RFP SCHEDULE AND PROCUREMENT REQUIREMENTS

20.100 RFP Timeline

- A. The delivery schedule set forth below represents DHS' best estimate of the schedule that will be followed. If a component of this schedule, such as Proposal Due Date, is delayed, the rest of the schedule will likely be shifted by the same number of days. The proposed schedule is provided in Table 1: 20.100 below:

Table 1: 20.100 RFP Timeline

Schedule of RFP Events	Date
Issue RFP	August 19, 2021
Submission of Written Technical Proposal Questions	September 10, 2021
Written Responses to Technical Proposal Question	September 17, 2021
Notice of Intent to Propose	September 21, 2021
Proposal Due Date	October 4, 2021
Contract Award	October 18, 2021
Contract Execution Date	November 30, 2021 (approximate)
Contract Effective Date	January 1, 2022

20.200 Written Questions

- A. Offerors shall submit questions via e-mail in Word 2013 format, or lower with the subject line "EQRO RFP" and email to:

rsouza2@dhs.hawaii.gov

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

20.300 Notice of Intent To Propose

- A. Potential Offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than the date identified in Section 20.100 at 2:00 p.m. H.S.T. using the format provided in Appendix C.

- B. The Notice of Intent to Propose, Appendix C shall be signed by an individual authorized to commit the Offeror to the work proposed. The submission of a Notice of Intent to Propose is necessary for the Issuing Officer to provide the designated proposal electronic submission site and to assure proper distribution of amendments and other communication regarding this RFP.
- C. The Notice of Intent to Propose shall include the subject line "The Notice of Intent to Propose for EQRO RFP" and shall be emailed to the following email address:

rsouza2@dhs.hawaii.gov

20.400 On-Site visits

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

20.500 References

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

20.600 Documentation

- A. Offeror may review information describing Hawaii's Medicaid program by visiting the DHS MQD website:
<https://medquest.hawaii.gov>.

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

20.700 Requirements to Conduct Business in the State of Hawaii

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

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

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

20.800 Hawaii Compliance Express (HCE)

- A. The DHS utilizes the HCE to verify compliance with the requirements under §103D-310 (c), HRS and §3-122-112, HAR upon award of the Contract. The HCE is an electronic system that allows vendors, contractors or service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the DOTAX and IRS tax clearance Department of Labor and Industrial Relations (DLIR) labor law compliance, and Department of Commerce and Consumer Affairs (DCCA) good standing compliance. There is a nominal annual fee for the service and is the responsibility of the Offeror. The "Certificate of Vendor Compliance" issued online

through HCE provides the registered Offeror's current compliance status as of the issuance date, and is accepted for both contracting and final payment purposes. See website:

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

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

20.900 Rules of Procurement

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

20.910 Restriction on Communication with State Staff

- A. In order to provide equal treatment to all Offerors, questions shall be submitted in writing and answers shall be distributed to all who requested an RFP.
- B. Offerors shall not be permitted to discuss its proposal with State Staff, or any State Contractors closely involved in the preparation and issuance of the RFP, from the time when the RFP is issued until contract execution or until this RFP is canceled and DHS has no intention to issue a re-solicitation.
- C. Offerors shall only be permitted to discuss the proposal with State Staff, or any State Contractors closely involved in the preparation and issuance of the RFP, during the Proposal Evaluation Period, at the request of DHS per HAR §3-122-53.

20.920 RFP Amendments

- A. DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal. Prior to and on the closing date for submission of proposal, amendments shall be sent to all potential Offerors who requested copies of the RFP.
- B. In addition, amendments may also be made after proposal submission, consistent with HAR §3-122-16.06(f).

20.930 Costs of Preparing Proposal

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

20.940 Disposition of Proposals

- A. All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right. Written requests for an explanation of rejection shall be responded to in writing within five (5) working days of receipt.
- B. Offerors who submit technical proposals which do not meet mandatory requirements or which do not meet all the threshold requirements during the technical evaluation phase, shall have their technical and business proposals returned. The business proposal shall be returned unopened.

20.950 Rules for Withdrawal or Revision of proposal

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

20.960 Independent Price Determination

- A. State law requires that a bid shall not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement

as to any matter relating to such prices with any other Offeror or with any competitor.

- B. An Offeror shall include a certified statement in the proposal certifying that the bid was arrived at without any conflict of interest, as described above. Should a conflict of interest be detected at any time during the contract, the contract shall be null, and void and the Offeror shall assume all costs of this project until such time that a new Offeror is selected.

20.970 Confidentiality of Information

- A. If an Offeror seeks to maintain the confidentiality of sections of the technical proposal, each page of the section(s) should be marked as "Proprietary" or "Confidential." Proprietary or confidential information includes, but is not limited to, business, financial information, medical records, and beneficiary information. Price is not considered confidential and will not be withheld. An explanation to DHS of how substantial competitive harm would occur if the information is released is required in the Transmittal Letter for the Technical Proposal as described in Section 60.200. Such information shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. DHS shall maintain the confidentiality of the information to the extent allowed by law. Blanket labeling of the entire document as "Proprietary", however, is inappropriate.

20.980 No Contingent Fees

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

21.100 Acceptance of Proposals

- A. DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.
- B. DHS also reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the State.
- C. Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse an Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.
- D. DHS also reserves the right to accept only those proposals that meet all terms of the RFP without changing the requirements, submitted in accordance with all mandatory and technical proposal requirements set forth in this RFP and which demonstrate an understanding of the requirements. Any proposal disagreeing with terms set forth in the RFP or offering any other set of terms and conditions contradictory to those included in this RFP maybe deemed inconsistent with the RFP and disqualified.

21.200 Submission of Proposals

- A. Each qualified Offeror shall submit only one (1) proposal to provide EQRO services. In the event that more than one (1) proposal is submitted, DHS shall reject all proposals. The Offer Form (OF-1) in Appendix A shall be completed and submitted with the proposal. The format and content of the proposal is specified in Section 60 and Section 70.
- B. The Offeror shall submit technical and business proposals in one (1) single electronic primary folder and a redacted version of the technical, and business proposals, removing all confidential/proprietary information, in one (1) single electronic redacted version folder to the DHS-designated proposal electronic submission site provided by the Issuing Officer. If there are discrepancies between the electronic primary folder and the electronic redacted version folder, the electronic primary folder will be the final version. The Issuing Officer shall receive an electronic primary and redacted

version of the technical, and business proposals no later than 2:00 p.m. HST on the proposal due date specified in Section 20.100.

- C. The one (1) single electronic primary folder shall have two (2) subfolders: Technical Proposal and Business Proposal.
- D. The Offeror shall submit the technical and business proposals to the designated electronic submission site as follows:
 - 1. All proposals shall be submitted in a fully searchable Adobe Acrobat Portable File Format (PDF).
 - 2. The PDF submission shall not be password-protected or encrypted.
 - 3. Any forms and/or documents requiring signature(s) shall be scanned into the respective PDF files.
- E. The Offeror shall place the Technical requirements, as described in Section 60, in the Technical Proposal subfolder as one (1) PDF file.
- F. For the Technical Proposal subfolder, the Offeror shall create one (1) PDF file for each evaluation category described in Section 80. Each file nomenclature shall be the same as the evaluation category (e.g., Category - Executive Summary). For each evaluation category PDF file submission, the Offeror shall include all appendices, graphics and attachments as required in this RFP or to support the responses only for the specific evaluation category. The information required in Appendix J and Appendix K shall be submitted as two (2) separate files from other submissions in the Technical Proposal subfolder. No video shall be included.
- G. The Offeror shall place the Business Proposal, as described in Section 70 in the Business Proposal subfolder as one PDF file. The information required in Appendix L shall be included in the Business Proposal.
- H. The Offeror shall solely bear the whole and exclusive responsibility for ensuring the documents are received by the Issuing Officer and for ensuring the complete, correctly formatted, legible, and timely transmission of all documents.

The Offeror shall assume all risk that the Issuing Officer receiving equipment and system may be inoperative or otherwise unavailable at the time transmission is attempted.

- I. The Offeror file submissions to the designated DHS proposal designated electronic submission site can reviewed or revised until 2:00 p.m. HST on the proposal due date specified in Section 20.100.
- J. After the closing date and time, the DHS-designated proposal electronic submission site shall be closed to prevent further proposal submissions or revisions.

21.300 Proposal Inspection

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

21.400 Disqualification of Offerors

- A. An Offeror shall be disqualified, and the proposal automatically rejected for any one or more of the following reasons:
 - 1. Proof of collusion among Offerors, in which case all bids involved in the collusive action shall be rejected and any participant to such collusion shall be barred from future bidding until reinstated as a qualified Offeror
 - 2. An Offeror's lack of responsibility and cooperation as shown by past work or services
 - 3. An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts
 - 4. An Offeror's lack of proper license to cover the type of work contemplated, if required
 - 5. An Offeror shows any noncompliance with applicable laws
 - 6. An Offeror's delivery of proposal after the deadline specified in the advertisement calling for bids

7. An Offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former contracts with the State at the time of issuance of this RFP
8. An Offeror's lack of financial stability and viability
9. An Offeror's consistently substandard performance related to meeting the Med-QUEST Division (MQD) requirements from previous contracts.

21.500 Irregular Proposals

- A. Proposals shall be considered irregular and rejected for the following reasons including, but not limited to the following:
 1. If either the proposal letter or transmittal letter is unsigned by an Offeror or does not include notarized evidence of authority of the officer submitting the proposal to submit such proposal
 2. If the proposal shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditional bids, incomplete bids, or irregularities of any kind, which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning
 3. If an Offeror adds any provisions reserving the right to accept or reject an award, or enters into a contract pursuant to an award, or adds provisions contrary to those in the solicitation
- B. Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if the best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the State. Examples include the failure of an Offeror to: return the number of signed proposals required by the request for proposal.

21.600 Mistakes in Proposals

- A. Mistakes shall not be corrected after award of contract.
- B. When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.
- C. Once discussions are commenced or after best and final offers are requested, any priority-listed Offeror may freely correct mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.
- D. If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which even the proposal may not be withdrawn.
- E. If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

21.700 Cancellation of RFP

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

21.800 Best and Final Offer (BAFO)

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

21.900 Award Notice

- A. The notice of intended contract award shall be sent to the selected Offeror on or about the Contract Award date specified in Section 20.100. The successful Offeror receiving award shall enter into a formal written contract.
- B. The contract award is subject to the available funding.
- C. Any agreement arising out of an offer is subject to the approval of the Department of Attorney General as to form and to all further approvals, including the approval of the Governor as required by statute, regulation, rule, order, or other directive.
- D. DHS is not liable for any costs incurred prior to the Contract Execution Date identified in Section 20.100.

SECTION 30 BACKGROUND

30.100 Medical Assistance in Hawaii

- A. The Med-QUEST Division (MQD) is the unit within the Department of Human Services (DHS) that administers Hawaii's medical assistance programs. Medicaid, a federal and state partnership program created by Congress in 1965, provides medical assistance benefits to qualified uninsured and underinsured through the QUEST Integration (QI) and Community Care Services (CCS) programs.
- B. Together, Medicaid covers approximately 407,422 individuals, per 2021 first quarter Public Summary Report. In addition to asset and income limits, the basic eligibility requirements for Medicaid include being 1) a U.S. citizen or qualified alien; 2) a Hawaii resident; and 3) not residing in a public institution such as prison or the State psychiatric hospital. Different eligibility categories such as pregnant women and children have different income thresholds and are not subject to an asset limit.
- C. MQD also administers at this time two State-funded programs. The first is a State-funded Aged, Blind, and Disabled (ABD) program for certain lawfully present non-pregnant adults who are ineligible under Medicaid. The second for the Breast and Cervical Cancer program. The MQD retains the ability to add new State funded programs. Eligibility requirements are the same as for Medicaid, but there is no U.S. citizenship requirement. Eligible persons are placed in the QI managed care health plans. Federal dollars are not claimed for these eligibility groups.

30.200 Department of Human Services

- A. MQD is the organization unit within DHS that is responsible for the operation and administration of the medical assistance programs including QI, Community Care Services (CCS) and SHOTT programs. For purposes of this RFP, the basic functions or responsibilities of MQD include:
 - 1. Establish and define the medical, behavioral health, community integration, and LTSS benefits to be provided by the Health Plan;

2. Develop the rules, policies, regulations and procedures governing the programs;
3. Establish the Offeror capitation rates;
4. Negotiate and contract with the Offerors;
5. Determine initial and continued eligibility of Beneficiaries;
6. Enroll and dis-enroll beneficiaries;
7. Provide benefits and services to the Medicaid beneficiaries;
8. Review and monitor the adequacy of the Offeror's provider networks;
9. Provide routine and responsive feedback to improve data quality;
10. Oversee the development of DHS Quality Strategy;
11. Monitor the quality assessment and performance improvement (QAPI) programs of, and quality of data and reports submitted by, the Offeror and providers, and provide routine and responsive feedback as needed;
12. Review and analyze utilization of services and reports provided by the Offeror;
13. Participate in the State administrative hearing processes;
14. Monitor the Offeror's grievance processes;
15. Monitor the financial status of the programs;
16. Analyze the programs to ensure they are meeting the stated objectives;
17. Manage the Hawaii Prepaid Medicaid Management Information System (HPMMIS);
18. Provide Beneficiary information to the Offeror;
19. Review and approve the Offeror's marketing materials;

20. Review and approve all Offeror materials that are distributed to their Beneficiaries;
 21. Establish Offeror incentives when deemed appropriate;
 22. Oversee the activities of other DHS contracts, including but not limited to the SHOTT program contractor;
 23. Oversee the activities of the Ombudsman Program which will be available to all Medicaid providers and Medicaid Beneficiaries to ensure access to care, to promote quality of care, and to strive to achieve provider and Beneficiary satisfaction with QI;
 24. Impose civil or administrative monetary penalties and/or financial sanctions for violations or Offeror non-compliance with contract provisions;
 25. Report criminal conviction information disclosed by providers and report provider application denials pursuant to 42 CFR §455.106(b);
 26. Verify out-of-state provider licenses during provider enrollment and review and monitor provider licenses on an ongoing basis;
 27. Ensure the Offeror is not located outside of the United States;
 28. Refer Beneficiary and provider fraud cases to appropriate law enforcement agencies; and
 29. Coordinate with and monitor Fraud, Waste and Abuse (FWA) activities of the Offeror.
- B. DHS shall comply with, and monitor the Offeror's compliance with, all applicable State and federal laws and regulations.
- C. DHS shall screen, enroll, and periodically revalidate, all network providers in accordance with the requirements of 42 CFR part 455, subparts B and E. Through its contracts with the Offeror, DHS shall ensure all network providers are enrolled with DHS as Medicaid providers consistent with provider disclosure, screening, and enrollment requirements.

30.300 Hawaii QUEST Integration (QI)

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

30.310 Medicaid Covered Populations

- A. The following populations are covered by Medicaid
 1. Children Group (HAR Chapter 17-1715);
 2. Former Foster Care Children Group (HAR Chapter 17-1715.1);
 3. Pregnant Women Group (HAR Chapter 17-1716);
 4. Parent or Caretaker Relatives Group (HAR Chapter 17-1717);
 5. Individuals Receiving Transitional Medical Assistance (HAR Chapter 17-1717.1);
 6. Adults Group (HAR Chapter 17-1718);
 7. Aged, Blind, and Disabled Group (HAR Chapter 17-1719);
 8. Non-citizens or refugees (HAR Chapter 17-1723.2); and
 9. Individuals with breast and cervical cancer (HAR Chapter 17-1733.1)

30.320 Fee-For-Service Medicaid

- A. The State's Fee-For-Service program provides medical assistance to eligible individuals under Title XIX of the Social Security Act. The Fee-For-Service program is a state administered program, which receives federal funding for its expenditures. Under the current program, payments are made to providers based on the service rendered (fee-for-service). Hawaii's FFS program is limited. The majority of its beneficiaries receive services through the QUEST Integration program.

30.330 Excluded Populations

- A. Individuals excluded from participation in managed care under this contract include those who are:
 - 1. Medicare Savings Program Members and Qualified Disabled Working Individuals not eligible for full Medicaid benefits (HAR Section 17-1700.1-2);
 - 2. Enrolled in the State of Hawaii Organ and Transplant Program (SHOTT) (HAR Chapter 17-1737);
 - 3. Retroactively eligible only (HAR Chapter 17-1735.1)
 - 4. Eligible under non-ABD medically needy spenddown (HAR Section 17-1730.1-11); and
 - 5. Repatriates (HAR Chapter 17-1723.3).

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

SECTION 40 SCOPE OF SERVICES

40.100 Introduction

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

40.200 Target Population

- A. The target population is composed of QI beneficiaries. QI currently provides managed care health services to approximately 407,422 individuals, per 2021 first quarter Public Summary Report, with the majority of beneficiaries residing on Oahu. The CCS program includes approximately 5,000 beneficiaries.

40.300 Scope of Work

- A. It is expected that the Offeror will address and perform the tasks set forth in this RFP. It is also understood that this listing of tasks and activities is not all-inclusive and that other elements of work may be addressed within the Offeror's proposal, if deemed appropriate.
- B. For reporting requirements under any contract resulting from the RFP, unless otherwise stated, reports shall be submitted to the Contracts Monitoring and Compliance Section Administrator.

40.400 PRO Activities

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

- A. The Offeror is responsible for implementing and maintaining a system and process for referrals to local contact agencies and other appropriate entities for a facility's submission of electronic PASRR Forms and Census Reports, and for conducting the sample selection and medical records compliance review of a sample of beneficiaries residing in Medicaid certified nursing facilities (NFs). The purpose of this review is to determine if the residing residents received

appropriate and timely Level I Screening, Level II Evaluations and/or Determinations, and Resident Reviews. This review can be completed by reviewing the medical records at the nursing facility, online or electronically, or by obtaining a hard copy of the documents. All expenses and arrangement for the review are the responsibility of the Offeror. There are approximately forty-one (41) nursing facilities within the State of Hawaii.

B. The Offeror must accept any and all electronic, fax and mailed submittals of:

1. Form 1178 "Preadmission Screening Resident Review (PAS/RR) Level I Screen" (Refer to Appendix I) submitted by referrals to local contact agencies or physicians. If the Level I screen indicates that an individual may have a diagnosis of or symptoms(s) of Serious Mentally Ill (SMI) and/or Intellectual Disability (ID) or Developmental Disability (DD), a Level II process may need to be initiated by the referring agency or physician. Beneficiaries who meet a categorical determination (Refer to Appendix I, Form 1178 Part C) do not have to proceed to the Level II process before admission into a NF.
2. Form 1137 "Medicaid Certified Nursing Facility Census Report" (Refer to Appendix M) submitted by nursing facilities.
3. Referrals to local contact agencies and other appropriate entities for Preadmission Screening Level I for beneficiaries prior to entering or to reentering a NF. Beneficiaries not entering a NF do not require a Level I screening.
4. The Offeror must have the capability to handle 12,000 form requests, and will be required to perform on-line (internet) processing of submitted forms regardless of the volume.
5. If the beneficiary does not meet a categorical determination, and the referring agency and physician have deemed the individual as meeting the PASRR criteria for SMI or ID/DD, the completed evaluations must be sent to the appropriate State authorities. For beneficiaries with a potential diagnosis of SMI, the evaluation must be

sent to Department of Health, Adult Mental Health Division (AMHD). For beneficiaries with a potential diagnosis for ID or DD, the evaluation must be sent to Developmental Disabilities Division (DDD). AMHD or DDD will determine if specialized services are needed and if admission to or stays in the NF are appropriate. The Offeror must make on-line (internet) access to the electronic system available also, for AMHD and DDD.

6. NFs are not required to perform annual resident reviews of beneficiaries who had Level II screens and have a diagnosis of seriously mentally ill (SMI) and/or intellectual disability (ID) and in need of NF services. However, the NF must timely report significant changes (mental deterioration or a newly suspected diagnosis for SMI residents as well as improvements in physical and/or mental capabilities with the DD/ID residents) to the State AMHD and/or to the State DDD authorities who are responsible for performing the determinations.
7. The Offeror will select the sample for review based on the monthly admission census reports submitted by each nursing facility. Smaller facilities will have at least one (1) admission reviewed for each quarter where at least one (1) admission was reported. There will be no more than one thousand (1,000) PASRR reviews conducted annually by the Offeror.
8. All cases that did not meet criteria in areas such as timeliness or accuracy in screening must be reported monthly with the particulars of the case so that further action may be taken by the State. The Offeror must notify the MQD, Contracts monitoring and Compliance section immediately upon discovery if the facility does not correct the noncompliance.
9. The Offeror shall submit to MQD an annual written summary report for all the reviewed cases.
10. The report shall be due no later than two hundred-forty (240) calendar days after the end of the calendar year. The report shall include the appropriateness of the pre-admission screening levels, the degree of compliance of the nursing facility (NF) to report changes in the

beneficiary status to the appropriate Adult Mental Health Department (AMHD) and/or Developmental Disabilities Division (DDD) authorities. General recommendations on improvements in the PASRR processes should also be included.

11. The Offeror shall provide the necessary training and education to the NF staff responsible for ensuring compliance with PASRR requirements, if they require more training and education to effectively meet PASRR requirements.
12. The Offeror shall provide to MQD Inter Rater Reliability process to ensure consistent understanding of Federal, State criteria/program requirements.

C. The State retains the right to:

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

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

- A. The Offeror shall be responsible for making LTSS Nursing Facility (NF) LOC and At-Risk determinations. This process is also known as the "1147 Process". The Offeror will receive all requests for nursing facility LTSS services or at-risk services on:
 1. Form 1147 "Level of Care (LOC) and At-Risk Evaluation" (Appendix N)
 2. Form 1147a "Level of Care (LOC) Reevaluation" (Appendix N-2)
 3. Form 1147E "Children/Youth UNDER age 21/Level of Care Evaluation." (Appendix N-4)

- B. Relevant beneficiary information on these forms will be provided and signed by a registered nurse, physician, or a primary care provider. The Offeror will defer, approve, or deny the appropriate LOC: Sub-acute, Skilled Nursing Facility (SNF), Intermediate Care Facility (ICF), Hospice or at-risk category. The Offeror must accept electronic, fax, and mailed submittal of 1147 forms by providers and must have the capability to provide an on-line (internet) LOC determinations with validation signature capability. An approximate average of 17,000 determinations are processed annually. The State is unable to predict if there will be any future changes in the number of determinations, however it is expected that the Offeror will provide this service regardless of the volume.
- C. LOC determinations must be performed in the State of Hawaii by registered nurses with a current Hawaii nursing license, under the supervision of a physician based in Hawaii with a current Hawaii physician license. The Offeror must train and monitor the performance of its staff based in Hawaii.
- D. The supervising physician will, at a minimum, review denials, provide input into the State's position in any fair hearings concerning denials, and review cases when there is disagreement with the referring facilities/plans/physicians/primary care providers on the LOC or at-risk category and on cases that are "borderline." The Offeror will refer all potential denials of LTSS or at risk services to the State in situations where the referring facility/physician requests State reconsideration. If the State agrees that the denial should be made, the State will inform the Offeror's staff. If the State determines that a denial should not be made, the State's determination will be the final decision.
- E. The Offeror's Hawaii staff must work with the State to modify procedures and policies due to changes in Federal or State statutes or administrative rules and/or if the changes will result in cost savings and/or improved beneficiary care.
- F. Should there be a change in methodology or criteria for determining LTSS LOCs or at-risk category, the Offeror will be notified and given specific directions by the State. The Offeror should review the current protocols and may recommend changes in protocols which would result in increased efficiencies.

- G. The Offeror shall provide an Inter Rater Reliability process to ensure consistent understanding of State criteria/program requirements.
- H. The Offeror shall provide the necessary education to entities to ensure understanding of the 1147 process.
- I. The State must approve in writing any suggested changes in LOC or at-risk category determination protocols.

40.430 Peer Review of Quality Care Concerns

- A. An approximate average of five (5) peer reviews are processed annually. A peer review process must be used by the Offeror to determine appropriateness of MCO LOC and at risk determinations and any questionable quality of care issues identified by the State on a case-by-case basis. The Offeror's report on each case shall be submitted within two (2) weeks of completion of the investigation. Timeframe may be expedited if safety or fraud concerns are identified as active or ongoing. The peer review case shall include:
 - 1. Beneficiary's name,
 - 2. date of birth,
 - 3. gender,
 - 4. Medicaid identification number,
 - 5. member's MCO,
 - 6. nature of the investigation, including issue(s) investigated and methodology used,
 - 7. date(s) of investigation,
 - 8. findings,
 - 9. recommendations,
 - 10. staff (including name and position title) performing the investigation, and
 - 11. other pertinent information discovered.

40.440 Determinations Database

A. The Offeror shall provide the determination database as described in the following section.

40.441 Determinations Database for 1147 Process

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

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

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

B. The web-based application database must:

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

40.442 Database for Electronic PASRR (e-PASRR) - Form 1178 (Appendix I) and Form 1137 (*Appendix M*) Submission

A. The Offeror shall provide and maintain a web-based submission database for Form 1178, AMHD, DDD Forms, and the Form 1137 including at a minimum, the following information and functions:

1. Beneficiary names;
2. Beneficiary Medicaid ID number, if any;
3. Date of birth;
4. Date of submission of Forms, including but not limited to:
 - a. Form 1178
 - b. AMHD Form #1-4
 - c. DDD Form #1, and
 - d. Form 1137 submitted;
5. Contact Information for the referring local contact agency, or entity, physicians and nursing facilities;
6. Fillable Form, including those that may be periodically developed, updated, revised, including but not limited to:
 - a. Form 1178, and
 - b. Form 1137
7. Other Fillable Forms, including those that may be periodically developed, updated, revised, including but not limited to:
 - a. AMHD #1-4, and
 - b. DDD Form #1;
8. Check list of all the PASRR support documents required for Level I and Level II determinations;
9. Allow communication between referring agency, AMHD, DDD, and NF as related to documents submitted;
10. Have Preadmission Screening notice attestation;
11. Allow electronic signature image for AMHD, DDD Forms.
12. Show status of received submissions of support documentations for:
 - a. Level I PASRR Screen Form 1178,
 - b. AMHD #1-4,
 - c. DDD Form #1, and

d. Form 1137;

13. Show the PASRR status determination;
14. Allow the NF with the designated PASRR case to review PASRR related documents submitted by the referring agency or physician on a specific beneficiary;
15. Allow the NF with the capability to update real time census;
16. Allowed the PASRR case to link to applicable Form 1147 (Level of Care Evaluation);
17. Allow printing of determination letter(s);
18. Allow electronic notification and upload of documents for PASRR compliance medical records review; and
19. The web-based submission database must allow submissions to be:
 - a. Tracked by beneficiary name, Medicaid ID number, date of birth and designated case;
 - b. Accepted via electronic fillable Form 1178, Form 1137, AMHD, and DDD submissions directly from the referring agency, physician or NF;
 - c. Accepted via electronic fillable Form 1178 and Form 1137 submissions without a Beneficiary Medicaid ID number (for non-Medicaid members);
 - d. Tracked for the status of Form 1178 (Level I) and Form 1137 submission;
 - e. Configured or re-configured to accommodate the CMS' or the State's need to add data elements to support the updates of Form 1178, AMHD Forms, DDD Forms, and Form 1137 that the Offeror is not collecting at this time;
 - f. Configured or re-configured to accommodate the State's request to extract responses in elements on

Form 1178, AMHD Forms, DDD Forms submitted by all referring agencies and physicians;

- g. Configured or re-configured to accommodate the State's request to extract responses in elements on Form 1137 submitted by all nursing facilities;
- h. Available, via role-based access controls;
- i. Internet web-browser agnostic with at least the top four (4) most widely used browser;
- j. Available at all times to the Offeror's staff based in Hawaii during normal State business hours of 7:45 a.m. to 4:30 p.m. (H.S.T.) Monday to Friday except State Holidays; and
- k. Configure a validated electronic attested signature process.

B. The Offeror must:

1. Provide technical support to referring agency, physician and nursing facilities;
2. Provide to State staff and the referring agency, physician or NF information on the status of Form 1178, AMHD Forms, DDD Forms, and Form 1137 submission;
3. Provide notification to NF when 1137 census information has not been reported timely;
4. Provide the State, referring agency, physician and NF role based access of Form 1178, AMHD and DDD Forms, and Form 1137;
5. Provide the State and the referring agency, physician and NF training to access the database system;
6. Provide scanning data entry for all PASRR related documents and Form 1137, where submissions were received via fax and mail, into the electronic fillable Form 1178, AMHD Forms, DD Forms, and Form 1137 submission database; and

7. Issue Quarterly Reports, which at a minimum must be provided for Form 1178 and Form 1137 submissions, and must include:

- a. Total number of Form 1178 received; and
- b. Total number of Level II cases completed by AMHD and DDD, including a list of recipients' names
- c. The quarterly report for Form 1137 must include:
- d. Total number of completed and incomplete Form 1137 received; and
- e. Name(s) of nursing facilities in non-compliance.

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

D. The Offeror must:

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

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

1. Number of LOC requests received,
2. Number of LOC determinations performed, sorted by
3. SNF WL, ICF WL, SNF NF, ICF NF, Sub-Acute and Hospice LOCs;

4. Number of Comatose Patients by LOC;
5. LOC Determination Trends;
6. Functional Assessment Scores on all Functional Elements by LOC and at risk,
7. Total Functional Score by LOC,
8. Approval or Denial rates; and
9. Deferral Rates.

F. A copy of the report requirements will be provided by MQD.

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

H. The State retains the right to:

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

40.450 Turnover

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

- B. The Offeror shall maintain proper resources (such as staffing and licensing) throughout the Turnover Period to satisfy and maintain compliance with all requirements identified in the contract.
- C. All items (such as hardware, hosting services, software, custom codes, data, supplies and documentation) developed, procured or managed by the Offeror shall be transferred to the State with statement by the Offeror attesting that the supplied components and materials are current, accurate and complete.
- D. The Offeror shall furnish to the State, a statement of resources that will be required by the State or designated agent to take over the database system.
- E. The Offeror shall provide services to turn over the database system to the State or designee. The services are to include turnover training, cutover activities, post-cutover support, removal of the database system on the Offeror systems and verification of turnover completion.
- F. The Offeror shall provide verification in writing to the State that all items required to be transferred to the State have been transferred to the State and removed from the Offeror's system.

40.500 External Quality Review (EQR) Services

- A. The Offeror will be required to conduct the following EQR services for the QI and CCS programs, including review of MCOs and PIHPs for compliance with all applicable current and future provisions of 42 CFR Part 438 Subpart E, as amended from time to time. The contract indicates that data obtained from the mandatory and optional EQR-related activities must be used for the annual EQR.
- B. The Offeror shall assist the State in collecting data each year from each MCO, PIHP, and PAHP with which it contracts and issue an annual quality rating for each MCO, PIHP, PAHP

based on the data collected, using the Medicaid managed care quality rating system adopted under 42 CFR §438.334.

C. Specifically, the Offeror shall provide the following:

1. Mandatory EQR activities

- a. Validation of performance improvement projects required of the MCOs or PIHP by the State to comply with requirements set forth in §438.330 and that were conducted during the preceding twelve (12) months;
- b. Validation of MCO or PIHP performance measures reported as required by the State during the preceding 12 months to comply with requirements in 42 CFR §438.330; and
- c. A review to determine the MCOs' or PIHP's compliance with standards established by the State and outlined in the Balanced Budget Act (BBA) – required State Quality Strategy relating to access to care, structure and operations and quality assessment and improvement.
- d. An annual detailed Technical Report that provides the State with the EQR results for the prior contract year as required by CMS.

2. Technical Assistance to the State in quality review areas requiring improvements or updating.

40.510 Qualifications of External Quality Review Organizations

- A. The Offeror must meet the minimum qualifications for external quality review organizations (EQRO) during the entire term of this Contract and any Contract extensions, in order to ensure FFP at the 75 (seventy-five) percent rate with the exception of work related to the prepaid inpatient health plans (PIHP) which is eligible for 50 (fifty) percent FFP.

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

1. Competence

a. Staff with demonstrated experience and knowledge of:

- 1) Medicaid beneficiaries, policies, data systems, and processes;
- 2) Managed care delivery systems, organizations and financing;
- 3) Quality assessment and improvement methods; and
- 4) Research design and methodology, including statistical analysis.

b. Sufficient physical, technological, and financial resources to conduct EQR or EQR-related activities.

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

2. Independence of EQRO

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

- 1) The Offeror is independent from the State Medicaid agency and from the MCOs or PIHP that it reviews;
- 2) Neither the Offeror nor the MCOs or PIHP that it reviews exerts control over the other through stock ownership; stock

options and convertible debentures; voting trusts; common management, including interlocking management; or contractual relationships. For purposes of this section, the term "control" has the meaning given the term in 48 CFR §19.101;

- 3) The Offeror does not deliver any health care services to Medicaid beneficiaries;
- 4) The Offeror does not conduct, on the State's behalf, ongoing Medicaid MCO operations related to oversight of the quality of MCOs or PIHP services except as they relate to external quality review;
- 5) The Offeror does not have a present, or known future, direct or indirect financial relationship (as defined in 42 CFR §438.320) with the MCOs or PIHPs that it will review; and
- 6) The Offeror and its subcontractors do not review any MCO, PIHP, PAHP or PCCM entity for which it is conducting or has conducted an accreditation review within the previous three (3) years.

40.520 EQR to Validate Performance Improvement Projects (PIPs)

- A. On an annual basis, the Offeror will validate three (3) PIPs conducted by each of the MCOs or PIHP. Each PIP is intended to provide a structured method to assess and improve MCO or PIHP members' quality health care outcomes, and must be systematically evaluated to determine the validity and reliability of its results. The Offeror will conduct this evaluation by using the CMS approved protocol. Examples include "Validation of Performance Improvement Projects" dated October 2019, (Refer to: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2019-eqr-protocols.pdf>) for by using a protocol consistent with this CMS protocol.

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

1. An assessment of the MCO's or PIHP's study methodology, including:
2. Appropriateness of the study topic;
3. Clarity of defined study question;
4. Clarity of defined study indicators;
5. Accuracy in identifying the study population;
6. Validity of sampling techniques;
7. Accuracy and comprehensiveness of data collection procedures;
8. Appropriateness of improvement strategies;
9. Validity of data analysis and interpretation of study results;
10. Assessment of the likelihood of real improvement;
11. Verification of sustained improvement; and
12. An evaluation of the overall validity and reliability of PIP results, including identification of threats to these results.

40.530 Validation of performance measures

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

- B. The Offeror's recommended methodology and timelines to verify the HEDIS measures must be approved by the State prior to the start of the activity. Once the methodology is approved, the State and the Offeror will select plan data from the health plans for review.
- C. The State may have other performance measures that are outside of HEDIS to include but not limited to National Quality Forum (NQF). The Offeror will need to use standardized audit techniques to validate the accuracy of these measures.
- D. Problems found must be reported to the State upon discovery so, corrections can be made. The Offeror will work with the State to evaluate and ensure that recommended corrective actions are implemented by the health plan(s) to address identified deficiencies.
- E. An annual written report is required at the conclusion of each fiscal year of the project summarizing major problems uncovered, recommended corrective actions, follow up on corrective actions, and other recommendations to improve the quality of health plan data.
- F. For each year of the contract, the Offeror will validate all of the performance measures for the period January 1 through December 31 with the report of the previous calendar year.

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

- A. The Offeror will conduct EQR activities to determine MCOs'/PIHP's compliance with standards established in the State's BBA-compliant Medicaid managed care Quality Assessment and Improvement Strategy (hereafter known as the State's Quality Strategy). This mandatory EQR will be conducted in accordance with 42 CFR Subpart C- Enrollee Rights and Protections; Subpart D -Quality Assessment and Performance Improvement Subpart E - External Quality Review 42 CFR §438.358; Subpart F - Grievance System, and Monitoring Medicaid Managed Care Organizations (MCOs) and Prepaid Inpatient Health Plans (PIHPs): A Protocol for Determining Compliance with Medicaid Managed Care

Proposed Regulations at 42 CFR Parts 400, 430, et al, Final Protocol, Version 1.0, February 11.2003, or a protocol consistent with this CMS protocol.

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

1. RFP-MQD-2021-008 QUEST Integration Managed Care to Cover Medicaid and Other Individuals Medical Services RFP (Scope and Appendices) on

<https://medquest.hawaii.gov/>

2. RFP-MQD-2021-010 Community Care Services RFP on

<https://medquest.hawaii.gov/>

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

D. The current quality standards requiring review are:

1. Enrollee rights and protections;

2. Access standards, including the:

a. Availability of services;

b. Adequacy of capacity and services;

c. Coordination and continuity of care; and

d. Coverage and authorization of services;

3. Structure and operation standards, including:

a. Provider selection;

b. Enrollee Information;

- c. Confidentiality;
 - d. Enrollment and disenrollment;
 - e. Grievance systems;
 - f. Sub-contractual relationships and delegation; and
 - g. Credentialing (including Disclosure and Ownership);
and
4. Quality measurement and improvement standards, including:
- a. Practice guidelines;
 - b. Quality assessment and performance improvement program;
 - c. Health information systems.

40.545 Indian Health Services

- A. The EQRO shall validate the MCO, PIHP, or PAHP network adequacy during the preceding twelve (12) months to comply with requirements for network adequacy standards, including requirements for Indian health care providers for states that enroll Indians in the MCO, PIHP, or PAHP. The EQRO's performance of the network adequacy validation activity is contingent on CMS issuing a protocol for this activity. The EQRO will conduct this EQR activity within twelve (12) months of CMS issuing a protocol.
- B. The EQRO shall assess that the health plans' compliance with ensuring members have access to Indian Health Services pursuant to, and comply with all requirements of, Title 42, United States Code, Section 1396o(a), and Title V of the American Recovery and Reinvestment Act of 2009, Section 5006, as part of the EQRO's ongoing compliance monitoring review activities.

C. Furthermore, the EQRO will assess the health plans' compliance with reimbursing Ke Ola Mamo (the facility that has a grant for the American Indian and Alaska Native Healthcare in Hawaii Project) for services provided to members who are qualified to receive services from an Indian Health Service Facility as set forth in Title 42, United States Code Section, 1396u-2(h)(2); Title V of the American Recovery and Reinvestment Act of 2009, Section 5006 as part of the EQRO's ongoing compliance monitoring review activities.

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

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

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

40.560 Re-Evaluation of MCO or PIHP CAPs

A. A re-evaluation will be conducted by the Offeror for progress and compliance with standards not meeting one hundred (100) percent compliance. The State retains the right to require an on-site visit by the Offeror to the MCOs or PIHP requiring assistance with CAPs and CAP implementation. The Offeror will provide a draft report of findings, including identified strengths and opportunities for improvement to

each MCO or PIHP under review. The report will provide sufficient detail to define further action(s) required by the MCOs or PIHP.

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

40.570 EQRO Annual Reporting Requirements

- A. Annually, the EQRO will provide DHS with the results. At a minimum, the Offeror must provide:
 - B. A detailed technical report that describes the manner in which the data from all activities conducted in accordance with 42 CFR§438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCO or PIHP. The report must also include the following for each activity conducted:
 1. Objectives.
 2. Description of technical methods of data collection and analysis.
 3. Description of data obtained.
 4. Conclusions drawn from the data.
 - C. An assessment of each MCO's or PIHP's strengths and opportunities for improvement with respect to the quality, timeliness, and access to health care services furnished to QI and CCS beneficiaries.
 - D. Recommendations for improving the quality of care furnished by the MCOs or PIHP.
 - E. An assessment of the degree to which each MCO or PIHP has effectively addressed the recommendations for quality improvement made during the previous year's EQR.

- F. Comparative information on all MCOs or PIHP (as the State determines methodologically appropriate).
- G. A draft for review and approval of the detailed technical report of the EQR and EQR-related activities performed for a State that meet all requirements stipulated in 42 CFR §438.364(a) - External quality review results – Information that must be produced prior to issuing the final version; and
- H. A description of the composition of the Offeror’s Technical Report development team, including position titles, expertise and skill.
- I. The State is responsible for implementing the provisions of 42 CFR §438.364(c) (availability of information) and ensuring compliance with 42 CFR §438.364(d) (safeguarding patient identity).
- J. The EQRO will provide two (2) hard copy reports and an electronic copies of the final report to the State.

40.580 Technical Assistance

- A. The Offeror shall offer technical assistance to the State in the areas that require improvement and updating. These areas may be the State’s Quality Strategy, readiness reviews of MCOs in preparation of re-procured contract as well as assistance with the development and implementation of review tools.
- B. Offeror shall offer technical assistance to MCOs or PIHPs and the State to assist in conducting activities related to the mandatory and optional activities, if applicable, that provide information for the EQR.
- C. The Offeror shall support ongoing performance measurement and qualify improvement activities in support of MQD Quality Strategy, including but not limited to:

1. Regular meetings or conference calls with MQD staff,
2. Expertise and assistance with quality measurement, quality metrics, and other topics as requested,
3. Support with the development, review, and implementation of performance measures (PMs)
4. Assistance as needed with PM selection, identification, and related recommendations,
5. Review and recommendations to support the MQD pay for performance program,
6. Data collection and PM reporting requirements,
7. PM audit recommendations for state-defined measures, and
8. Technical assistance and document review or feedback on MQD's Quality Strategy".

40.600 Accuracy, Completeness and Timeliness of the Data

- A. Accuracy – data and reports shall be correct and present accurate information.
- B. Timeliness- No later than 60-days prior to the end of the calendar year, the EQR shall submit a workplan to DHS that includes the details of completion of each of the functions identified in Section 40.500. The workplan shall include the due dates associated with completion of each function. In addition, no later than 60-days prior to the end of the calendar year, the EQR shall submit a MCO or PIHP calendar that identifies their due dates for each function identified in Section 40.500. The workplan and MCO/PIHP calendar shall be reviewed and approved by DHS.
- C. Completeness – all requested data information must be fully disclosed with no material omissions.
- D. The Offeror's failure to comply with any requirements in this

Section 40 or fails to submit complete and accurate reports on a timely basis to the DHS, shall be subject to all available remedies set forth in Section 50.950, unless waived in writing by the DHS.

40.700 Availability or Access of the Offeror to the State

- A. The Offeror shall maintain an office in the State of Hawaii and be available to the DHS staff, Monday through Friday, 7:45 a.m. through 4:30 p.m., Hawaii Standard Time.
- B. The Offeror shall describe which functions will be located in Hawaii and what components will reside outside of the State. Minimally, the following staff must be located in the Hawaii office:
 - 1. Nurse Team Leader (s)/Coordinator(s) for PRO and EQRO review activities which at a minimum should include a Nurse Manager and a Nurse Reviewer; and
 - 2. Project Manager.

For those functions residing outside of the State, the Offeror must describe how these functions will be accessible to the DHS, if applicable, and any limitations on availability.

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

- A. Through its Compliance Program, the Offeror shall identify cases or employees within its own organization who may be committing fraud and abuse or neglect that negatively impact the ability of the Offeror to successfully perform RFP requirements. Offeror shall report suspected cases to the State (MQD) within thirty (30) days of discovery.
- B. At a minimum, Offeror's report shall include information about: the source of the complaint, nature of the complaint (including date of discovery), description of preliminary investigation and findings, action(s) taken by the Offeror, and disposition of the case.

40.900 Optional Activities

- A. These are the optional activities which shall not be included in the business proposal for this contract. If the State decides to conduct any of these activities, a separate cost proposal shall be submitted by the Offeror.

40.910 Encounter Data Validation (EDV)

- A. Per 42 CFR §438.358(c)(1), optional activities related to external quality review, the Offeror is responsible for validating encounter data by using information derived during the preceding twelve (12) months reported by the MCOs, PIHP, PAHP, or PCCM entity [described in 42 CFR §438.310(c)(2)].
- B. The Offeror will be responsible for developing the methodology and conducting a comprehensive assessment of the MQD's encounter data, factors affecting completeness and accuracy, and quality of its encounter data for reporting purposes. Activities will include:
1. a targeted encounter data information systems assessment,
 2. a gap analysis and best practice recommendation on creating a comprehensive encounter data quality program, and
 3. an administrative data profile assessing encounter data accuracy, completeness, and timeliness. Finally, the Offeror shall prepare a report that summarizes the results to the State, the MCOs, and the PIHP.

40.920 Customer Satisfaction Survey

- A. The State of Hawaii requires annual administration of the CAHPS. The most current National Committee for Quality Assurance (NCQA) Medicaid CAHPS survey shall be used at the time of administration. The Offeror must only use a NCQA-certified independent research organization to administer and provide analysis following strict NCQA

guidelines. A survey will be conducted annually of an NCQA-certified sample of members enrolled in each medical plan. There are currently five (5) QI MCOs with total, 407,422 members, of which about 123,945 are children or youth under the age of 21. The Offeror shall be responsible to include any new MCOs or PIHPs when QI contracts are implemented.

- B. The sample size for each MCO or PIHP will allow each plan's results to stand independently. While it is expected that accuracy in member residence addresses will improve, the Offeror should plan on a thirty (30) percent over-sample to make up for inaccurate member addresses.
- C. For the QI program, the EQRO may conduct up to two CAHPS or Consumer surveys annually. Each year, the EQRO may conduct a pediatric CAHPS Consumer Survey of the DHS' Child Health Insurance Program (CHIP) population. The other CAHPS Consumer survey may be either a pediatric and an adult survey for the Medicaid QI population. In addition, the EQRO may also conduct surveys focused on providers or other populations.
- D. The Offeror shall be responsible for survey administration, producing the survey materials, data entry, analysis and reports to the State. All survey protocols and materials shall be subject to validation and approval by Med-QUEST.
- E. For the QI program, the EQRO may validate up to two CAHPS or Consumer surveys annually. The Offeror shall be responsible for validating survey administration, survey materials, data entry, analysis and reports to the State.
- F. The EQRO will use the English language survey. However, the Offeror shall include a language block with the letter that is

mailed with the survey. The language block will offer interpreter services in languages other than English for completion of the survey. The four languages the MQD requires are:

- a. Ilocano

- b. Korean
- c. Chinese
- d. Vietnamese

- G. The Offeror will be responsible for producing the survey materials, survey administration, data entry, analysis, and reports to the State. Since the survey will be both by mail and phone, the Offeror will print, mail, conduct the telephone survey, respond to questions over the telephone, and accept responses. All expenses concerning the survey such as printing costs, paper, envelopes, postage, phone lines, etc. will be the responsibility of the Offeror.
- H. A special report that summarizes the results will be finalized and provided to the State. An electronic copy of the final report and raw data will be given to the State. Each MCO will receive a copy of their health plan-specific raw data broken down by island. Upon the State's request, the Offeror will be responsible for presenting the results to an audience of the State's choosing and a copy of any visual aids will be given to the State.

40.930 Provider Satisfaction Survey

- A. The provider survey will be conducted every other year with the first survey occurring in fall 2022. The Offeror shall develop a provider survey tool and methodology appropriate for gauging provider satisfaction on topics such as how they feel about managed care, how satisfied they are with reimbursement, and how they evaluate the impact of MCO/PIHP utilization management on their ability to provide quality care. The provider satisfaction survey that has been conducted through the mail, will be issued to a sample of the MCOs or PIHP. Both primary care providers and specialists will be surveyed and it is anticipated that office managers will also be included. Currently, the MQD has contracted with five MCOs. Four of the MCO's provide services on a statewide basis. One MCO only provides services on Oahu and Maui. The Offeror shall be responsible to include any new MCOs when QI or CCS contracts are reprocured. The Offeror shall have responsibility to include a PIHP that the MQD adds in the

future.

- B. Based on the current number of primary care providers and specialists for each plan, there are approximately one thousand five hundred (1,500) providers and provider office managers to be surveyed. The Offeror should be aware that there is a large overlap of providers on the open panel QI health plans - many providers contract with more than one health plan.
- C. The Offeror may provide suggestions for improvement to the instrument and will work with the State to select an appropriate statistically valid sample. In addition to developing the sampling plan, the Offeror will develop the survey methodology, which includes determining an acceptable response, proposing actions to be taken to maximize the response rate and preparing the final report. The State will review and approve the Offeror's methodology for reporting the raw data. The sample and survey methodology must be sufficient to provide individual results by plan.
- D. The Offeror will be responsible for survey administration, producing the survey materials, data, entry, validation, analysis and reports to the State. Since the survey will be by mail, the Offeror will print, mail, respond to questions over the telephone and accept responses. All expenses concerning the survey such as printing costs, paper, envelopes, postage, telephone lines, etc. will be the responsibility of the Offeror. Medical provider and office manager provider survey results are to be reported separately. At least one draft report will be prepared and submitted to the State for review and comments one month prior to finalization. An electronic copy of the final report and raw data will be given to the State. Each plan will receive an electronic copy with their plan specific raw data per island. The Offeror will be responsible for presenting the results to an audience of the State's choosing and a copy of any visual aids will be given to the State.

40.940 Home and Community-Based Services Consumer Assessment of Healthcare Providers and Systems (HCBS CAHPS) Survey

- A. The HCBS CAHPS survey activities shall commence no later than October 1, 2022. The Offeror shall use the standardized survey tool, without the Supplemental Employment module.
- B. The HCBS CAHPS survey administration shall include one (1) pre-notification letter and up to six (6) telephone attempts, i.e., computer assisted telephone interviewing (CATI)
- C. The Offeror shall use the English language survey and include information on translation services.
- D. Based on the plan-level HCBS enrollment population, including At Risk, in each managed care organization, a plan-level sample shall be used and sample sizes may vary among plans. The maximum total sample size will be five thousand five hundred (5,500).
- E. The State will provide the Offeror with the sample frame file for eligible members. The sample frame address and phone number information will be updated by the Offeror.
- F. The Offeror shall be responsible for timely submitting the HCBS CAHPS survey data to the CAHPS Database, providing weekly disposition reports, and providing standard survey analysis and reporting.
- G. Deliverables shall include one report that contains plan-level and statewide-level results, and de-identified member-level data files.
- H. The Offeror shall be responsible for all costs related to travel, formal presentations, and development of additional media-ready materials.

SECTION 50 TERMS AND CONDITION

50.100 General

- A. The following documents form an integral part of the contract between the Contractor and DHS (hereafter collectively referred to as "the Contract"):
1. Contract for Goods or Services: Competitive Sealed Proposals (form AG-004 Rev. 11/15/2005), including General Conditions for Goods or Services Contracts (Form AG-008-103D) see Appendix D), any special conditions, attachments and addenda;
 2. This RFP, including all appendices, attachments and addenda, which shall be incorporated by reference; and
 3. The Offeror's proposal submitted in response to this RFP form, which shall be incorporated by reference.
- B. The contract shall be construed in accordance with the laws of the State of Hawaii.
- C. In the event of any inconsistency between the articles, attachments, specifications, or provisions which constitute this Contract, the following order of precedence shall apply:
1. Contract Form AG-004, Rev 11/15/2005, including any special conditions, attachments and addenda.
 2. The Special Terms & Conditions included in this section.
 3. The RFP (RFP-MQD-2022-001).
 4. The Contractor's offer (the selected Offeror's proposal in response to this RFP).
- D. The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of the Federal, State and local governments, that in any way affect its performance under the contract.
- E. The Contractor shall pay all taxes lawfully imposed upon it with respect to the contract or any product delivered in accordance herewith. MQD makes no representations whatsoever as to the liability or exemption from liability of a Contractor to any tax imposed by any governmental entity.

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

50.200 Term of the Contract

- A. This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of the State of Hawaii Department of Human Services. The initial contract term shall begin on January 1, 2022 or upon execution of the contract, whichever is later and shall continue through December 31, 2022.
- B. Unless terminated, the contract may be extended without the necessity of re-bidding, for not more than six (6) additional twelve (12) month periods or parts thereof, upon mutual agreement in writing. Any renewal or extension of the contract will be subject to the appropriation and availability of funds and acceptable performance by the Contractor (to be determined by the State).
- C. The Contractor acknowledges that other unanticipated uncertainties may arise that may require an increase or decrease in the original scope of services from the Contractor awarded this contract. In the event that additional or decrease in services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the State for the additional or decrease in work. The supplemental agreement may also include an extension of the period of performance and a respective increase or decrease in the compensation.
- D. The contract will be terminated only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however, this does not affect either the State's rights or the Contractor's rights under any termination clause of the contract. The State must notify the Contractor, in writing, at least sixty (60) days prior to the expiration of the contract whether funds are available or not available for the continuation of the contract for each succeeding contract extension period. In the event of termination, as provided in this paragraph, the Contractor

will be reimbursed for the unamortized, reasonably incurred, nonrecurring costs in accordance with HRS 103D-315(c).

- E. Renegotiations will be accepted for consideration only at the end of the contract period.
- F. Pursuant to 45 CFR §75.361(a)-(d) and 45 CFR §75.361(f), the contract requires that financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report. Please see tip 6 for a list of exceptions.

50.300 Liability Insurance Requirement

- A. The Contractor shall maintain insurance acceptable to the MQD in full force and effect throughout the term of this contract, until the MQD certifies that the Contractor's work has been completed satisfactorily.
- B. Prior to or upon execution of the contract and any supplemental contracts, the Contractor shall provide to the MQD certificate(s) of insurance, including any referenced endorsements, dated within thirty (30) days of the effective date of the contract necessary to satisfy the DHS that the insurance provisions of this contract have been complied with. Upon request by the MQD, the Contractor shall furnish a copy of the policy(ies) or endorsement(s) necessary for DHS to verify the coverage required by this section.
- C. The policy or policies of insurance maintained by the Contractor shall be written by insurance companies licensed to do business in the State of Hawaii or meet the requirements of Hawaii Revised Statutes, Section 431:8- 301, if utilizing an insurance company not licensed by the State of Hawaii.
- D. The policy(ies) shall provide at least the following limit(s) and coverage:

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

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

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

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

G. MQD agrees to take all necessary steps to maintain the confidentiality of any such policies made available by Contractor under the terms of this paragraph, to the extent allowed or required by law.

- H. The Contractor shall provide prompt written notice to the MQD should any of the insurance policies be cancelled, limited in scope, or not be renewed upon expiration to the extent affecting Contractor's compliance with the requirements hereunder.
- I. Failure of the Contractor to provide and keep in force the insurance required under this section shall be regarded as a material default under this contract, entitling the MQD to exercise any or all of the remedies provided in this contract for a default of the Contractor.
- J. The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract.
- K. If the Contractor is authorized by the MQD to subcontract, subcontractors are not excused from the indemnification and/or insurance provisions of this contract. In order to indemnify the State of Hawaii, the Contractor agrees to require its subcontractors to obtain insurance in accordance with this Section.

50.310 Waiver of Subrogation

- A. Offeror shall agree by entering into a contract with DHS to provide a Waiver of Subrogation for the Commercial General Liability, Automobile Liability, and Workers Compensation policies. When required by the insurer or should a policy condition not permit Offeror to enter into a pre-loss agreement to waive subrogation without an endorsement, the

Offeror shall agree to notify the insurer and request the policy be endorsed with a Waiver of Subrogation in favor of DHS. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Offeror enter into such an agreement on a pre-loss basis.

50.400 Offerors Progress

- A. On-site reviews will be conducted by the DHS to verify the accuracy and appropriateness of information provided by

Offerors in their proposals. DHS may request additional information or documentation from the Offeror that is reasonably required by the DHS in its evaluation of the proposal. If awarded a contract, the Offeror shall submit a plan for implementation of PRO and EQR services and shall provide progress and performance reports every two weeks beginning two weeks after the notification of contract award. The format to be used shall be approved by the DHS. The purpose of the reports is to ensure that the Offeror will be ready to process 1147 determinations as of January 1, 2022 and that all required elements such as trained staff and the information system are in place.

50.500 Inspection of Work Performed

- A. DHS, CMS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), and the Medicaid Fraud Control Unit of the Department of the Attorney General or their authorized representatives, during normal business hours, have the right to enter into the premises of the Contractor, all subcontractors, and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed and have access to all records.
- B. Monitoring may include but is not limited to semi-annual on-site reviews of the 1147 determination process and e-PASRR process and reports. All inspections and evaluations shall be performed in such a manner as to not unduly delay the contractor's work. This includes timely and reasonable access to the personnel for the records and files pertaining to the Contractor in the State of Hawaii at the Contractor's principal place of business or at a storage facility on Oahu that is accessible to the foregoing identified parties.

50.510 Audit Requirements

- A. The state and federal standards for audits of the DHS designees, contractors and programs conducted under contract are applicable to this subsection and are incorporated

by reference into the contract. The DHS, the HHS, or the Secretary may inspect and audit any records of the health plan and its subcontractors or providers. There shall be no restrictions on the right of the State or Federal government to conduct whatever inspections and audits are of the State or Federal government to conduct whatever inspections and audits are necessary to assure quality, appropriateness or timeliness of services and reasonableness of their costs.

50.600 Wages, Hours and Working Conditions of Employees Providing Services

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

50.700 Standards of Conduct

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

50.800 Confidentiality of Information

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

1. 42 CFR Part 431, Subpart F;
2. The Administrative Simplification provisions of HIPAA and the regulations promulgated thereunder, including but not

limited to the Security and Privacy requirements set forth in 45 CFR Parts 160 and 164;

3. HRS Section 346-10; and
 4. All other applicable federal and State statutes and administrative rules, including but not limited to:
 - a. HRS Section 325-101, HRS, relating to persons with HIV/AIDS;
 - b. HRS Section 334 relating to persons receiving mental health services;
 - c. HRS Chapter 577A relating to emergency and family planning services for minor females;
 - d. 42 CFR Part 2 relating to persons receiving substance abuse services;
 - e. HRS Chapter 487J, relating to social security numbers; and
 - f. HRS Chapter 487N, relating to personal information.
- B. Access to member identifying information shall be limited by the Contractor to persons or agencies that require the information in order to perform their duties in accordance with this contract, including the U.S. Department of Health and Human Services (HHS), the Secretary, the DHS and other individuals or entities as may be required by the DHS. (See 42 CFR §431.300, et seq. and 45 CFR Parts 160 and 164.)
- C. Any other party shall be granted access to confidential information only after complying with the requirements of state and federal laws, including but not limited to HIPAA, and regulations pertaining to such access. The Contractor is responsible for knowing and understanding the confidentiality laws listed above as well as any other applicable laws. Nothing herein shall prohibit the disclosure of information in summary, statistical or other form that does not identify particular individuals, provided that de-identification of protected health information is performed in compliance with the HIPAA Privacy Rule.

- D. The Contractor is a "business associate" of the MQD, as that term is defined under the HIPAA regulations, 45 CFR §160.103, the Contractor shall agree and sign the Business Associate Agreement (BAA) found in Appendix G to assure compliance with HIPAA regulations
- E. The Contractor is cautioned that State and Federal Medicaid rules, and some other State and Federal statutes and rules, including but not limited to those listed above, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to the Contractor to the same extent as they apply to MQD.
- F. The Contractor shall implement a secure electronic mail (email) encryption solution to ensure confidentiality, integrity, and authenticity of email communications that contain information relating to members.

50.900 Subcontractors/Provider Agreements

- A. The Contractor may negotiate and enter into contracts or agreements with subcontractors to the benefit of the Contractor and the State as long as the subcontractor meet all established criteria and provide the services in a manner consistent with the minimum standards specified. All such agreements shall be in writing and shall specify the activities and responsibilities delegated to the subcontractor. No subcontract or agreement that the Contractor enters into with respect to the performance under the contract shall in any way relieve the Contractor of any responsibility for any performance required of it by the contract. The contracts must also include provisions for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate.
- B. DHS reserves the right to inspect all subcontractor agreements at any time during the contract period. Any subcontract may be subject to the DHS's prior review and approval.
- C. The Contractor shall notify the DHS in writing at least ninety

(90) days prior to adding or deleting subcontractor agreements or making any change to any subcontractor agreements which may materially affect the Contractor's ability to fulfill the terms of the contract.

- D. The Contractor shall provide the DHS with immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor, and prompt notice of any claim made against the Contractor, may result in litigation related in any way to the contract with the State of Hawaii. The Contractor shall designate itself as the sole point of recovery for any subcontractor.
- E. Additionally, no assignment by the Contractor of the Contractor's right to compensation under the contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in HRS Section 40-58, or its successor provision.
- F. All subcontractor agreements must, at a minimum:
 - 1. Describe the activities, including reporting responsibilities, to be performed by the subcontractor and require that the subcontractor meet all established criteria prescribed and provide the services in a manner consistent with the minimum standards specified in the Contractor's contract with the State;
 - 2. Require that the subcontractor fulfill the requirements of 42 CFR §438.6 that are appropriate to the service delegated under the subcontract;
 - 3. Include a provision that allows the Contractor to:
 - a. Evaluate the subcontractor's ability to perform the activities to be delegated;
 - b. Monitor the subcontractor's performance on an ongoing basis and subject it to formal review according to a periodic schedule (the frequency shall be stated in the agreement) established by the DHS and consistent with industry standards or State laws and regulations;

- c. Identify deficiencies or areas for improvement; and
 - d. Take corrective action or impose other sanctions including, but not limited to, revoking delegation, if the subcontractor's performance is inadequate.
- 4. Require that the subcontractor submits to the Contractor a tax clearance certificate from the Director of the DOTAX, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor have been paid;
- 5. Require that the subcontractor fully adhere to the privacy, confidentiality and other related requirements stated in the RFP and in applicable federal and state law;
- 6. Require that the subcontractor follow all audit requirements as outlined in Section 50.510 inclusive. The actual requirements shall be detailed in the agreement;
- 7. Require that the subcontractor comply with all requirements related to confidentiality of information imposed by this RFP, to the extent subcontractor render services or perform functions that make such provisions applicable to such agreements.
- 8. Require that the subcontractor notify the Contractor and the MQD of all breaches of confidential information. The notice to the State shall be within two (2) business days of discovery of the breach and a written report of the investigation and resultant mitigation of the breach shall be provided to the State within thirty (30) calendar days of the discovery of the breach.
- 9. Includes Equal Employment Opportunity Provisions as stipulated in 45 CFR 75 Appendix II(C) and 48 CFR Subpart 22.8.
- 10. Per 45 CFR 75 Appendix II(G), 42 U.S.C. 7401-7671q and 33 U.S.C. 1251-1387, if the contract value is in excess of \$150,000, it contains a provision that requires the non-Federal awardee to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and Federal

Water Pollution Control Act as amended (33 U.S.C. 1251-1387)

11. Byrd Anti-Lobbying Amendment. If the contract value is in excess of \$100,000, the contract requires that the entity file the required certification that each tier has not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.
12. Byrd Anti-Lobbying Amendment. If the contract value is in excess of \$100,000, the contract requires that each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal awardee.
13. If the contract is in excess of the simplified acquisition threshold (currently \$150,000), it contains contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances where the contractor violates or breaches the contract terms and provide for such sanctions and penalties as appropriate.
14. If the contract is in excess of \$10,000, it contains provisions for termination for cause and for convenience by the non-Federal entity, including the manner by which termination will be effected and the basis for settlement.
15. The contract states that no award may be made at any tier to any party which is debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs.

50.950 Remedies for Non-Performance of Contracts

A. Understanding and Expectations

1. The Contractor shall comply with all terms,

conditions, requirements, performance standards and applicable State and Federal laws as set forth in this Contract or any amendments thereto including any rules, policies, or procedures incorporated pursuant to this Contract.

2. DHS reserves the right to seek any legal or equitable remedy for any violation of the Contract or non-compliance with State or Federal law or regulation by the or its Subcontractors.
3. DHS will identify risk on Contractor's performance. Failure to perform in accordance to this contract will put the DHS at risk and violate the CMS requirements in 42 CFR Subpart E. Affect our ability to monitor HP's performance and manage quality improvement program including but not limited to failure to deliver CMS report which identifies Health Plans performance timely, no interaction with the Health Plans, no corrective action plan and failure to assist the State on developing Quality strategy PIP, and CHAPS.

a. Remedial Considerations

- 1) If any of the Contractor's performance under the contract does not conform to the Contract requirements, then DHS may pursue remedies for correcting violations or non-performance. At any time and at its sole discretion, DHS may impose or pursue one or more remedies for each violation or item of non-performance. DHS may impose additional remedies if the Contractor fails to comply with the originally imposed remedy. DHS will consider some or all of the following factors in determining the need to impose remedies against the Contractor as set forth in §50.950.B through §50.950.I below:
 - a) The nature, severity, and duration of the violation, breach, or non-performance;
 - b) The type of harm suffered (e.g., failure to comply with CMS reporting requirements, impact on the quality of care, access to care, Program Integrity);

- c) Whether the violation or non-performance (or one that is substantially similar) has previously occurred;
- d) The timeliness in which the Contractor self-reports a violation, breach or non-performance;
- e) The Contractor's history of compliance;
- f) The good faith exercised by the Contractor in attempting to stay in compliance (including self-reporting by the Contractor); and
- g) Any other factor DHS deems relevant based on the nature of the violation or non-performance.

B. Notice of Concern and Opportunity to Cure

1. Should DHS determine that the Contractor or a Subcontractor is in violation or non-performance of any requirement of the Contract, DHS may issue a "Notice of Concern" prior to the imposition of remedies against the Contractor as set forth in §50.950.C through §50.950.I.
2. DHS will provide the Contractor with the written Notice of Concern detailing the nature of the violation or non-performance, any action DHS seeks to impose against the Contractor, and, if applicable, the method and timeframes by which the Contractor may dispute the claim of violation or non-performance and the imposed actions.
3. The Contractor shall within ten (10) business days (or another date approved by DHS) of receipt of the written Notice of Concern, provide DHS a written response that:
 - a. Explains the reasons for the deficiency, the Contractor's plan to remediate the violation or non-performance, and the date and time by which the violation or non-performance will be cured; or
 - b. If the Contractor disagrees with DHS' findings, its reasons for disagreeing with those findings.
4. If the Contractor fails to timely contact DHS regarding

the Notice of Concern, DHS shall proceed to additional remedies contained in this Contract.

5. The Contractor shall confirm in writing the date that the violation or non-performance was resolved and the actions the Contractor took to remediate the deficiency(ies).
6. The Contractor's proposed cure is subject to the approval of DHS.

C. Corrective Action Plan

1. Should DHS determine that the Contractor or a Subcontractor is in violation or non-performance of any requirement of the Contract, DHS may issue a Written Deficiency Notice to the Contractor specifying the violation or non-performance, assigning a Risk Category, and requesting a Corrective Action Plan be filed by the Contractor within ten (10) business days following the date of the Written Deficiency Notice. DHS reserves the right to require a more accelerated timeframe if the deficiency warrants a more immediate response.
2. The Corrective Action Plan shall provide the following information at a minimum:
 - a. The names of the individuals who are responsible for implementing the Corrective Action Plan.
 - b. A description of the deficiency(ies) and the cause of the deficiency(ies) that resulted in need for Corrective Action.
 - c. A detailed approach for addressing the existing deficiency(ies) and prevention of the repeated and/or similar deficiency(ies) in the future.
 - d. The timeline for implementation, establishment of major milestones and correspondence dates to the Department, and notification of completion of Corrective Actions.
3. The Corrective Action Plan shall be submitted by the deadline set forth in DHS request for a Corrective Action Plan.

4. The Corrective Action Plan shall be subject to approval by DHS, which may accept the Corrective Action Plan as submitted, may accept the Corrective Action Plan with specified modifications, or may reject the Corrective Action Plan in full within ten (10) business days of receipt.
5. DHS may extend or decrease the timeframe for Corrective Action depending on the nature of the specific deficiency.
6. The Contractor shall update the Corrective Action Plan on an ongoing basis and report progress to DHS on a frequency to be determined by DHS.
7. Notwithstanding the submission and acceptance of a Corrective Action Plan, the Contractor remains responsible for achieving all written performance criteria.
8. DHS' acceptance of a Corrective Action Plan under this section will not:
 - a. Excuse the Contractor's prior substandard performance;
 - b. Relieve the Contractor of its responsibility to comply with performance standards; or
 - c. Prohibit DHS from assessing additional remedies or pursuing other appropriate remedies for continued substandard performance.

D. Administrative Actions

1. At its discretion and based on the Risk Category, DHS may impose one or more of the following remedies for each item of violation or non-performance and will determine the scope and severity of the remedy on a case-by case basis:
 - a. Conduct accelerated monitoring of the Contractor. Accelerated monitoring includes more frequent or more extensive monitoring by DHS or its agent;
 - b. Require additional, more detailed, financial and/or programmatic reports to be submitted by the Contractor; or

- c. Require additional and/or more detailed financial and/or programmatic audits or other reviews of the Contractor.

E. Liquidated Damages

1. Should DHS determine that the Contractor or a Subcontractor is in violation or non-performance of any requirement of the Contract, and said failure results in damages that can be measured in actual cost, DHS will assess the actual damages warranted by said failure.
2. The Contractor acknowledges that its failure to complete the tasks, activities and responsibilities set forth in Liquidated Damages (Appendix H) will cause DHS substantial damages of types and in amounts which are difficult or impossible to ascertain exactly. DHS and the Contractor further acknowledge and agree that the specified liquidated damages in Appendix H are the result of a good faith effort by the parties to estimate the actual harm caused by the Contractor's failure to meet requirements under the Contract.
3. DHS and the Contractor further acknowledge and agree that the liquidated damages referenced in Appendix H are not intended to be in the nature of a penalty, but are intended to be reasonable estimates of DHS projected financial loss, approximate costs of obtaining alternative medical benefits for its Members and damage resulting from: the Contractor's non- performance, including financial loss as a result of project delays, of the activities and responsibilities described in Appendix H; or the Contractor's failure to timely submit the deliverables described therein. As applicable, the damages shall include, without limitation, the difference in the capitated rates paid to the Contractor and the rates paid to a replacement Contractor.
4. The Contractor acknowledges, affirms, ratifies, and agrees that the damage provisions set forth herein meet the criteria for enforceable damages that are reasonable, appropriate, and necessary. Liquidated damages shall be in addition to any other remedies that DHS may have. Accordingly, DHS reserves the right to seek all other reasonable and appropriate remedies available at law and

in equity.

5. If the Contractor commits any of the violations or fails to meet the requirements set forth in Appendix H, the Contractor shall submit a written Corrective Action Plan to DHS as set forth in §14.21.C. In addition, the Contractor may be subject to Administrative Actions as described in §14.21.D.
6. The Contractor shall agree to or provide evidence acceptable to DHS to challenge the reimbursement to the State for actual damages or the amounts set forth as liquidated damages within thirty (30) days.
7. DHS will notify the Contractor in writing of the proposed damage assessment. At the Department's sole discretion, DHS may require the Contractor to remit the actual or liquidated damages within thirty (30) days following the notice of assessment or resolution of any dispute or DHS may deduct from any fees, capitation payments or other payments to the Contractor until such damages are paid in full.
8. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State due to the Contractor's violation or breach of the Contract.

F. Sanctions

1. DHS may impose sanctions for non-performance or violations of Contract requirements if DHS determines that a Contractor acts or fails to act as follows:
 - a. Failed to provide required reports to CMS or to the State.
 - b. Has violated any of the other requirements of sections 42 CFR 438 Subpart E, or any implementing regulations.
2. Sanctions shall be determined by the State and may include:
 - a. Imposing civil monetary penalties in accordance with

- 42 CFR §438.704 and as described in §50.950.F.6;
- b. Suspending payment to the Contractor after the effective date of the sanctions and until CMS or DHS is satisfied that the reason for imposition of the sanctions no longer exists and is not likely to re-occur
 - c. Terminating the Contract (as described in §50.950.G);
 - d. Additional remedies allowed under State statutes or State regulations that address areas of non-compliance specified in 42 CFR §438.700;
 - e. Referral to appropriate State licensing agency for investigation; and
 - f. Referral to the Department of the Attorney General or other appropriate legal authority for investigation.
3. DHS may impose a sanction and penalty under this Contract and may simultaneously request a Corrective Action Plan from the Contractor as set forth in §50.950.C. In addition, the Contractor may be subject to Administrative Actions as described in §50.950.D.
 4. The State shall give the Contractor timely written notice that explains the basis and nature of the sanction as outlined in 42 CFR Part 438, Subpart I. The Contractor may follow DHS appeal procedures to contest the penalties or sanctions.
 5. The civil or administrative monetary penalties imposed by DHS on the Contractor shall not exceed the maximum amount established by federal statutes and regulations.
 6. The civil monetary penalties that may be imposed on the Contractor by the State are set forth in Table 2: 50.950.F, as follows:

Table 2: 50.950.F Sanctions

Number	Activity	Penalty
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1	Misrepresentation of actions or falsification of information furnished to the CMS or the State	A maximum of one hundred thousand dollars (\$100,000) for each determination
2	Violation of any of the other applicable requirements of 42 CFR Subpart E and any implementing regulations	A maximum of twenty-five thousand dollars (\$25,000) for each determination
3	Failure to comply with staffing requirements as outlined in Section 40.	A maximum of five thousand dollars (\$5,000) for each determination of failure
4	Failure to provide accurate information, data, and reports to DHS under the Contract.	Two hundred dollars (\$200) per day until all required information, data, reports and medical records are received

7. If DHS elects not to exercise any of the sanction and penalty clauses as set forth in this Contract, this decision shall not be construed as a waiver of DHS' right to pursue the future assessment of that contractual or performance standard requirement and associated penalties.

G. Termination

1. Should DHS determine that the Contractor or a Subcontractor is in violation or non-performance of any requirement of the Contract, DHS may terminate the Contract pursuant to §50.950.

H. Administrative Reporting

1. DHS will give CMS written notice whenever it imposes or lifts a sanction based on requirements set forth in 42 CFR Subpart I – Sanctions. The notice will be given no later than thirty (30) days after DHS imposes or lifts the sanction, and will specify the type of sanction, and the reason for the

decision to impose or lift the sanction.

2. The Department may provide written notice to the Hawaii DCCA Insurance Division, when DHS assesses liquidated damages or imposes or lifts any sanctions against the Health Plan.
3. DHS, at its sole discretion, may post on its public website information regarding contractual remedies taken against Contractors. Remedies include monetary and other forms of Corrective Action, including but not limited to, payment of liquidated damages, imposed sanctions, requiring Corrective Action Plans, or suspending or terminating all or part of the Contract.
4. Such remedies may be posted by DHS at any time and contain the following information:
 - a. Name and address of the Contractor;
 - b. A description of the contractual obligation the Contractor failed to meet;
 - c. The date of determination of non-compliance;
 - d. The date the remedy was imposed;
 - e. The maximum remedy that may be imposed under the Contract for the violation; and
 - f. The actual remedy imposed against the Contractor.

51.100 Payment

- A. The Contractor shall submit a correct invoice in writing for all charges on services performed under this Contract to:

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

- B. All payments under this Contract shall be made only upon submission by the Contractor of correct invoices that meet

the requirements of §51.100.D. Incorrect or incomplete invoices will be returned by State to Contractor for correction and re-issue.

- C. All invoices submitted must be approved by the State designated staff prior to payment. Contractor shall submit quarterly invoices for services permitted by this Contract and completed during the invoiced month. The State reserves the right to pay for those services on the invoice that are satisfactorily completed.

- D. Contractor shall submit an itemized invoice specifying the amount for each service due and certifying that services requested under the Contract have been provided in the invoiced month as required in this Contract and shall provide detailed supporting documentation, including without limitation:
 - 1. Contract number
 - 2. Contractor name, address, telephone number;
 - 3. An itemization of each service listed in Section 40 for which payment is sought, including but not limited to:
 - a. Number of completed LTC LOC Determinations and hours spent;
 - b. Number of completed PASSR review and hours spent;
 - c. Compliance review and hours spent;
 - d. Validation of PIPs and hours spent;
 - e. HEDIS Audit/Performance Measure Validation; and hours spent;
 - f. Number of hours, hourly rate for each type of Technical Assistance; and
 - g. Technical, Quarterly, Annual Summary Report;
 - 4. Delivery Date(s) of Service;
 - 5. Federal Tax Identification Number;

6. Sales or use taxes, if applicable;
7. Credits and liquidated damages, if any; and
8. Total amount due.

51.200 Use of Funds

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

51.300 Termination of the Contract

- A. This contract may terminate or may be terminated by DHS for any or all of the following reasons in addition to the General Conditions in Appendix D:
 1. In the event of the insolvency of or declaration of bankruptcy by an Offeror.
 2. In the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder.
- B. Each of these is described in the following subsections.

51.310 Termination for Bankruptcy or Insolvency

- A. In the event that an Offeror shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate a contract under this

relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate a contract under this provision it shall do so by sending notice of termination to the Offeror by registered or certified mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to the Offeror, unless otherwise specified.

51.320 Termination for Unavailability of Funds

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

51.400 Conformance with Federal Regulations

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

51.500 Force Majeure

- A. If the Contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of major epidemic, act of God, war, civil disturbance, court order or

any other cause beyond its control, the Contractor shall make a good faith effort to perform such obligations through

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

- B. Neither party to the contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party.
- C. Nothing in this section shall be construed to prevent the DHS from terminating the contract for reasons other than default during the period of events set forth above, or for default if such default occurred prior to such event.

51.600 Prohibition of Gratuities

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

51.700 Attorney's Fees

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

51.800 Warranty of Fiscal Integrity

- A. An offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. An offeror shall provide sufficient financial data and information to prove its financial solvency.
- B. In addition, in conformance with federal Medicaid statutes (in particular 42 CFR §438.362) the State may amend the scope and reduce the services of the Contractor if the MCO meets

the basis for exemption.

51.900 Authority

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

52.100 Contract Monitoring

- A. The contractor is required to comply with 45 CFR §75.302 and 45 CFR §75.342 to provide annual performance and financial report to DHS/MQD. Annual report is due ninety (90) calendar days after the period of performance end date. Report intervals maybe more frequent for effective monitoring of the program with significant outcomes.
- B. Performance Report:
The performance report must assure contractor's program compliance with applicable Federal requirements and performance expectations are being achieved. The contractor shall submit a performance report quarterly to the DHS/MQD. The report shall document completed contract deliverables within the previous quarter and be formatted to allow the DHS/MQD to document whether the deliverables(s) was satisfactorily completed and in alignment with the DHS/MQD's expectations.
- C. Financial Report:
The financial report must assure Contractor's compliance with the applicable Federal requirements. The Contractor must assure the DHS/MQD that the Contractor has the financial stability to perform the services identified in the contract. The Contractor shall provide its annual audited financial statements that contain the opinion of an independent auditor of the Contractor's financial condition each year. The annual audited financial statements must be provided to the DHS/MQD no later than December prior to contract renewal.
- D. Event may occur between the scheduled performance reporting dates that have significant impact upon the

supported activity. In such case, the contractor must inform DHS/MQD as soon as the following types of conditions become known:

- 1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the contract. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
- 2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

E. The DHS/MQD will monitor the contractor throughout the effective period of the contract to ensure financial and contractual compliance. If DHS/MQD determines the contractor to be at high-risk for non-compliance, it will impose special conditions or restrictions. Written notification will be provided to the contractor of the determination of high-risk and of any special conditions or restrictions to be imposed. The special conditions or restrictions may include, but not limited to, those conditions specified below:

- 1) Withholding authority to proceed to the next phase of the project until the DHS/MQD receives evidence of acceptable performance;
- 2) Requiring additional, more detailed financial reports or other documentation;
- 3) Additional contract monitoring;
- 4) Requiring the contractor to obtain technical or management assistance; and/or
- 5) Establishing additional prior approvals from the DHS/MQD.

52.200 Disputes

A. The parties shall first attempt to resolve all disputes arising under this contract by informal resolution. Where informal

resolution cannot be reached, the Contractor shall submit a written request for dispute resolution (by certified mail, return receipt requested) to the Director of DHS or the Director's duly authorized representative. The Contractor shall be afforded the opportunity to be heard and to present evidence in support of its position in the dispute. The Director of DHS or the Director's authorized representative shall issue a written decision within ninety (90) days of the Contractor's written request. The decision of the Director of DHS or the Director's authorized representative shall be final and binding and may only be set aside by a State court of competent jurisdiction where the decision was fraudulent, capricious, arbitrary, or grossly erroneous as to imply bad faith.

- B. Pending any subsequent legal proceedings regarding the final decision, including all appeals, the Contractor shall proceed diligently in the performance of the contract in accordance with the Director's final decision.
- C. Any legal proceedings against the State of Hawaii regarding this RFP or any resultant contract shall be brought in a State court of competent jurisdiction in the City and County of Honolulu, State of Hawaii.

SECTION 60 TECHNICAL PROPOSAL

60.100 Introduction

- A. The Offerer shall comply with all content and format requirements for the mandatory and technical proposal. The proposal shall be in a letter size format (8 ½" by 11"), one and a half (1.5) line spacing, and with text no smaller than 11-point Verdana font. For graphics and diagrams, text shall be no smaller than 10-point Verdana font. The pages shall have at least one-inch margins. All proposal pages shall be numbered and identified with the Offerer's name and the respective evaluation category section.
- B. All the referenced attachments, including graphics, flowcharts, diagrams, shall be placed after the narrative responses for that subsection of the Mandatory Proposal responses and each evaluation category of the Technical Proposal responses.
- C. The Offerer shall submit a proposal that addresses all the provisions in this RFP.
- D. The following sections describe the required content and format for the mandatory and technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

60.200 Technical Proposal Submission Requirements

- A. Technical proposal shall include the following:
 - 1. Offer form (OF-1) in Appendix A
 - 2. Transmittal Letter (Section 60.220)
 - 3. Notes and Certifications (Section 60.230)
 - 4. Financial Condition (Section 60.240)
 - 5. Executive Summary (Section 60.250)

6. Company Background and Experience, Subcontractor Listing (Section 60.260)
7. Organization and Staffing (Section 60.270)
8. Approach (Section 60.280)
9. Work Plan (Section 60.290)
10. PRO Services (Section 60.300)
11. EQR Services (Section 60.310)
12. Assumption (Section 60.320)
13. Anticipated Problem Area (Section 60.330)

60.210 Offer Form (OF-1)

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

60.220 Transmittal Letter

- A. The transmittal letter must be on official letterhead and be signed by an individual authorized to legally bind the Offeror. It shall include:
 1. A statement indicating that the Offeror is a corporation or other legal entity. All subcontractors shall be identified, and a statement included indicating the percentage of work to be performed by the prime Offeror and each subcontractor, as measured by percentage of total contract price;
 2. A statement that the Offeror is or will be registered to do business in Hawaii and has or will obtain a State of Hawaii General Excise Tax License by the start of work. Provide the Hawaii excise tax number (if applicable).
 3. The Offeror's Federal Tax Identification Number;
 4. A statement to certify that this proposal includes all amendments and addenda to this RFP issued by the issuing

office. If no amendments or addenda have been issued, Offerors must include a statement that none were issued;

5. A statement attesting to the accuracy and truthfulness of all information contained in the Offeror's responses to the RFP;
6. A certification by the person signing the Offeror's proposal certifies that they are the person in the Offeror's organization responsible for, or authorized to make the offer firm and binding, and that they have not participated and will not participate, in any action contrary to this RFP;
7. The name, telephone number, and email address of the Offeror's representative who may be contacted for all contractual matters;
8. A statement that the Offeror has read, understands, and is able and willing to comply with all provisions and requirements of this RFP;
9. A statement that, if awarded the contract, the Offeror's organization shall deliver the goods and services meeting the specifications in the RFP and amendments;
10. A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, creed, ancestry, age, marital status, arrest and court records, sex, including gender identity or expression, sexual orientation, religion, national origin, or mental or physical handicap, except as provided by law;
11. A statement that the Offeror will follow all applicable laws and rules regarding the procurement process, including, but not limited to, chapter 103D, Hawaii Revised Statutes, and chapters 3-122, and 3-126, Hawaii Administrative Rules;
12. A statement that the Offeror understands that the terms of this RFP are self-contained and the Offeror should not rely on information outside of this RFP in forming its proposal;
13. A statement that neither cost nor pricing is included in this letter or the technical proposal;

14. If the use of subcontractor(s) is proposed, then a certification from each subcontractor must be appended to the transmittal letter signed by an individual authorized to legally bind the subcontractor and stating:
 - a. The general scope of work to be performed by the subcontractor, including the percentage of work to be performed by the subcontractor (measured as a percentage of the total agreement price paid directly to the subcontractor);
 - b. The subcontractor is able and willing to perform the work indicated; and
 - c. The subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract;
15. A statement that no attempt has been made or will be made by the Offeror to induce any other party to submit or refrain from submitting a proposal;
16. A statement that the Offeror is a PRO that received seventy-five (75) percent federal financial participation (FFP) for PRO services in at least one other state;
17. A statement that the Offeror is an EQRO that received seventy-five (75) percent FFP for EQR services in at least one other state;
18. A statement that the bid was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor;
19. The proposals are government records subject to public inspection, unless protected by law, and may include information that the Offeror feels is confidential or proprietary. If any page is marked "Confidential" or "Proprietary" in the Offeror's proposal, an explanation to DHS of how substantial competitive harm would occur if the information is released and inclusion of the completed form in Appendix P. If DHS determines that it is confidential or proprietary, then the information will be excluded from disclosure to the public. By submitting a

proposal, the Offeror affirms its understanding that proposals are part of the procurement file and subject to public inspection under the current law governing information practices after execution of a contract by all parties pursuant to §3-122-58, Hawaii Administrative Rules;

20. A statement that neither the Offeror nor any proposed subcontractor has been found in default of previous contracts in the State of Hawaii; and

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

60.230 Notes and Certifications

- A. Offerors must complete and include a signed copy of the following forms in this section:
- B. The State of Hawaii Contractor's Standards of Conduct Declaration (Appendix F); and
- C. Disclosure Statement - Wage Certification, and Insurance Requirements Certification (COLI) Form (Appendix E).

60.240 Financial Condition

- A. The financial status of an Offeror and related entities shall be reviewed to determine the financial solvency of the organization. Financial information for the applicable legal entity shall be provided for each of the last two (2) years.
- B. Audited Financial Statements, including:
 - 1. Balance Sheets;
 - 2. Profit and Loss Statements;
 - 3. Auditor's reports;
 - 4. Amounts associated with related party transactions;
 - and
 - 5. Management letters.
- C. If an Offeror seeks confidentiality on part of a submission, each page of the section of that submission which is sought to be protected must be marked as "Proprietary" and an

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

60.250 Executive Summary

- A. The Executive Summary shall summarize and highlight relevant contents of the Proposal to provide Department Administrators and the Evaluation Committee with a broad understanding of the Offeror's Technical Proposal. The Executive Summary shall clearly and concisely condense and highlight the contents of the Technical Proposal.
- B. Offerors should summarize how their Proposal meets the requirements of this RFP and why the Offeror is best qualified to perform the work required.
- C. The Executive Summary chapter shall highlight the Offeror's:
 - 1. Understanding of the project requirements;
 - 2. Understanding of Medicaid managed care programs;
 - 3. Understanding of the Medicaid PIHP programs;
 - 4. Qualifications to serve as MQD contractor for the PRO;
 - 5. EQR and PRO activities listed in the RFP;
 - 6. Overall approach to the project; and
 - 7. Summary of the contents of the proposal.

60.260 Company Background and Experience, Subcontractor Listing

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

60.261 Background of the Company

- A. A description of the history of the company shall include, but not limited to the following:
1. Provide a general description of the primary business of your organization and its customer base;
 2. The legal name of the Offeror, including any names that the Offeror has used or is using to do business under. Indicate the Offeror's form of business, for example, corporation, non-profit corporation, partnership, etc.;
 3. Provide a brief history and current company ownership including the ultimate parent organization and major shareholders or principals. Include date incorporated or formed and corporate domicile. Describe the areas of specialization, if applicable. An out-of-state contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed;
 4. Ownership (public company, partnership, subsidiary, etc.), including the officers of the corporation, and the name and address of its registered agent;
 5. Names, addresses, and contact information for all officers, directors, and partners;
 6. Relationship to parent, affiliated and business entities and copies of management agreements with parent organizations;
 7. Organization chart of parent company and all subcontractors;
 8. Provide copies of the Offeror's articles of incorporation, bylaws, partnership agreements, or similar business entity documents, including any legal entity having an ownership interest of five (5) percent or more;
 9. The home office location and all other offices (by city and state);
 10. The location of office from which any contract would be

- administered;
11. The name, address and telephone number of the Offeror's point of contact for a contract resulting from this RFP;
 12. The number of employees both in the State of Hawaii and nationally;
 13. The size of organization in assets, revenue and staff both in the State of Hawaii and nationally;
 14. Documentation of PRO certification;
 15. Documentation of EQRO certification;
 16. Documentation of current license to use all InterQual criteria as well as an assurance to the State of continued licensure;
 17. Additionally, to meet the EQRO-independence requirements the Offeror must be independent from the State Medicaid agency and from the MCOs or PIHPs they review. The Offeror therefore represents, and shall certify that:
 - a. The Offeror is independent from the State Medicaid agency and from the MCOs or PIHP that it reviews; and
 - b. Neither the Offeror nor the MCOs/PIHP that it reviews exerts control over the other through stock ownership; stock options and convertible debentures; voting trusts; common management, including interlocking management; or contractual relationships. For purposes of this section, the term "control" has the meaning given the term in 48 CFR §19.101;
 18. The Offeror does not deliver any health care services to Medicaid beneficiaries;
 19. The Offeror does not conduct, on the State's behalf, ongoing Medicaid MCO operations related to oversight of the quality of MCO's or PIHP's services except as they relate to external quality review;

20. The Offeror does not have a present, or known future, direct or indirect financial relationship (as defined in 42 CFR §438.320) with the MCOs or PIHPs that it will review;
21. Relating to the administration of the CAHPS: the Offeror shall provide evidence and an assurance that Offeror used and shall use an NCQA-certified independent research organization;
22. Provide the following information for the Offeror and any Subcontractors that are providing contract services. Information should be in order of most to least current. The Offeror may exclude worker's compensation cases:
 - a. Using Table 3: 60.251 below, list pending or recent litigation within the past three (3) calendar years (2018 through 2020) against the Offeror where the amount in controversy or the damages sought or awarded is \$1 million or more and/or is due to the Offeror's or Subcontractor's failure to provide timely, adequate, or quality Covered Services. The Litigation Events table is provided in Appendix J. The Offeror shall complete all items in the table for each pending or recent litigation.

Table 3: 60.251 Litigation Events

Disclosure of Pending or Recent Litigation	Vendor Details
Date litigation brought against Entity including case title and case ID	
Name of Entity (Contractor or Subcontractor)	
Type of Contract and Contracting Entity (e.g., full risk managed care contract with State of Hawaii DHS, 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 EQRO/PRO Contract? Please explain if "yes."	
Indicate the status of the litigation.	
Indicate outcome of litigation, if resolved.	

b. Any Securities Exchange Commission filings discussing any pending or recent litigation.

23. For the Offeror, list and describe any confirmed PHI breaches within the past three (3) calendar years (2018 through 2020), both in and out of Hawaii that have occurred and the Offeror’s response to the breach (e.g., Beneficiary notification, payment of fines, free credit reporting, etc.). The Offeror shall complete all items for each breach incident as detailed in Table 4: 60.251 below.
24. The PHI Breach Events table is listed in Appendix K. The Offeror shall complete all items in the table for each PHI breach Information and in the order of most to least current.

Table 4: 60.251 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 Beneficiaries' 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?

60.262 Company Experience

- A. The Offeror shall document the experience, resources, qualifications and credentials of the Offeror by demonstrated experience in projects of similar scope and size. Proposals should demonstrate that the Offeror has sufficient corporate experience and has been successful in performance of similar or relevant projects.
- B. Additionally, Offeror’s description shall provide evidence that Offeror has sufficient physical, technological, and financial resources to conduct PRO and EQR-related activities as well as the clinical and non-clinical skills necessary to carry out PRO and EQR-related activities and oversee the work of subcontractors (if any).

- C. For each PRO and EQRO activity and project listed in the RFP, the Offeror shall provide the following information:
 - 1. A description of the scope of the activity and project performed and a comparison to the products outlined in this RFP. Work performed shall be categorized by Medicare, Medicaid and/or private sector health care beneficiaries. Offeror shall also include:
 - a. Time period of the project,
 - b. Man-months expended,
 - c. Contract cost,
 - d. Schedule and actual completion dates,
 - e. Identification of project staff, and
 - 2. Beneficiary or customer reference: including name, job title, address and telephone number of the contact person.
- D. Documentation demonstrating acceptance of project deliverables to the satisfaction of the customer. Documentation demonstrating Offeror or Contractor initiatives approved and implemented by the customer may also be included.
- E. A statement of the Offeror's other business or contractual obligations and a statement of Offeror's involvement in litigation that could affect this work should be included.
- F. To the extent that an Offeror intends to utilize subcontracting in order to meet the necessary experience, organization, technical qualifications, skills or other requirements, Offeror must document a recent performance history which indicates an acceptable subcontracting system and documentation that the prospective subcontractor(s) meet said requirements.
- G. Other relevant experience.

60.263 Subcontractor Listing

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

unless there are proposed changes to existing subcontractors.

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

60.270 Organization and Staffing

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

60.271 Organization Charts

- A. The Offeror must describe the Offeror's and each subcontractor's (if any) project organization.
- B. The organization chart shall include:
 1. Organization chart which shows the structure of the organization and identifies the proposed staff positions to be utilized in this project, including full-time equivalents (FTE);
 2. Functional statement of each organizational department/section relevant to the RFP requirements;
 3. Identification of key personnel and delineation of their job descriptions/responsibilities to be utilized in the implementation of RFP requirements. Estimates of man hours for each individual, including a description of major areas of responsibility for each individual. This information shall be included for the key

personnel: names, addresses, phone numbers, fax numbers, and email addresses. At a minimum, key personnel shall include:

- a. Program or Executive Director;
- b. Financial Officer;
- c. Medical Director;
- d. Nurse Team Leader(s)/Coordinator(s) for PRO and EQR review activities;
- e. Designated Nurse Coverage(s) for PRO DHS 1147 daily reviews;
- f. Information Technology Leader; and
- g. Project Director.

1) The offeror's Project Director must be an employee of the Offeror and coordinate all activities of this contract with the State's representatives or its designees and shall maintain close and frequent communication with the State's designated contact(s); and

4. Names, addresses, phone numbers, fax numbers, and email addresses of Offeror's personnel located in the State of Hawaii; and Names, addresses, phone numbers, fax numbers, and email addresses of subcontractor's personnel, if applicable.

60.272 Project Staff

A. The Offeror shall:

- 1. Identify the number of proposed administrative support FTEs and shall provide a brief explanation of the development of the FTE estimate;
- 2. Identify the number and position titles of proposed FTEs to perform the PRO activities as well as a brief

explanation of the development of the FTE estimate. Additionally, Offeror shall provide an assurance as well as documentation that staff performing these activities have demonstrated experience in and knowledge of:

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

60.273 Personnel Qualifications

- A. Resumes are required for all key professional staff. Resumes shall describe the following:
1. Experience with the Medicare, Medicaid, QI and CCS programs;
 2. Experience in managed care systems, and quality improvement and utilization review;
 3. Length of time and description of experience with the PRO and EQR or related organization;
 4. Length of time in the healthcare industry;
 5. Previous relevant experiences especially related to quality improvement studies and surveys;
 6. Relevant education and training;
 7. Names, positions titles and telephone numbers of at least two references who can provide information on the individuals' experience and competence; and
 8. Other relevant experience.

60.280 Approach

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

60.290 Work Plan

- A. For each activity outlined in this RFP, the Offeror shall provide a work plan that shall include:
 - 1. Detailed descriptions of the major phases, tasks, and subtasks necessary to accomplish the requirements of this RFP;
 - 2. Include specific timeline(s) for major phases, tasks, and subtasks necessary to accomplish the requirements of this RFP;
 - 3. Identification of the responsible party (MQD or the Offeror) for each major phase and task; and
 - 4. Discussion of the flexibility of the work plan to meet changes in program requirements and cope with delays should they occur.
- B. The work plan shall demonstrate an understanding of the relationship of relevant entities that are affected by the objectives sought in this RFP.

60.300 PRO Services

- A. The Offeror shall have the ability to perform PRO services outlined in the RFP.

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

- A. The Offeror shall submit a description of their experience related to its ability to perform all activities identified in this section. Offerors may submit samples of tools for performing these functions, including, but not limited:
 - 1. Reviews of sample medical records of beneficiaries in nursing facilities (NFs) to determine if they received appropriate and timely Level 1 Screening, Level II evaluations and/or determination, and resident reviews against criteria set by the State;

2. Monthly reports to the State, with the particulars of each non-compliant case that did not meet the timeliness or screening criteria;
3. Immediate notification upon discovery by DHS of a NF That did not comply with appropriate actions to correct the non-compliance; and
4. A description of Offeror's Inter Rater Reliability process to ensure consistent understanding of State criteria and program requirements.

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

- A. The Offeror shall submit a description of their experience for providing all services required in this section:
1. Describe your process for determining appropriate LTSS LOC, at risk determination and any questionable quality of care to include approval and denials;
 2. Describe what documents would you need to determine LTSS LOC and make an at risk determination;
 3. Describe your process on reviewing cases considered "borderline" and cases in which referring facilities/physicians disagree with your LTSS LOC or at risk determinations;
 4. Provide processes that result in improved efficiencies relating to LTSS LOC and at risk determination protocols; and
 5. A description of Offeror's Inter Rater Reliability process to ensure consistent understanding of State criteria and program requirements.

60.303 Determinations Database (40.440)

- A. The Offeror shall submit a description of the database to be employed to meet this criteria. This description shall at the

minimum include:

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

B. Offeror shall provide:

1. An assurance that the Offeror will be able to provide database reports requested by the State; and
2. An assurance of accessibility of the database to State staff during the normal State business hours of 7:45am to 4:30pm H.S.T. Monday to Friday except State holidays;
3. An assurance of training of State staff to access this database;
4. An assurance that Offeror's database can accommodate additional data elements as directed by the State; and
5. An assurance that the electronic signature program meets Federal and State requirements.

60.304 Peer Review (40.430)

- A. Provide a description of Offeror's peer review process to ensure quality of care.

60.310 External Quality Review (EQR) Services

- A. The Offeror shall have the ability to perform EQR services outlined in the RFP.

60.311 EQR mandatory requirements described in Section 40.500

A. The Offeror shall submit a description of their experience related to its ability to perform all activities identified in this section.

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

60.312 EQR optional requirements described in Section 40.900

A. The Offeror shall submit a description of their experience related to its ability to perform all activities identified in this section.

1. The Offeror shall submit a description of their philosophy, experience, and ideas that reflect compliance or consistency with the CMS protocol for meeting the optional CMS requirements;
2. The Offeror shall describe their approach for performing each of the optional requirements;
3. The Offeror may submit an example of the following items to meet the optional requirements:
4. Its review tool(s) and worksheet(s); and
5. Sample reports.

60.320 Assumptions

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

60.330 Anticipated Problem Areas

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

SECTION 70 BUSINESS PROPOSAL

70.100 Introduction

The business proposal shall include the following section:

- Annual rate (Appendix L-1)

70.200 Annual Rate

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

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

1. LTC LOC Determinations (projected 17,000 reviews annually),
2. PASSR review (projected 1,000 reviews annually),
3. Peer Review of Quality Care Concerns (projected 5 reviews annually),
4. Compliance review,
5. Validation of PIPs (projected 12 PIPs),
6. HEDIS Audit/Performance Measure Validation,
7. Technical Assistance,
8. Technical, Quarterly, Annual Summary Report, and
9. Determinations e-PASSRR Database.

C. Detail of the annual costs must be provided to the State. Detail shall include all cost data including, but not limited to salaries, fringe benefits, travel, and all other cost items. All

costs models will be kept confidential. Submit business proposal on format provided in Appendix L-1.

SECTION 80 PROPOSAL EVALUATION AND PRICE ANALYSIS

80.100 Introduction

- A. The evaluation of proposals received in response to the RFP shall be conducted comprehensively, fairly and impartially. DHS shall be the sole judge in the selection of the Offeror. Structural, quantitative scoring techniques shall be utilized to maximize the objectivity of the evaluation.
- B. DHS reserves the right to waive minor irregularities in proposals provided such action is in the best interest of the State. DHS will determine what is minor irregularity. Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other Contract requirements if the Offeror is awarded the Contract.

80.200 Evaluation Process

- A. DHS shall establish an evaluation committee (Evaluation Committee) that shall evaluate designated sections of the proposal. The committee shall consist of members who are familiar with the program and the minimum standards or criteria for the particular area. Additionally, DHS may, at its discretion, designate additional representatives to assist in the evaluation process. DHS reserves the right to alter the composition of the Evaluation Committee or designate other staff or vendors to assist in the evaluation process. The committee shall evaluate the proposal and document their comments, concerns and questions.

80.300 Mandatory Requirement

- A. Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met. The proposal shall first be evaluated against the following criteria:
 - 1. Proposal was submitted within the closing date and time for proposals as required in Section 20.100;
 - 2. All information required in Section 60 has been submitted;

3. Ability for the Contractor and their subcontractors, if applicable, to remain solvent for the length of the contract in accordance with information submitted in Section 60; and
 4. Proposal contains the necessary information in the proper order.
- B. A proposal must meet all mandatory requirements prior to the technical evaluation. Any proposal that does not meet all mandatory requirements shall be rejected.
- C. All proposals submitted will become the property of MQD and will be considered a matter of public record after Contract negotiations are complete.

80.400 Technical Proposal Evaluation

- A. The proposals that have met the minimum technical requirements detailed in this section shall be evaluated.

<u>Proposal Category</u>	Available Points
Mandatory:	
Offer Form	Pass/Fail
Financial Condition	Pass/Fail
Transmittal Letter	Pass/Fail
Executive Summary	10 points
Company Background and Experience	20 points
Organization and Staffing	20 points
Approach	10 points
Work Plan	10 points
PRO Services	40 points
EQR Services	40 points
Assumptions	5 points
Anticipated Problem Areas	5 points
Business Proposal	40 points
TOTAL POSSIBLE POINTS	200 points

80.500 Technical Evaluation Criteria

- A. Each evaluated category shall be given a rating score using the following rating methodology outlined in Table 5: 80.500 below:

Table 5: 80.500 Rating Methodology

Rating Score	Description
5	Excellent. The proposal response addresses the criterion in a clear and highly comprehensive manner. The proposal response meets the requirements and clearly adds significant value to the requirements listed in the RFP. Demonstrates expert level knowledge and understanding of the subject matter.
4	Very Good. The proposal response addresses the criterion in a highly comprehensive manner. The proposal response meets the requirements and may add some value to the requirements listed in the RFP. Demonstrates a strong knowledge and understanding of the subject matter, but not at the expert level.
3	Good. The proposal response addresses the criterion well. The proposal response clearly minimally meets the requirements. Demonstrates minimally adequate knowledge and understanding of the subject matter.
2	Fair. The proposal response addresses the criterion in a general manner. The proposal response may minimally meet the requirements and/or there is no more than two concerning weaknesses. Ambiguously demonstrates minimally adequate knowledge and understanding of the subject matter.
1	Poor. The proposal response addresses the criterion in a general manner but there are concerning weaknesses. The proposal response may minimally meet the requirements and there is more than two concerning weakness. Ambiguously demonstrates some knowledge and understanding of the subject matter.
0	Very Poor. The proposal response fails to address the criterion or the criterion cannot be assessed due to missing or incomplete information, or because the response was overly ambiguous, conflicting, or confusing.

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

- C. A comment section is provided on the Technical Evaluation Scoring Form. The Evaluation Committee must record a comment for any score of 1, 2, 3 or 5. Comments for criteria receiving a score of 4 are not required.
- D. The Offeror must receive a rating score of 3 for each Evaluation Category or the proposal will not be considered technically acceptable and shall be rejected. Those proposals that do not meet the minimum points to pass each of the required criteria shall be returned to the applicant with a letter of explanation.
- E. The rating score (0-5) shall represent the corresponding conversion factor used to calculate the points awarded for each Evaluation Category listed in Section 80.400, as detailed below in Table 6: 80.500:

Table 6: 80.500 Conversion Factor

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

- F. The total maximum number of points available for each Evaluation Category will be multiplied by the applicable conversation factor, based on the rating score given, to determine the number of points awarded for the Evaluation Category. The points awarded for each Evaluation Category shall by totaled to yield a final score. The Offeror with the highest final score shall be awarded the contract.
- G. Scoring will be based on the entire content of the proposal and the information as communicated to the evaluators. The information contained in any part of the proposal may be evaluated by DHS with respect to any other scored section of the proposal. Lack of clarity and inconsistency in the proposal will impede effective communication of the content and may result in a lower score.
- H. The broad criteria for each Evaluation Category are listed below and includes consideration of the specific elements identified in Section 60. DHS reserves the right to add,

delete or modify any criteria in accordance with applicable procurement rules.

- I. All proposals that meet a minimum score of seventy-five (75) percent on the technical proposal evaluation shall be evaluated according to §80.600 for its business proposal.

80.510 Offer Form (Pass/Fail)

- A. The Offeror Form shall include all required statements as specified in Section 60.210.
- B. The Offeror shall complete required forms in Section 60.230.
- C. The Offeror shall provide Appendix O – Offeror References.

80.515 Financial Condition (Pass/Fail)

- A. The Offeror shall include all required documents as specified in Section 60.240.

80.520 Transmittal Letter (Pass/Fail)

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

80.530 Executive Summary (10 points possible)

- A. The executive summary shall provide a broad understanding of the proposal as specified in Section 60.250

80.540 Company Background and Experience (20 points possible)

- A. Does the proposal describe the company background and experience?
- B. Has the company demonstrated that the scope of services under this RFP can be completed by the Offeror?
- C. Proposals will be evaluated on the basis of relevant

experience and client references. MQD reserves the right to contact previous and current clients.

- D. The experience of the subcontractors, if applicable, will be evaluated as well. The experience of the subcontractor does not substitute for the relevant corporate experience of the Offeror.
- E. The proposal shall include all factors specified in Section 60.260

80.550 Organization and Staffing (20 points possible)

- A. Proposals must demonstrate that Offeror has sufficient relevant program experience and has been successful in performing projects of similar scope to that described herein. Included in this evaluation will be an assessment of past and current management experience for similar services of like projects in scope.
- B. The competence of proposed key professionals and other employees in the project will account for a majority of the points. Qualifications of personnel will be evaluated according to their education and experience with previous EQR and PRO contracts, length of time with the organization, and Hawaii Medicaid experience. Resumes of all key personnel must be provided.
- C. The proposal shall include all factors specified in Section 60.270.

80.560 Approach (10 points possible)

- A. The Offeror demonstrates an understanding of the requirements of the RFP.
- B. The Offeror will include a logical, clear, and detailed statement of their methodology and overall organizational approach for successful completion of the project objectives. The rationale and methodology for achieving objectives will be considered as well as the Offeror's organizational approach to the project.

- C. The Offeror shall include an understanding of current program structure and the extent to which each proposed component will interact with existing program elements.
- D. The Offeror's assumptions made are reasonable and has identified problem areas that may be reasonably expected.
- E. The proposal shall include all factors specified in Section 60.280.

80.570 Work Plan (10 point possible)

- A. The Offeror shall submit a detailed work plan for the entire project. The work plan shall be in sufficient detail, including the required items in section 60.290, to allow the DHS to determine that the Offeror's plan is a viable plan.
- B. The plan shall demonstrate that the Offeror will be able to achieve its objectives in a timely and efficient manner.
- C. The work plan shall be reviewed for organization, clarity, articulation of objectives, completeness, efficiency, understanding of existing program resources and use of Offeror and Department resources.

80.580 PRO Services (40 points possible)

- A. The Offeror shall submit their experience related to Pre-admission Screening/Resident Review (PASRR) for Nursing Facilities:
 - 1. Review of medical records;
 - 2. Development of monthly reports;
 - 3. Steps for immediate notification to the state when NF does not comply with appropriate actions;
 - 4. Inter Rater Reliability process to assure meeting state Criteria;
 - 5. Submission of sample tools that meet these requirements will be evaluated for comprehesiveness;

6. Experience related to determining the Long Term Care Level of Care (LOC)/At Risk Determinations;
7. Experience related to peer review; and
8. Other factors identified in Section 60.300.

80.590 EQR Services (40 points possible)

A. The Offeror shall submit:

1. Experience related to conducting mandatory EQR Requirements;
2. Experience related to conducting optional EQR Requirements;
3. Experience related to performance measure validation; and
4. Other factors identified in Section 60.310.

80.600 Assumptions (5 points possible)

A. The Offeror shall submit required information identified in Section 60.320.

80.610 Anticipated Problem Area (5 points possible)

A. The Offeror shall submit required information identified in Section 60.330.

80.700 Business Proposal Evaluation

A. Each proposal will be examined to ensure that all required pricing schedules have been included by the Offeror. Proposals will be evaluated to ensure that reasonable firm fixed prices have been assigned. The points shall be given by the chart below in Table 7: 80.700:

Table 7: 80.700 Business Proposal

	Lowest Proposal	2 nd Lowest Proposal	3 rd Lowest Proposal	4 th Lowest or More
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Two Offerors	40	30		
Three Offerors	40	30	20	
Four Offerors	40	30	20	0

80.710 Best and Final Offers

- A. MQD reserves the right to require best and final offers from those Offerors whose Technical Proposals are eligible for consideration and who have been identified as “priority-listed Offerors.” If MQD decides to pursue best and final offers, it will follow the process outlined in Hawaii Administrative Rules §3-122-54 Best and Final Offers.
- B. If best and final offers are required after opening the Business Proposals, the Evaluation Committee will be responsible for contacting Offerors by written (email) notice sent to the Offeror. The Offeror will be requested to respond in writing with a best and final offer by submitting revised Business Proposals within a specified time period. Only best and final offers received within the time period will be accepted. If an Offeror's best and final offer is rejected, the original proposal response will be evaluated.
- C. Once clarifications have been received, the Evaluation Committee will review the best and final offers represented in the revised Business Proposals against the specified criteria and re-score the Business Proposals. The Business Proposal scores based on the best and final offers will replace the original scores on the Business Proposal Evaluation Form (Appendix L).

80.800 Contract Award

- A. The technical and business proposal scores will be combined to determine the winning proposal. The Offeror with the highest score will be awarded the contract.
- B. Upon selection of the Offeror, DHS shall initiate the contracting process. The Offeror shall be notified in writing that the contract is awarded, and that DHS intends to

contract with them. This letter shall serve as notification that the Offeror should begin to develop its programs, materials, policies and procedures for the program.

- C. The contracts shall be awarded no later than the Contract Award date identified in Section 20.100. If the Offeror's requests to withdraw its proposal, it must be requested in writing to DHS before the close of business (4:30 p.m. H.S.T.) on the Contract Award date identified in Section 20.100. After that date, the State expects to enter into a contract with the Offeror.
- D. This RFP, the Offeror's technical and business proposal, and any other materials submitted by the Offeror shall become part of the Contract, excluding any aspect of the technical or business proposal inconsistent with the RFP as determined by DHS.