



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

**Electronic Health Record Incentive Program
State Level Repository Implementation and
Fiscal Agent Operations**

RFP-MQD-2013-008



Med-QUEST Division – Finance Office



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Section 10 ADMINISTRATIVE OVERVIEW

10.10 Purpose of the Request for Proposal (RFP)

The purpose of this Request for Proposal (RFP) is to obtain competitive responses from qualified organizations to implement and operate a State Level Repository (SLR) solution for administration, operations, and payment of the Medicaid Electronic Health Record Incentive Program (Medicaid EHR Incentive Program) on behalf of the State of Hawaii, Department of Human Services (DHS), Med-QUEST Division (MQD) that:

- Processes attestations for the State's Medicaid EHR Incentive Program as defined in 42 C.F.R. §412, §413, and §422 and §495 et. seq. and the State Medicaid Health Information Technology Plan (SMHP);
- Determines eligibility for the State's Medicaid EHR Incentive Program utilizing automated and manual verifications of provider information, eligibility, utilization of EHR, and payment;
- Calculates Medicaid EHR Incentive Program payment automatically using inputs;
- Supports post-payment audit and recoupment functions;
- Incorporates automated functionalities through the capability to interface with Federal and State systems required for administration of the program;
- Complies with federal rule requirements of the Centers for Medicare and Medicaid Services (CMS);
- Incorporates document management functionality for the purposes of verifying information and managing pre- and post-payment auditing activities;
- Provides support services required for administration and oversight activities, including the review of attestations, provider outreach and approval for MQD release to pay;
- Supports future requirements of CMS as published in the federal rules;
- Provides Help desk functionality for use by Medicaid EHR Incentive Program participants throughout the attestation process;



- Provides Database capabilities to support program administration related to eligibility and payment for the State's Medicaid EHR Incentive Program;
- Provides Medicaid EHR Incentive Program participant outreach utilities;
- Provides ongoing operations and support and Contractor hosting of the SLR Solution; and
- Provides ongoing business process operations throughout the duration of the EHR Incentive Program, including (but not limited to) providing outreach services, processing attestations, reviewing verifications, and conducting pre-payment verification of eligibility.

In addition to the SLR functions, MQD also seeks to acquire a Fiscal Agent (FA) for the purposes of processing of medical and behavioral health claims under the fee-for-service (FFS) program. The FA shall:

- Process FFS claims on HPMMIS;
- Transfer and transition FA functions from current contractor;
- Provide Identification Cards & Correspondence; and
- Conduct maintenance & Operations.

In addition to SLR and FA functions listed above, MQD seeks contractor support for administrative tasks related to the planning, development, implementation and operation of the SLR and FA functions. These tasks include:

- Overseeing and conducting all project management activities related to the SLR and FA implementation;
- Planning for and documenting disaster recovery;
- Planning for and implementing federal- and state-mandated privacy and security infrastructure to ensure that the SLR and FA data are not improperly accessed or distributed;
- Planning for SLR and FA testing activities prior to implementation and throughout operations for quality assurance;
- Conducting provider relations on behalf of MQD to ensure that providers are aware of SLR and FA changes and procedures; and



- Distributing payments for MQD FFS claims and the Hawaii Medicaid EHR Incentive Program.

The Contractor shall be responsible for all costs of providing required services as described in this RFP.

Offerors are advised that the entire RFP, including all appendices, attachments, and addenda, and the corresponding proposal shall be part of the contract with the successful Offeror. MQD reserves the right to modify, amend, change, add, or delete any requirements in this RFP to serve the best interest of the State. If significant amendments are made to the RFP, interested parties shall be provided additional time to submit their proposals.

To submit a bid for this work, Offerors must meet the Minimum Basic Qualifications Criteria stated in Section 70.10.

10.20 Authority for Issuance of the RFP

This RFP is issued under the authority of Title XIX of the Social Security Act, 42 USC Section 1396, et. seq., as amended, the implementing regulations issued under the authority thereof, and the provisions of the Hawaii Revised Statutes (HRS) Title 9, Chapter 103D and Hawaii Administrative Rules (HAR) Chapter 3-122. All Offerors are charged with presumptive knowledge of all requirements cited by these authorities, and submission of a valid executed proposal by any Offeror shall constitute admission of such knowledge on the part of such Offeror. Failure to comply with any requirement may result in the rejection of the proposal. MQD reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

10.30 Issuing Officer

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



Dr. Kenneth Fink, Med-QUEST Administrator
Department of Human Services, Med-QUEST Division
1001 Kamokila Blvd, Suite 317
Kapolei, Hawaii 96707
Telephone: 808-692-8050
Fax: 808-692-8173

10.40 Use of Subcontractors

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

10.50 Organization of the RFP

This RFP is composed of eight sections:

- Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP, and the organization of the RFP.
- Section 20 – RFP Schedule and Procurement Requirements – Provides information on the rules and schedules for procurement of this RFP.
- Section 30 – Background – Describes MQD, the State's current Medicaid and health information technology environment, and the extent of EHR adoption to date.
- Section 40 – Scope of Services – Provides information on the services to be provided under the Contract.
- Section 50 – Solution Requirements – Provides an overview of the requirements that the Offeror must meet for the Solution implementation.



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

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

- Appendix A – Offer Form
- Appendix B – Written Questions
- Appendix C – General Conditions
- Appendix D – Contractor's Standards of Conduct Declaration
- Appendix E – Forms
- Appendix F – Offeror Acknowledgement Form
- Appendix G – Exceptions to RFP Language
- Appendix H – Confidential and Proprietary Information
- Appendix I – Cost Proposal
- Appendix J – Offeror References
- Appendix K – Key Personnel / Preferred Qualifications
- Appendix L – Key Personnel Reference Sheet
- Appendix M – Mandatory Proposal Submission Checklist
- Appendix N – Service Level Agreements
- Appendix O – Detailed SLR Requirements
- Appendix P – Detailed FA Requirements
- Appendix Q – Detailed Administrative Requirements
- Appendix R – Glossary of Acronyms
- Appendix S – Evaluation Criteria



Section 20 RFP SCHEDULE AND PROCUREMENT REQUIREMENTS

20.10 RFP Timeline

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

Table 2-1 Estimated Procurement Schedule

ACTIVITY	DATE
Legal Ad Date / Issue RFP	February 28, 2013
Submission of Written Questions	March 11, 2013 (2:00 p.m. H.S.T.)
Written Responses to Questions and Addendum to RFP Posted (if necessary)	March 19, 2013
Notice of Intent to Propose	March 20, 2013 (2:00 p.m. H.S.T.)
Proposals Due	April 5, 2013 (2:00 p.m. H.S.T.)
Estimated Contract Award	April 15, 2013
Estimated Contract Start Date	May 1, 2013

20.20 Written Questions

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

Offerors may email written questions in Word 2010 or lower to the procurement email address at:

SLRFA_RFP@medicaid.dhs.state.hi.us

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

20.30 Notice of Intent

Offerors shall submit their Notice of Intent to Propose by the date and time specified in Table 2-1. Submission of a Notice of



Intent to Propose is not a prerequisite for the submission of a proposal, but is necessary to assure proper distribution of amendments, questions and answers, and other communication regarding this RFP.

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

Offerors should email their Notice of Intent to the procurement email address.

20.40 References

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

20.50 Documentation

Offerors may review information describing Hawaii's Medicaid program, QUEST, QExA, and other Medical Assistance services and benefits by visiting MQD's website: <http://www.med-QUEST.us>. Information regarding administrative rules may be found at: http://hawaii.gov/dhs/main/har/har_current/AdminRules.

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

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

- HRS Chapter 237, tax clearance;
- HRS Chapter 383, unemployment insurance;
- HRS Chapter 386, workers' compensation;
- HRS Chapter 392, temporary disability insurance;



- HRS Chapter 393, prepaid health care; and
- One of the following:
 - Be registered and incorporated or organized under the laws of the State (hereinafter referred to as a “Hawaii business”); or
 - Be registered to do business in the State (hereinafter referred to as a “compliant non-Hawaii business”).

Offerors are advised that there are costs associated with compliance under this section. Any costs are the responsibility of the Offeror. Proof of compliance is shown by providing the Certificate of Vendor Compliance issued by the Hawaii Compliance Express.

20.70 Hawaii Compliance Express (HCE)

The State utilizes the HCE to verify compliance with the requirements under Section 103D-310 (c), HRS and Section 3-122-112, HAR upon award of the Contract. The HCE is an electronic system that allows vendors / contractors / service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the DOTAX and IRS tax clearance Department of Labor and Industrial Relations (DLIR) labor law compliance, and DCCA good standing compliance. There is a nominal annual fee for the service and is the responsibility of the Offeror. The “Certificate of Vendor Compliance” issued online through HCE provides the registered Offeror’s current compliance status as of the issuance date, and is accepted for both contracting and final payment purposes. See website: <https://vendors.ehawaii.gov/hce/splash/welcome.html>

20.80 Rules of Procurement

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

20.81 No Contingent Fees

No Offeror shall employ any company or person, other than a bona fide employee working solely for the Offeror or company regularly employed as its marketing agent, to solicit or secure



this contract, nor shall it pay or agree to pay any company or person, other than a bona fide employee working solely for the Offeror or a company regularly employed by the Offeror as its marketing agent, any fee commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award of a contract to perform the specifications of this RFP.

20.82 Restriction on Communication with State Staff

In order to provide equal treatment to all Offerors, questions shall be submitted in writing and answers shall be emailed to Offerors submitting a Notice of Intent to Propose.

20.83 RFP Amendment

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

20.84 Costs of Preparing Proposal

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

20.85 Disposition of Proposals

All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right.

20.86 Rules for Withdrawal or Revision of Proposal

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



withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal.

20.87 Independent Price Determination

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

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

20.88 Confidentiality of Information

If an Offeror seeks to maintain the confidentiality of sections of the Technical Proposal, each page of the section(s) should be marked as "Proprietary" or "Confidential", and the material designated as confidential shall be readily separable from the proposal in order to facilitate inspection of the non-confidential portion of the proposal. Proprietary or confidential information includes, but is not limited to, business, financial information, medical records, and patient information. An explanation to MQD of how substantial competitive harm would occur if the information is released is required in the Transmittal Letter for the Technical Proposal as described in Section 70.22. MQD shall maintain the confidentiality of the information to the extent allowed by law. Blanket labeling of the entire document as "Proprietary," however, is inappropriate.

20.90 Acceptance of Proposals

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

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



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

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

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

20.100 Submission of Proposals

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



Proposals shall be submitted in two parts: Technical and Cost Proposals. The format and content of each are specified in Section 70 of this RFP.

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

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

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

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

Hawaii SLR Implementation and FA Operations
RFP-MQD-2013-008
Technical Proposal
(Name of Offeror)

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

Hawaii SLR Implementation and FA Operations
RFP-MQD-2013-008
Cost Proposal
(Name of Offeror)

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



20.110 Proposal Opening and Inspection

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

20.120 Disqualification of Offerors

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

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



20.130 Irregular Proposals

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

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

20.140 Cancellation of RFP

The RFP may be cancelled and any or all proposals may be rejected in whole or in part, when it is determined to be in the best interest of the State, pursuant to HAR Section 3-122-96 through 3-122-97. The State shall not be liable for any costs, expenses, loss of profits, or damages whatsoever incurred by the Offeror in the event this RFP is cancelled or a proposal is rejected.

20.150 Additional Materials and Documentation

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

20.160 Award Notice

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

The Contract award is subject to availability of funding.



Successful Offeror receiving award shall enter into a formal written contract. Performance bond requirements are stated in Section 60.200.

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

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



Section 30 BACKGROUND

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

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

30.10 Organization of MQD and Related Departments

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

30.11 Department of Human Services (DHS)

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

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

The four (4) divisions of DHS, along with the two (2) administratively attached agencies are assisted by five staff



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

30.12 Med-QUEST Division (MQD)

MQD administers the State's Medicaid and other health coverage programs. Medicaid, a Federal program created by Congress in 1965, was designed to provide access to medical care for the low-income population. In FY 2011, MQD spent approximately \$1.7 billion for benefits and administration of the Medicaid program.

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

30.20 Information Technology (IT) Landscape

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

30.21 Hawaii Prepaid Medical Management Information System (HPMMIS)

Hawaii's medical enrollment, encounter, and claims processing functions are supported by the HPMMIS. Its role consists primarily of collecting and storing eligibility data from Hawaii Automated Welfare Information System (HAWI), processing



enrollment, and managing per member per month capitation calculations. The HPMMIS is managed by the Arizona Health Care Cost Containment System (AHCCCS) for Hawaii under an Interstate Agreement. The HPMMIS is a legacy mainframe system. HPMMIS is described in the table below.

Table 3-1 HPMMIS Today

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

30.30 Current Extent of EHR Adoption

MQD has estimated that 540 Eligible Professionals (EPs) will qualify for a Medicaid Electronic Health Record Incentive payment in program year one. In the subsequent five years MQD estimates that a total of approximately 1450 providers will participate.

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



To date, one of the primary drivers in the adoption of EHRs by practitioners and hospitals in Hawaii has been the Hawaii Pacific Regional Extension Center (HPREC), which is focused on assisting providers in the adoption of certified electronic health record (EHR) technology. Today, over 650 providers are enrolled in HPREC, 400 have implemented certified EHRs and over 319 providers are now eligible for Medicaid EHR incentive payments. According to data obtained from the HPREC, 15 different EHR systems have been implemented in primary care practices in the state, with the leading certified EHR systems being eClinicalWorks, GE Centricity, Allscripts, and Epic.

Additionally, as of July 2012, the Hawaii Health Information Exchange (HHIE) had roughly 238 users comprised of 159 providers, 46 specialists, 15 staff, 7 labs, 6 hospitals, 3 payers, and 2 Department of Health members. These HHIE members and participants are focusing on utilizing certified EHR systems and the interoperable exchange of data to support the Meaningful Use (MU) criteria.



Section 40 SCOPE OF SERVICES

40.10 Introduction

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

The Contractor will be required to work in collaboration with the "State," which includes the MQD, DHS, and may include other State agency staff.

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

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

40.11 Section Overview

In this RFP, MQD is seeking a qualified Contractor to perform the following activities for implementing the SLR:

- Software;
- Configuration;
- Implementation;
- Administration and Oversight;
- Document Management;
- Reporting;
- Appeals; and
- Maintenance & Operations.



Additionally, in this RFP, MQD is seeking a qualified Contractor to perform the following activities for implementing the FA solution:

- System;
- Planning;
- Transfer;
- Claims Processing;
- Provider Relations;
- ID Cards/Correspondence; and
- Prior Authorization.

In this RFP, MQD is seeking a qualified Contractor to provide the following contract tasks to support administrative tasks associated with the planning, development, implementation and operation of the SLR and FA functions:

- Project management;
- Disaster Recovery;
- Privacy and Security;
- Testing;
- Provider relations and training;
- Provider Hotline;
- Payment;
- Document management;
- Reporting; and
- Appeals.

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

40.20 State Level Repository

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



40.21 Software

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

40.21.1 Software Description

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

The Contractor shall implement a SaaS SLR solution that is effective in implementing and managing the Hawaii Medicaid EHR Incentive Program provider attestations, approvals and payments. The solution will provide technical architecture to serve as the framework for incentive payment decision making. This solution will also include business processes and operational capabilities that include, but are not limited to, communication of the program to providers throughout the State, making incentive payments, and providing appropriate pre-payment reviews for compliance with CMS and State policies. This will require the Contractor to understand the State's SMHP, organizational structure and requirements for the State's Medicaid EHR Incentive Payment program.

At a minimum, software tasks include:

(a) SLR Requirements Specification Document

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

- Identify how and where the requirements are met in the proposed SLR solution;
- Define whether the requirement can be met through standard functionality of the proposed solution, a configuration, or a development activity; and



- Identify and verify all capabilities for data exchange between federal and state systems as specified by MQD.

(b) Test/Production Environment

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

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

40.21.2 Software Deliverables

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

40.21.3 Contractor and State Software Responsibilities

Table 4-1 Contractor and State Software Responsibilities

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

40.22 Configuration

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



40.22.1 Configuration Description

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

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

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

(a) Configurations Traceability Matrix

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

40.22.2 Configuration Deliverables

- Configurations Traceability Matrix.



40.22.3 Contractor and State Configuration Responsibilities

Table 4-2 Contractor and State Configuration Responsibilities

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

40.23 Implementation

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

40.23.1 Implementation Description

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

At a minimum, specific implementation tasks include:

(a) Implementation Plan

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



40.23.2 Service Level Agreements

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

- SLR Implementation Timeline;
- SLR Configuration Management;
- System Availability;
- Operational Problem Management; and
- Customer Service Support.

The Contractor is expected to monitor performance against MQD-specified KPIs, and is to develop operations reports to demonstrate compliance with applicable KPIs. Specifically, the Contractor is to submit a monthly Performance Report Card on all KPIs, regarding the prior month's performance, no later than the 10th of the month, with out-of-bounds metrics visually highlighted in the report. The Contractor may include additional information regarding SLA compliance in its report. The Contractor is to make available to MQD upon request all reports or data used in the determination of SLA compliance and calculation of KPIs.

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



request a meeting to further discuss issues. The Contractor is to implement proposed corrective action only upon approval of MQD.

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

40.23.3 Implementation Deliverables

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

40.23.4 Contractor and State Implementation Responsibilities

Table 4-3 Contractor and State Implementation Responsibilities

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

40.24 Administration & Oversight

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

40.24.1 Administration & Oversight Description

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



Administration and oversight includes the following:

- Providing program outreach and communication on behalf of MQD, including notifying providers of the Medicaid EHR Incentive Program and information regarding federal and state policies and procedures;
- Ensuring that providers attesting to the Medicaid EHR Incentive Program have accurately and completely filled out attestations to MQD's policy standards;
- Reviewing and preliminary approval of incentive payment attestations;
- Communicating with providers about their attestation; and
- Sending incentive payment files to the FA for payment.

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

At a minimum, administration and oversight activities include:

(a) Administration & Oversight Operations Plan

The Contractor shall submit a written SLR Administration & Oversight Operations Plan (SLR Ops Plan) to MQD for approval. The SLR Ops Plan shall include business process flows, document templates and required actions necessary for the complete review and approval of attestations for incentive payments. The Contractor shall include all processes necessary for administration & oversight processes as they relate to the Hawaii SMHP Administration & Oversight and Audit Strategy sections. The Contractor shall write the SLR Ops Plan with the understanding that the Contractor shall have sole responsibility for all pre-payment review and payment of attestations. MQD plans to provide a final approval of each attestation immediately prior to D16 batch files being submitted to CMS for duplicate payment check.

(b) Communication Plan

The Contractor shall write a Communications Plan outlining the strategy that the Contractor plans to use to communicate with



providers about the Hawaii Medicaid EHR Incentive Program, including:

- Eligibility Requirements;
- Adoption, Implementation, Upgrade (A/I/U) Requirements;
- Meaningful Use (MU) Requirements;
- Incentive Payment Amounts;
- Attestation Process.

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

(c) Subject Matter Expertise

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

(d) Outreach Website

The Contractor shall host and maintain an Outreach Website promoting the Hawaii Medicaid EHR Incentive Program. The Outreach Website shall contain written and visual materials related to the attestation process, links to federal and state resources related to the program, and any documents required by MQD for successful attestation. The Contractor shall make all program-related material available on the Outreach Website accessible by eligible providers and their representatives. Approved version control shall be applied to all updated documents.



(e) Completed Attestation Review

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

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

- Tracking pre-payment validations and notes for each attestation reviewed, including all validations set forth as required by CMS and MQD;
- Tracking pre-payment verifications and notes for each attestation reviewed, including all verifications set forth as required by CMS and MQD;
- Assessing risk based on attestation information provided for placement into a post-payment risk strata;
- Reporting to the MQD and CMS, as requested or required on pre-payment verifications performed and subsequent results; and
- Additional activities as requested by MQD or CMS as part of pre-payment verifications.

(f) Provider Assistance – Incomplete/Incorrect Submissions

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



The Contractor may also coordinate Provider Outreach with HPREC concerning the SLR.

(g) Department Notification of Conditional Approval

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

(h) D16 Send for CMS Approval

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

(i) Attestation Reporting

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

(j) Assessment

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

40.24.2 Administration & Oversight Deliverables

- SLR Ops Plan;



- Communication Plan;
- Outreach Website; and
- Attestation Reports, as requested

40.24.3 Contractor and State Administration & Oversight Responsibilities

Table 4-4 Contractor and State Administration & Oversight Responsibilities

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

40.25 Maintenance & Operations

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



40.25.1 Maintenance & Operation Description

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

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

- **Operations** - Operations shall include the operation of the SLR solution. The Contractor shall provide qualified personnel, resources, facilities, and supplies to support the operation of the SLR solution as described in this RFP, specifically Section 40.24.
- **Maintenance** - Maintenance shall include supporting the system, once implemented in the production environment, for the duration of the contract. This support shall include the following activities:
 - Activities necessary to maintain the SLR solution in the condition that it was approved;
 - Activities necessary to meet CMS requirements;
 - Scheduled ongoing tasks to ensure system tuning, performance, response time, database stability and processing;
 - Updates to software, operating systems or other system components requiring version updates, manufacturer "patches," and other routine manufacturers' updates to software;
 - Maintenance of security for user accounts; and
 - Responses to production problems and emergency situations according to MQD-approved guidelines.
- **Modifications** - The SLR solution is subject to ongoing modifications due to Federal and State regulatory and policy changes.

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



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

At a minimum, specific M&O tasks include:

(a) Problem Management

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

(b) Release / Deployment Management

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

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

(c) Regulatory Compliance

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



(d) Internal Quality Assurance

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

(e) Resource Capacity Utilization and Capacity Planning

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

(f) Audit Support

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

(g) Eligible Provider Support

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

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



User Manuals

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

Online User Aids

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

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

Help Desk

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

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

- Provide Help Desk support staff during normal business hours (Monday through Friday, 6 a.m. – 6 p.m. HST) during implementation, maintenance and operations;
- Provide Help Desk staff knowledgeable enough to guide attesters through the attestation process and preliminarily troubleshoot attester issues;
- Escalate issues that cannot be resolved by first tier staff;
- Handle routine customer service requests (CSRs) such as logon id, password, and security profile issues immediately;
- Forward non-SLR related issues to the appropriate contractor or MQD contact;
- Forward CSRs that cannot be resolved immediately to the appropriate staff, and, develop and communicate end user workarounds for such requests; and
- Capture and track help desk CSRs (i.e., "tickets").



(h) Modification Service Requests (MSR)

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

40.25.2 M&O Deliverables

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

40.25.3 Contractor and State M&O Responsibilities

Table 4-5 Contractor and State M&O Responsibilities

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



40.30 Fiscal Agent

The following section provides a description of the work, deliverables, and Contractor and State responsibilities required to plan and execute the FA activities identified in this RFP. The Contractor shall be responsible for proposing a solution with requirements related to the FA responsibilities as detailed in Appendix P: Detailed Fiscal Agents Requirements Matrix.

The Contractor shall use the Hawaii Pre-paid Medical Management Information Systems (HPMMIS) operated by Arizona's Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS) for inputting, adjudicating and reporting on MQD Fee-For-Service (FFS) claims. The Contractor shall provide an imaging system to image hard copy claims and attachments, a check-writing system to print checks and reconcile bank statements for claims, and an accounts receivable system for generating. All systems must be able to interface with HPMMIS.

40.31 System

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

40.31.1 System Description

The Contractor shall be responsible for performing activities related to FA System as detailed in Appendix P. At a minimum, the System activities include:

(a) FA Requirements Specification Document

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

- Identify how and where the requirements are met in the proposed FA System; and



- Define whether the requirement can be met through standard functionality of the proposed FA, a configuration, or a development activity.

(b) System Framework

The Contractor shall be responsible for processing MQD FFS Program claims. The Contractor shall have the capability to support all FA-related functions including:

- Generating checks;
- Prior Authorization notices;
- Remittance advices;
- Reference Tables updates
- Correspondence; and
- Reports.

The Contractor shall provide a System Framework capable of supporting all FA-related functions for processing MQD FFS Program claims. The Contractor shall be responsible for providing a System Framework that meets the requirements detailed in Appendix P.

40.31.2 System Deliverables

- FA Requirements Specification Document; and
- System Framework.

40.31.3 Contractor and State System Responsibilities

Table 4-6 Contractor and State System Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.31.1- System Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.31.1- System Description	Review all draft deliverables and provide feedback Approve all deliverables



40.32 Planning

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

40.32.1 Planning Description

The Contractor shall be responsible for performing activities related to FA planning as detailed in Appendix P. Planning activities shall run concurrently with all Transfer activities as detailed in Section in 40.33. At a minimum, the Planning activities include:

(a) Weekly Status Reports

The Contractor shall provide weekly status reports specific to the Planning activities and Transfer of FA functions from the current FA contractor, Xerox, to the new Contractor. The Weekly Status Reports shall document plans and status for operational readiness of the FA.

(b) Detailed Desk-Level Procedures

The Contractor shall provide Detailed Desk-Level Procedures for the following areas:

- Claims receipt, imaging and data entry;
- Claims processing and adjudication;
- Provider relations for claims; and
- Claims payment.

Detailed Desk-Level Procedures shall outline all functions as detailed in Appendix P and presented to MQD for approval.

40.32.2 Planning Deliverables

- Weekly Status Reports; and
- Detailed Desk-Level Procedures



40.32.3 Contractor and State Planning Responsibilities

Table 4-7 Contractor and State Planning Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.32.1- Planning Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.32.1- Planning Description	Review all draft deliverables and provide feedback Approve all deliverables

40.33 Transfer

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

40.33.1 Transfer Description

The Contractor shall be responsible for performing activities related to FA transfer as detailed in Appendix P. The transfer of the FA functions from the current contractor, Xerox, will require coordination between Xerox, MQD, and the Contractor. At a minimum, the transfer activities include:

(a) Transfer Strategy

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

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



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

40.33.2 Transfer Deliverables

- Transfer Strategy.

40.33.3 Contractor and State Transfer Responsibilities

Table 4-8 Contractor and State Transfer Responsibilities

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

40.34 Claims Processing

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Claims Processing activities of the FA.

40.34.1 Claims Processing Description

The Contractor shall use the HPMMIS claims processing system, and to work in a coordinated and integrated manner with the State to image and adjudicate claims. The Contractor shall be responsible for all Claims Imaging Data Entry and Claims Adjudication requirements in Appendix P. The Contractor shall also provide capability for providers to submit claims electronically using a free, software-based platform that can be downloaded by provider as needed.

(a) Claims Imaging Data Entry

The Contractor shall accept hard copy claims and attachments from the providers, create an electronic image of the hard copy claim and attachment, and provide for the transfer through data



entry or Optical Character Recognition (OCR) of the claim information into HPMMIS.

(b) Claims Adjudication

The Contractor shall adjudicate claims using the claims screens and work queues in HPMMIS.

40.34.2 Claims Imaging Data Entry Deliverables

- Monthly reports on:
 - Validity of imaging and transmission;
 - Count on rejected claims;
 - Hard copy claims ready for adjudication within 3 business days of receipt with an error rate of less than 3%; and
 - Hard copy claims received and backlog status of claims not yet imaged or data entered.
- Imaged document storage, maintaining claims forms for 10 years.
- Monthly extract file of all imaged data to support reconciliation report of CRN numbers between the imaging systems and HPMMIS.
 - The file format must be approved by MQD.
- Report on reconciliation and resolution of missing documents between the image and HPMMIS.

40.34.3 Claims Adjudication Deliverables

- Weekly inventory status report of all claims including:
 - Reimbursement claims in-house that are not yet fully adjudicated;
 - Potential system problems that may be contributing to claim adjudication errors; and
 - Trends and variances in claims status and corrective action plan.
- Detailed claims inventory report on weekly basis, tracking, at a minimum:



- All hard copy claims received;
 - All claims (electronic and hard copy) entered into the HPMMIS system;
 - Number of claims adjudicated and paid;
 - Number of claims denied; and
 - Number of claims pending in the system.
- Image of medical authorization requests and determination letters.

40.34.4 Contractor and State Claims Processing Responsibilities

Table 4-9 Contractor and State Claims Processing Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.34.1- Claims Processing Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.34.1- Claims Processing Description	Review all draft deliverables and provide feedback Approve all deliverables

40.35 Correspondence and Identification Cards

The following section provides the description, deliverables, and Contractor and State responsibilities associated with correspondence and identification cards activities of the FA.

40.35.1 Correspondence and Identification Cards Description

The Contractor shall be responsible for issuing identification cards for all fee-for-service (FFS) eligibles. The Contractor shall also be responsible for all correspondence to providers and recipients, to be generated on a routine basis. This includes recipient enrollment, choice and notification letters and other correspondence issued daily for the MQD FFS Program.

Correspondence may include the data fields to be printed. The Contractor shall be responsible for merging data into formats as



specified by the State. Other correspondence may include the actual text of the letters to be printed.

The Contractor shall be responsible for all correspondence and identification cards requirements detailed in Appendix P.

40.35.2 Correspondence and Identification Cards Deliverables

- Counts of mailings by type; and
- Forward all returned mail to MQD.

40.35.3 Contractor and State Correspondence and Identification Cards Responsibilities

Table 4-10 Contractor and State Correspondence and Identification Cards Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.35.1- Correspondence and Identification Cards Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.35.1- Correspondence and Identification Cards Description	Review all draft deliverables and provide feedback Approve all deliverables

40.36 Prior Authorization

The following section provides the description, deliverables, and Contractor and State responsibilities associated with Prior Authorization (PA) activities of the FA.

40.36.1 Prior Authorization Description

The Contractor shall process PA requests to meet MQD standards. The Contractor shall perform PA review and authorization for any FFS services in accordance with Hawaii Administrative Rules (HAR). . The Contractor shall provide PA services with respect to review and approval of MQD forms. The Contractor shall also perform analysis to identify procedure codes and services that can be removed from the PA requirement list. The Contractor shall develop provider memos and training materials to communicate changes to Hawaii FFS



Medicaid PA requirements. Timeframe for processing request is within fourteen (14) calendar days of receipt for a standard authorization request and three (3) business days for an expedited authorization request. Determination letters shall be provided to the provider who requests the medical authorization.

The Contractor shall be responsible for all Prior Authorization Requirements detailed in Appendix P.

40.36.2 Prior Authorization Deliverables

- Monthly PA status report of all claims including receipts, pends, approved, and denied.
 - Compute accuracy and timeliness % for the month for entering PA requests.
- Provide report explain trends, variances in PA status and corrective action plan;
- Image of prior authorization requests and determination letters; and
- Provider memos and training materials to communicate changes to Hawaii FFS Medicaid PA requirements.

40.36.3 Contractor and State Prior Authorization Responsibilities

Table 4-11 Contractor and State Prior Authorization Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.36.1 – Prior Authorization Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.36.1 – Prior Authorization Description	Review all draft deliverables and provide feedback Approve all deliverables

40.37 Medicaid Long Term Care (LTC) Audit and Recovery

The following section provides the description, deliverables, and Contractor and State responsibilities associated with the Medicaid LTC Audit and Recovery activities of the FA.



40.37.1 Medicaid LTC Audit and Recovery Description

The Contractor shall conduct an audit and recovery program of LTC facilities. The Scope of the program includes retrospective review of all payments made on behalf of Medicaid-eligible residents of nursing homes and other LTC providers. The Contractor shall review detailed patient accounting records obtained from the providers to identify potential overpayments and present those overpayments to the provider for review and approval. The Contractor shall handle all provider responses and inquiries throughout the process. The Contractor shall focus on identification and recovery of the following types of incorrectly paid and incorrectly processed claims:

- Coordination of benefits (COB) errors;
- Payments in excess of allowed;
- Accounts paid twice by Medicaid;
- Accounts paid once by Medicaid and once by another insurer, including COB errors;
- Understated patient resource amounts and/or miscalculated spend down calculations prior to Medicaid eligibility;
- Accounts with identified liability for third-party payers within the timely filing requirement;
- Payments made after date of death or discharge; and
- Bed hold overpayments.

The Contractor shall identify overpayments per comparative analysis between provider-supplied financial documentation and information contained within the State's MMIS and eligibility systems. All identified overpayments shall be thoroughly researched and submitted to the appropriate provider representative for review.

40.37.2 Medicaid LTC Audit and Recovery Deliverables

- Monthly report identifying potential overpayments.



40.37.3 Contractor and State Medicaid LTC Audit and Recovery Responsibilities

Table 4-12 Contractor and State Provider Relations & Training Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.38.1 – Medicaid LTC Audit and Recovery Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.38.1 – Medicaid LTC Audit and Recovery Description	Review all draft deliverables and provide feedback Approve all deliverables

40.38 EPSDT Form Capture

The following section provides the description, deliverables, and Contractor and State responsibilities associated with the Early Periodic Screening, Diagnosis, and Testing (EPSDT) Form Capture activities of the FA.

40.38.1 EPSDT Form Capture Description

The Contractor shall capture EPSDT visit information from the existing DHS 8015 and DHS 8016 EPSDT forms and transfer this information into the Hawaii Direct Access EHR product. The Contractor shall be responsible for coordinating the receipt of the completed DHS 8015 and DHS 8016 forms from the QUEST and QExA health plans both manually and electronically.

40.38.2 EPSDT Form Capture Deliverables

- Documents capturing EPSDT visit information from the existing DHS 8015 and DHS 8016 EPSDT forms;
- Captures data from future DHS 8015 and DHS 8016 EPSDT forms; and
- Quarterly reports on both the summary and detail of the information extracted from the DHS 8015 and DHS 8016.



40.38.3 Contractor and State EPSDT Form Capture Responsibilities

Table 4-13 Contractor and State Provider Relations & Training Responsibilities

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

40.39 Department of Health Claims

The following section provides the description, deliverables, and Contractor and State responsibilities associated with the claims processing for the Department of Health (DOH).

40.39.1 Claims Processing Activities

The Contractor shall provide staff to support the following tasks associated with claims processing activities for DOH:

- Prior Authorization (PA) Processing:
 - Receive and input approved PAs from the DOH;
 - Make changes to existing PA records as required by the DOH; and
 - Print and Mail PA letters.
- Provider Training:
 - Develop and conduct provider training for WINASAP 2003, EZ-RA, and Medicaid Online;
 - Conduct training sessions on Oahu, Maui, Kauai, and Hawaii; and
 - Provide a field representative to conduct follow up training and to address claims processing issues.



- Call Center Operations:
 - Provider call center operations Monday through Friday from 8:00 AM to 5:00 PM HST, except for observed State and Federal Holidays;
 - Modify existing phone system to provider to present a prompt for DOH providers; and
 - Conform to current Report Card standards.
- Claims Resolutions:
 - Resolve DOH claims pending to various locations;
 - Work with DOH representatives to create resolutions text; and
 - Conform to current Report Card standards.

40.40 Administrative Tasks

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

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

40.41 Project Management

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

40.41.1 Project Management Description

The Contractor shall manage activities identified in this RFP using project management principles agreed upon during contract negotiations. Project management activities consist of the Contractor's approach to initiating, planning, monitoring, reporting, and meeting resource requirements throughout the life of the contract. The Contractor is expected to present a



clear understanding of the methods and tools used to ensure that resources are managed and required tasks and deliverables are completed. The Contractor shall be responsible for proposing SLR and FA solutions with project management tasks related to the requirements detailed in Appendix Q.

Project management includes the following:

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

At a minimum, specific project management tasks include:

(a) Preliminary Planning

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

(b) Project Kick-Off

The Contractor shall plan and lead project kick-off activities, which will focus on setting the foundation for project management throughout the life of the contract. The Contractor shall propose kick-off meeting(s) to be attended by State and Contractor representatives, subject to MQD approval. The Contractor shall be prepared to provide an overview of how it intends to accomplish the tasks of the project and discuss the project plan for the SLR and FA implementations.

(c) Weekly Status Reports

The Contractor shall provide weekly project status reports that conform to the reporting standards outlined in the most current



version of PMBOK®. At a minimum the weekly project status report shall include the following:

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

(d) Internal Status Meetings

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

(e) Deliverable Expectation Documents

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

40.41.2 Project Staffing

The Offeror shall provide a project manager, a FA Subject Matter Expert (SME) and a SLR SME. The Offeror shall provide the Offeror's project organization chart and shall provide resumes for all proposed project staff.

(a) References



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

(b) Project Staff Changes

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

40.41.3 Project Management Deliverables

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

40.41.4 Contractor and State Project Management Responsibilities

Table 4-14 Contractor and State Project Management Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all Project Management deliverables as defined in Section 40.41.1 – Project Management Description	Review all DEDs and provide feedback Approve all DEDs prior to Contractor development
Develop, deliver, maintain, and execute all Project Management deliverables as defined in Section 40.41.1 – Project Management Description	Review all draft deliverables and provide feedback Approve or reject deliverables
Submit electronic versions of all deliverables and documentation in conformance with the most current version of State software standards Provide version control for all documentation to maintain historical document archives	



CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Update and submit all applicable documentation on a regular basis as required	Review and approve all documentation updates
Project Kick-Off (Section 40.41.1(b))	
Make staff available to ensure adequate planning occurs prior to project start	Make State staff available to ensure adequate planning occurs prior to project start
Provide MQD with recommended agenda topics for Kick-Off Meetings	Approve and finalize agenda topics for Kick-Off Meetings
Plan and lead project Kick-Off activities.	Coordinate State participation for Kick-Off and Project Status Meetings Attend Kick-Off and Project Status Meetings
Project Status Reports(Section 40.41.1(c))	
Develop Project Status Reports for delivery to MQD	Review Status Reports and provide feedback Keep the Contractor apprised of ongoing changes to the related programs Provide coordination with CMS, and report any relevant information, instructions or requirements to the Contractor
Status Meetings (Section 40.41.1(d))	
Organize and attend regular Project Status Meetings and provide project updates	Finalize schedule and location for project status meetings, and notify the Contractor

40.42 Disaster Recovery

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



40.42.1 Disaster Recovery Description

The Contractor shall be responsible for executing and maintaining disaster recovery activities for the SLR and FA solutions as detailed in Appendix Q.

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

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

At a minimum, specific disaster recovery tasks include:

(a) SLR Disaster Recovery Plan

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

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

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

(b) FA Disaster Recovery Plan

The Contractor shall develop, deliver, maintain and execute a Disaster Recovery Plan (DRP) and backup plan that addresses recovery of business functions, business units, business



processes, human resources and the technology infrastructure of the FA solution. The DRP shall include recovery from any significant interruption in service. The Contractor shall test the DRP annually and report findings to MQD.

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

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

At a minimum, each DRP shall address the following:

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

40.42.2 Disaster Recovery Deliverables

- SLR DRP;
- FA DRP; and
- Annual Updates.



40.42.3 Contractor and State Disaster Recovery Responsibilities

Table 4-15 Contractor and State Project Management Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for disaster recovery deliverables as defined in Section 40.42.1 – Disaster Recovery Description	Review all DEDs and provide feedback
Develop, deliver, maintain, and execute all disaster recovery deliverables as defined in Section 40.42.1 – Disaster Recovery Description	Review all draft deliverables and provide feedback Approve or reject deliverables

40.43 Privacy & Security

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

40.43.1 Privacy & Security Description

The Contractor shall be responsible for ensuring that the SLR and FA solutions meet privacy & security standards mandated by federal and state law. The Contractor shall be responsible for privacy & security activities as detailed in Appendix Q.

At a minimum, specific privacy and security tasks include:

(a) SLR Privacy & Security Plan

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

(b) FA Privacy & Security Plan

The Contractor shall develop, deliver, maintain and execute an FA Privacy & Security Plan. The FA Privacy & Security Plan shall outline how the Contractor plans to avoid the unauthorized use of the FA solution. The FA Privacy & Security Plan shall be



reviewed and updated annually based on an annual risk assessment.

40.43.2 Contractor and State Privacy & Security Responsibilities

Table 4-16 Contractor and State Privacy & Security Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.43.1 – Privacy & Security Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.43.1 – Privacy & Security Description	Approve all deliverables

40.44 Testing

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

40.44.1 Testing Description

The Contractor shall be responsible for ensuring that the SLR and FA solutions are tested and approved by MQD prior to each release. This will include testing all configuration items as customized by MQD and ensuring that all technical and operational pieces are functional. The Contractor shall use tools and established methodologies for maintaining control of the testing process. The Contractor shall ensure that the testing of the systems, services and architecture conforms to the requirements and design specifications documented in this RFP and detailed in Appendix Q.

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

At a minimum, specific testing tasks include:



(a) Test Environment

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

(b) Test Plan

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

(c) Test Cases

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

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

(d) Release Plan

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



(e) UAT Training Plan

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

40.44.2 Testing Deliverables

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

40.44.3 Contractor and State Testing Responsibilities

Table 4-17 Contractor and State Testing Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.44.1 - Testing Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables



CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop, deliver, maintain and execute all deliverables as defined in Section 40.44.1 – Testing Description	Review all draft deliverables and provide feedback Approve all deliverables prior to development Attend test activity deliverable walkthroughs, as appropriate, to enhance State understanding and facilitate the approval process
Establish and maintain a permanent test environment for State-only use with current testing data and information Provide a repository of all test documentation including test scenarios and results Make minor modifications to screens, reports, interfaces, and processes, as directed by MQD, during the testing activity	Review and approve, if applicable, written recommendations for improvement by the Contractor
Provide testing staff that are different from development staff to perform testing activities Perform system testing of all functionality and submit documented results to MQD for review and approval	Review and approve
Resolve all test scenarios associated with errors and retest system components as necessary until the error is corrected	Review and approve
Provide training to MQD's UAT team on preparing input data, using web screens, system infrastructure, and reviewing system outputs	Provide Contractor access to SMEs for development of UAT test cases

40.45 Provider Relations & Training

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



40.45.1 Provider Relations & Training Description

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

The Contractor shall provide extensive training materials to MQD providers regarding the billing and payment process prior to the system implementation to ensure a smooth transition with minimal impact on the recipients. The help desk shall also be operational prior to implementation to assist with questions and concerns. The Contractor shall describe how initial training and the transition shall be accomplished.

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

40.45.2 Provider Relations and Training Deliverables

- Determine and submit to the State for approval a methodology for evaluating and responding to the provider training questionnaires
- Maintain and submit to the State records of all providers (by provider type) who participate in training sessions
- Develop and distribute provider manuals and updates in the preferred medium
- Develop and distribute bulletins and correspondence
- Develop and obtain State approval of provider training packages for each type of provider
- Provide to the State a record of all provider inquiries, including a summary report by type of question
- Imaged copies of provider correspondence files
- Provide online provider application
- Establish and maintain website for providers that contain Medicaid provider manual and updates, bulletins, standard forms, etc.
- Submit a monthly summary of provider calls including, at a minimum:



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

40.45.3 Contractor and State Provider Relations & Training Responsibilities

Table 4-18 Contractor and State Provider Relations & Training Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.45.1 – Provider Relations & Training Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.45.1 – Provider Relations & Training Description	Review all draft deliverables and provide feedback Approve all deliverables

40.46 Provider Hotline

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

40.46.1 Provider Hotline Description

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

At a minimum, provider hotline activities include:

(a) Toll-Free Telephone Number

The Contractor shall provide a toll-free telephone number accessible to providers for questions regarding MQD FFS



payments and the Hawaii Medicaid EHR Incentive Program. The Contractor shall provide staff to answer calls into the toll-free telephone number as requested by MQD.

(b) Provider Hotline Monitoring

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

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

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

40.46.2 Provider Hotline Deliverables

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

40.46.3 Contractor and State Provider Hotline Responsibilities

Table 4-19 Contractor and State Provider Hotline Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.46.1 – Provider Hotline Description	Review all DEDs and provide feedback Approve all deliverables



CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop, deliver, maintain and execute all deliverables as defined in Section 40.46.1 – Provider Hotline Description	Review all draft deliverables and provide feedback Approve all deliverables

40.47 Payment

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

40.47.1 Payment Description

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

At a minimum, payment activities include:

(a) Annual Summary of FFS Checks & Remittance Advices

The Contractor shall deliver an annual summary of checks and remittance advices generated and mailed during the previous State fiscal year. The Contractor shall deliver the summary in a format pre-approved by MQD.

(b) Quarterly Summary of Medicaid EHR Incentive Payments

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



(c) Monthly Bank Reconciliation

The Contractor shall conduct and deliver monthly bank reconciliations within 30 days of month's end. The Contractor shall deliver the monthly bank reconciliations for the FFS claims paid and the Medicaid EHR Incentive payments disbursed. The Contractor shall deliver the monthly bank reconciliations in a format pre-approved by MQD.

(d) Generate and Mail 1099s

The Contractor shall generate and mail all 1099 forms to providers for the FFS program and the Medicaid EHR Incentive program. The Contractor shall be responsible for receiving and processing all new 1099s, as requested by the provider or MQD.

40.47.2 Payment Deliverables

- Annual Summary of FFS Checks & Remittance Advices;
- Quarterly Summary of Medicaid EHR Incentive Payments;
- Monthly Bank Reconciliation; and
- 1099s.

40.47.3 Contractor and State Payment Responsibilities

Table 4-20 Contractor and State Payment Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.47.1 – Payment Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.47.1 – Payment Description	Review all draft deliverables and provide feedback Approve payments, as needed



40.48 Document Management

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

40.48.1 Document Management Description

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

At a minimum, the document management activities include:

(a) Document Library

The Contractor shall be responsible for providing a Document Library comprised of all documentation related to provider attestations. The Document Library shall support document scanning and imaging capabilities. Documents scanned or imaged into the SLR shall be associated with corresponding attestations and stored for subsequent review. The Document Library shall be sortable in list format with all forms and documents associated with provider attestations stored for auditing purposes.

40.48.2 Document Management Deliverables

- Document Library.

40.48.3 Contractor and State Document Management Responsibilities

Table 4-21 Contractor and State Document Management Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.48.1- Document Management Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.48.1- Document Management Description	Review all draft deliverables and provide feedback Approve all deliverables



40.49 Reporting

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

40.49.1 Reporting Description

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

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

At a minimum, the reporting activities include:

(a) Administration & Oversight Reports

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

40.49.2 Reporting Deliverables

- Administration & Oversight Reports; and
- FA Reports

40.49.3 Contractor and State Reporting Responsibilities

Table 4-22 Contractor and State Reporting Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.49.1- Reporting Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables



CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop, deliver, maintain and execute all deliverables as defined in Section 40.49.1-Reporting Description	Review all draft deliverables and provide feedback Approve all deliverables

40.410 Appeals

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

40.410.1 Appeals Description

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

The Contractor shall be responsible for handling all appeals related to provider attestations to the Hawaii Medicaid EHR Incentive Program and other provider appeals as required for the FA project.

At a minimum, the appeals activities include:

(a) Appeals Processing Manual

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

40.410.2 Appeals Deliverables

- Appeals Processing Manual.



40.410.3 Contractor and State Appeals Responsibilities

Table 4-23 Contractor and State Appeals Responsibilities

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver DEDs for all deliverables as defined in Section 40.27.1- Appeals Description	Review all DEDs and provide feedback Approve all DEDs prior to the Contractor developing deliverables
Develop, deliver, maintain and execute all deliverables as defined in Section 40.27.1- Appeals Description	Review all draft deliverables and provide feedback Approve all deliverables

40.50 Additional Tasks

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

40.51.1 Health Homes for Medicaid Beneficiaries with Chronic Conditions

MQD is considering the planning and implementation of a service for Medicaid beneficiaries known as the "Health Homes for Medicaid Beneficiaries with Chronic Conditions." as an additional task under this contract.



Section 50 SOLUTION REQUIREMENTS

This section describes the requirements of the SLR and FA solutions associated with this RFP. It includes:

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

50.10 Detailed Solution Requirements

The Contractor shall perform activities to ensure that the SLR and FA solutions meet all detailed requirements. These requirements are divided into the following three (3) categories:

- SLR;
- FA; and
- Administrative Tasks.

50.11 SLR Requirements

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

50.12 FA Requirements

The Contractor shall be responsible for performing all FA requirements listed in Appendix P.

50.13 Administrative Requirements

The Contractor shall be responsible for performing all Administrative requirements listed in Appendix Q. These Administrative requirements will ensure that the SLR and FA solutions are developed, implemented and operated as described in this RFP. The Administrative requirements are associated with both the SLR and FA solutions.



50.20 Solution Ownership

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

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



Section 60 SPECIAL TERMS AND CONDITIONS

60.10 General

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

- Contract for Goods or Services: Competitive Sealed Proposals (form AG-004 Rev. 11/15/2005), including General conditions for Goods or Services Contracts (Form AG-008 (4/15/09) see Appendix C, any special conditions, attachments and addenda.
- This RFP, including all appendices, attachments, and addenda, which shall be incorporated by reference.
- The Offeror's proposal submitted in response to this RFP form, which shall be incorporated by reference.

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

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

- Contract Form AG-004, Rev 11/15/2005, including any special conditions, attachments and addenda.
- The Special Terms & Conditions included in this section.
- The RFP (RFP-MQD-2013-008).
- The Contractor's offer (the selected Offeror's proposal in response to this RFP).

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

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



The offer shall be executed by the State of Hawaii DHS in accordance with the Hawaii Revised Statutes Chapter 103D, and the administrative rules promulgated there under.

60.20 Term of Contract

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of the State of Hawaii Department of Human Services. The contract term shall begin on May 1, 2013 or upon execution of the contract, whichever is later and shall continue through June 30, 2016.

Unless terminated, the contract may be extended without the necessity of re-bidding, for not more than three (3) additional twelve (12) month periods or parts thereof, upon mutual agreement in writing. Any renewal or extension of the contract will be subject to the appropriation and availability of funds and acceptable performance by the Contractor (to be determined by the State).

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

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



60.30 Insurance

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

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

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

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

Table 6-1 Insurance Coverage

COVERAGE	LIMITS
Commercial General Liability	\$1 million per occurrence, and \$2 million in the aggregate
Automobile	May be combined single limit: Bodily Injury: \$1 million per person, \$1 million per accident Property Damage: \$1 million per accident
Workers Compensation / Employers Liability (E.L.)	Workers Comp: Statutory Limits E.L. each accident:\$1 million E.L. disease: \$1 million per employee, \$1 million policy limit E.L. \$1 million aggregate
Professional Liability	\$1 million per claim \$2 million annual aggregate



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

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

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

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

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

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

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder or to fulfill the indemnification provisions and requirements of this contract.

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



60.40 Inspection of Work Performed

MQD, CMS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), and the Medicaid Fraud Control Unit of MQD of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of an Offeror and / or all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. All inspections and evaluations shall be performed in such a manner as to not unduly delay the Contractor's work.

60.50 Wages, Hours, and Working Conditions of Employee Providing Services

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

60.60 Standards of Conduct

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

60.70 Confidentiality of Information

In addition to the requirement of General Conditions 24, the Contractor understands that the use and disclosure of information concerning applicants, enrollees or members is restricted to purposes directly connected with the administration of the Hawaii Medicaid EHR Incentive program, and agrees to guard the confidentiality of an applicant's or member's information as required by law.



The Contractor shall not disclose confidential information to any individual or entity except in compliance with the following:

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

Access to member identifying information shall be limited by the Contractor to persons or agencies that require the information in order to perform their duties in accordance with this contract, including DHHS, MQD, and other individuals or entities as may be required by MQD.

Any other party shall be granted access to confidential information only after complying with the requirements of State and Federal laws, including HIPAA and regulations pertaining to such access. The Contractor is responsible for knowing and understanding the confidentiality laws listed above as well as any other applicable laws.

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

The Contractor is cautioned that State and Federal Medicaid rules, and some other State and Federal statutes and rules,



including but not limited to those listed above, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to the Contractor to the same extent as they apply to MQD.

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

60.80 Subcontractors / Provider Agreements

The Contractor may negotiate and enter into contracts or agreements with providers and other subcontractors (with prior written consent of MQD) to the benefit of the Contractor and the State as long as the providers and subcontractors meet all established criteria and provide the services in a manner consistent with the minimum standards specified. All such agreements shall be in writing and shall specify the activities and responsibilities delegated to the subcontractor. The contracts must also include provisions for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate. Certain subcontracts, including but not limited to Quality Assurance activities, must be approved by MQD prior to implementation. MQD reserves the right to inspect all subcontract and provider agreements at any time during the contract period. Any subcontract may be subject to MQD's prior review and approval. The Contractor's subcontractor shall submit to the Contractor a tax clearance certificate from the Director of MQD of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor / provider have been paid.

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



the State of Hawaii. The Contractor shall designate itself as the sole point of recovery for any subcontractor or provider.

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

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

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

60.90 Payment

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

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

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

60.91 Other Payments

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



60.100 Use of Funds

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

60.110 Solution Ownership

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

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

60.120 Termination of the Contract

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

- In the event of the insolvency of or declaration of bankruptcy by a Contractor; or
- In the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of Department obligations hereunder.

Each of these is described in the following subsections.

60.121 Termination for Bankruptcy or Insolvency

In the event that a Contractor shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the



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

60.122 Termination for Unavailability of Funds

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

60.130 Damages

The damages applying to the contract are described in Sections 60.131 through 60.134.

60.131 Damages – Failure to Meet Contract Requirements

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

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

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



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

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

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

60.132 HHS Sanctions

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

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

60.133 Operational Start Date

The tentative Contract start date is May 1, 2013.

60.140 Conformance with Federal Regulations

Any provision of the contract which is in conflict with Federal Medicaid statutes, regulations, or CMS policy guidance is hereby amended to conform to the provisions of those laws, regulations, and Federal policy. Such amendment of the Contract will be effective on the effective date of the statutes or regulations



necessitating it, and will be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

60.150 Force Majeure

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

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

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

60.160 Prohibition of Gratuities

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

60.170 Attorney's Fees

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



60.180 Warranty of Fiscal Integrity

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

60.190 Warranty of Solution

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

60.200 Performance Bond

MQD shall require a performance bond upon approval of a Contract pursuant to this RFP. The amount of the performance bond shall be equal to the Written Dollar Amount, which shall be the Total Evaluated Proposal Price on Pricing Schedule A as finalized in the Contract resulting from this RFP. The Written Dollar Amount shall not be reduced at any time during the period of the contract.

The Contractor shall submit the bond no later than the day immediately preceding the Contract start date and in the manner and form prescribed by MQD. The bond shall be issued through a company licensed to issue such a bond in the state of Hawaii. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Contract for either:

- The entire Contract period including all options to extend the Contract; or
- For the first, twelve (12) calendar months of the Contract in the amount detailed above, and, thereafter, a new or re-issued performance bond in the amount detailed above



covering each subsequent twelve (12) calendar month period of the Contract. The Contractor must provide the new (or re-issued) performance bonds to MQD no later than thirty (30) days preceding each subsequent period of the Contract to be covered by the new (or re-issued) bond.)

The successful Offeror must make all necessary arrangements for the performance bond prior to the Contract start date and prior to any subsequent performance bond deadlines in the case of an annual performance bond. MQD will not assist the Contractor with securing the services of any fidelity or guaranty underwriter.

Failure to adhere to the requirements of this section shall result in termination of the Contract as a material breach of the contract. Further, as applicable, failure to periodically provide to MQD a new or re-issued performance bond subsequent to the first as required above shall be a material breach of contract and result in MQD taking action to exact payment pursuant to the current performance bond held by MQD.

60.210 Authority

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



Section 70 PROPOSAL SUBMISSION REQUIREMENTS

70.10 Introduction

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

70.11 Offeror Proposal

Offerors' Proposals must include the components detailed in Sections 70.10 through 70.33.3. No partial bids will be accepted. Any bids submitted that are deemed to be incomplete may be rejected by MQD.

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

Table 7-1 Formatting Requirements

SUBJECT	REQUIREMENT
Paper Size	8½ X 11 inch paper (letter size) and double-sided.
Font	Text font must be no smaller than 12 points. Tables and figures may be in smaller font but must be legible.
Spacing	Proposals must be single-spaced.
Cover Page	The cover page of each Proposal document must include the following information: Name and address of the Offeror Date of submission EHR SLR Implementation and FA Operations
Page Limit	Although there are no page limits, Offerors should limit the amount of extra material they submit. Offerors may include material not specifically requested by MQD that provides relevant information to support their response. Additional materials will not be scored and will have no bearing on final selection. There is no guarantee that evaluators will review such materials.
Number of Proposals	Offerors will submit two (2) Proposals including: One (1) Technical Proposal One (1) Cost Proposal



SUBJECT	REQUIREMENT
Number of copies	Technical Proposal: One (1) original hard copy and three (3) identical copies of the original, each in a three-ring binder with tabbed sections One (1) electronic copy (CD-ROM) Cost Proposal: One (1) original hard copy in a three-ring binder One (1) electronic copy (CD-ROM)
Shipment	All Proposals must be sealed and addressed to: Dr. Kenneth Fink, Med-QUEST Administrator Department of Human Services, Med-QUEST Division 1001 Kamokila Blvd, Suite 317 Kapolei, Hawaii 96707 Telephone: 808-692-8050
Delivery Method	The following hard copy Proposal delivery methods are acceptable: U.S. Mail: Offerors are cautioned that it is their responsibility to mail Proposals in sufficient time to ensure receipt by MQD prior to the Proposal due date and time. Express Delivery: If bids are being sent via an express delivery service, Offerors are responsible for clearly designating the Proposal delivery contact and address, including telephone number, on the outside of the delivery envelope or box. Hand Delivery: Hand-carried bids shall be delivered to Dr. Kenneth Fink at the address above prior to the Proposal due date and time. MQD will not accept Offeror Proposals submitted by electronic e-mail or fax.
Envelope Contents and Labeling	Technical Proposals and Cost Proposals must be sealed in separate envelopes or boxes within the "Sealed Bid." Each Proposal must be submitted in a single box or envelope (or boxes / envelopes labeled 1 of 6, 2 of 6, 3 of 6, etc.). Proposals should be clearly marked "SEALED BID" and should include the following items: Indicate if it is the Technical or Cost Proposal Title – EHR SLR Implementation and FA Operations-RFP-MQD-2013-008 Proposal Due Date Name of the Offeror



SUBJECT	REQUIREMENT
CD-ROM	<p>The Technical Proposal and Cost Proposal must be provided on separate CD(s); the CD-ROM must be placed in the envelope with the original copy of each Proposal.</p> <p>The Technical Proposal must be submitted as Microsoft Office (Word, Excel, and PowerPoint) format or Portable Document Format (PDF) files. Files shall not be password-protected or saved with restrictions that prevent copying, saving, highlighting, or reprinting of the contents.</p>
Request for Confidential Treatment	<p>Requests for confidential treatment of any information in a Proposal must be submitted in accordance with Section 20.88. Requests for confidential treatment of information must be submitted on the form in Appendix H. The Cost Proposal will be part of the ultimate contract entered into with the successful Offeror so pricing information may not be designated as confidential material.</p>
Exceptions to RFP / Contract Language	<p>If the Offeror objects to any term or condition of the RFP, exceptions must be submitted on the form in Appendix G and included with the Transmittal Letter.</p> <p>Exceptions that materially change these terms or the requirements of the RFP may be deemed non-responsive by MQD, in its sole discretion, resulting in possible disqualification of Offeror. MQD reserves the right either to execute a contract without further negotiation with the successful Offeror or to negotiate contract terms with the selected Offeror if the best interests of MQD would be served.</p>
Cross References	<p>Each Proposal section should provide a cross-reference to the pertinent section(s) in the RFP. When material is pertinent to multiple requirements, multiple cross-references must be provided.</p>

70.20 Technical Proposal Submission Requirements

The following sections describe the required content and format for submission of Technical Proposals in response to this RFP. Offerors must submit one (1) original and five (5) identical hard copies of the Technical Proposal, each in a three-ring binder with tabbed sections. The Technical Proposal should also include one (1) electronic copy in Microsoft Office (Word, Excel, and PowerPoint) format or Adobe Acrobat Portable Document Format (PDF) saved to a CD-ROM. One hard copy of the Technical Proposal must contain original signatures and be clearly marked as the "Original Technical Proposal."



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

- **Tab 1:** Offer Form (OF-1)
- **Tab 2:** Transmittal Letter
- **Tab 3:** Mandatory Technical Proposal Requirements Checklist
- **Tab 4:** Notes and Certifications
- **Tab 5:** Executive Summary
- **Tab 6:** Offeror Identification Information
- **Tab 7:** Offeror Qualifications and Experience
- **Tab 8:** Offeror Financial Condition
- **Tab 9:** Approach to Completing the Scope of Services
- **Tab 10:** Approach to Project Staffing
- **Tab 11:** Work Plan and Schedule
- **Tab 12:** Assumptions

70.21 Tab 1: Offer Form

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

70.22 Tab 2: Transmittal Letter

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

- A statement indicating that the Offeror is a corporation or other legal entity. All subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the prime Offeror and each subcontractor, as measured by percentage of total contract price;
- A statement that the Offeror meets the Basic Qualification Criteria in Section 70.10 and a list of the experience showing it meets these criteria. The Offeror should cross-reference the experience from Section 70.27 and References in Appendix J and L that support this statement;



- A statement that the Offeror is / will be registered to do business in Hawaii and has / will obtain a State of Hawaii General Excise Tax License by the start of work. Offerors should provide the Hawaii excise tax number (if available);
- A statement identifying all amendments and addenda to this RFP issued by MQD and received by the Offeror. If no amendments or addenda have been received, Offerors must include a statement that none were issued;
- A statement that the person signing this Proposal is authorized to make decisions as to the proposed work, the prices quoted, that the offer is firm and binding, and that he or she has not participated, and will not participate, in any action contrary to the RFP;
- The name and telephone number of the Offeror's representative who may be contacted for all contractual matters;
- A statement that the Offeror has read, understands and agrees to all provisions of this RFP and inclusion of a signed copy of Appendix F;
- A statement of the Offeror's willingness to enter into an agreement with the State of Hawaii, which includes a reference to the terms and conditions presented in Section 60 of this RFP;
- A statement that it is understood that if awarded the contract, the Offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and amendments;
- The Offeror's Federal Tax Identification Number;
- A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, creed, age, sex, national origin, or mental or physical handicap, except as provided by law;
- A statement that neither cost nor pricing is included in the transmittal letter or any part of the Technical Proposal;
- If the use of subcontractor(s) is proposed, a statement from each subcontractor must be appended to the transmittal letter. The statement must be signed by an individual authorized to legally bind the subcontractor and State the



general scope of work to be performed by the subcontractor(s) including:

- The scope and percentage of work to be performed by the subcontractor (measured as a percentage of the total agreement price paid directly to the subcontractor);
 - The subcontractor's willingness to perform the work indicated; and
 - The subcontractor's intent to sign a formal agreement with the Offeror if the Offeror is awarded the Contract.
- A statement that no attempt has been made or will be made by the Offeror to induce any other party to submit or refrain from submitting a Proposal;
 - A statement that the bid was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor;
 - If any page is marked "Confidential" or "Proprietary" in the Offeror's Proposal, an explanation to MQD of how substantial competitive harm would occur if the information is released and inclusion of the completed form in Appendix H;
 - A statement that neither the Offeror nor any proposed subcontractor has been found in default of previous contracts in the State of Hawaii;
 - The Offeror's assurance that the Proposal will remain in full force and effect for at least 180 days from the Proposal due date, which will be specified in the Transmittal Letter;
 - A statement that the Offeror does not and will not have any interest that will conflict, in any manner or degree with the performance of services required under this RFP; and
 - An affirmative statement agreeing to the payment and liquidated damages terms.

70.23 Tab 3: Mandatory Proposal Requirements Checklist

Offerors must complete the Mandatory Proposal Requirements Checklist (Appendix M) by putting a check-mark in the column labeled "Offeror." If the Offeror does not check all the mandatory



requirements, please provide an explanation at the end of the checklist.

70.24 Tab 4: Notes and Certifications

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

- The State of Hawaii Contractor's Standards of Conduct Declaration (Appendix D);
- Disclosure Statement - Wage Certification, and Insurance Requirements Certification (COLI) Form (Appendix E);
- Offeror Acknowledgement Form (Appendix F); and
- Exceptions to RFP Language (Appendix G).

70.25 Tab 5: Executive Summary

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

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

The Executive Summary shall highlight the Offeror's:

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



- Summary of the contents of the Proposal.

70.26 Tab 6: Offeror Identification Information

Offerors shall present the following identification information in this section:

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

If the Offeror intends to subcontract any part of the scope of work to be performed under this Contract, the Offeror must indicate the following for each subcontractor:

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



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

70.27 Tab 7: Offeror Qualifications and Experience

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

70.27.1 Offeror Background and Experience

The company background and experience section shall include for the Offeror and subcontractor (if any): details of the background of the company, and its size and resources (gross revenues, number of employees, type of businesses), and details of company experience relevant to this RFP. The Offeror shall document the experience, resources, qualifications and credentials of the Offeror by demonstrated experience in projects of similar scope and size. Additional information shall include but not be limited to the following

a) Offeror Background

- General description of primary business of organization and its client base;
- Brief history and current company ownership including the ultimate parent organization and major shareholders/principals. An out-of-state Contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed.
- Ownership (public company, partnership, subsidiary, etc.) including officers of the corporation and the name and address of its registered agent.
- Home office location and all other offices by city and state;
- Location of office from which any contract would be administered;
- Name, address and telephone number of the Offeror's point of contact for a contract resulting from this RFP;
- Number of employees both locally and nationally;



- Size of organization in assets, revenue and people; and
- Areas of specialization.

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

- Statements specifying the extent of responsibility on each described project. A description of the project scope and scope and relationship to the products outlined in this RFP should be included. Offerors should clearly identify the experience. The project team should be clearly identifiable and reference should be made to any staff to be used for this proposal.
- Other relevant experience.
- For each referenced project, the Offeror shall provide the following:
 - Description of the work performed;
 - Time period of the project;
 - Man-months expended;
 - Contract cost;
 - Schedule and actual completion dates; and
 - Client or customer reference; including name, job title, address and telephone number of the contact person.

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

70.27.2 Offeror References

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



70.28 Tab 8: Offeror Financial Condition

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

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

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

70.29 Tab 9: Approach to Completing the Scope of Services

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

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

70.210 Tab 10: Approach to Project Organization and Staffing

Offerors must address how they plan on staffing the project. The project organization and staffing section shall describe the Offeror's approach to organization and staffing the required level of effort to achieve the objectives of this RFP. The information



should provide MQD with a clear understanding of the organization, functions of key personnel and on-site personnel during all phases of the project. Unless otherwise mutually agreed upon by the State and Contractor, Contractor's staff who perform the portion of the requirements identified in Section 40.40 (Administrative Tasks) of the RFP that are specific to the Fiscal Agent (FA) solution will be located in Hawaii. By way of clarification, but not limitation, this requirement does not apply to Contractor's staff who perform the portion of the requirements identified in Section 40.40 (Administrative Tasks) of the RFP that are specific to the State Level Repository/Registry (SLR) solution.

a) Project organization shall include the following:

- Organization chart which shows the structure of the organization and identifies the proposed staff positions, including all full-time equivalents (FTE);
- Responsibilities of key personnel shall be described;
- Geographic location of personnel;
- Proposed involvement of MQD personnel; and
- Estimates of man-hours for each individual, including a description of major areas of responsibility for each individual.

b) Staffing:

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

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



70.211 Tab 11: Work Plan and Schedule

Offerors must provide a Work Plan and Schedule that includes:

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

70.212 Tab 12: Assumptions

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

70.213 Tab 13: Proposal for SLAs

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

70.30 Cost Proposal Submission Requirements

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

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

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



70.31 Pricing Schedules

70.32 Tab 1: Executive Summary

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

70.33 Tab 2: Pricing Schedules

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



Section 80 EVALUATION, SELECTION, AND APPROVAL

80.10 Introduction

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

80.11 Evaluation Approach

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

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

A total of one thousand (1,000) points may be awarded for each proposal. Seven hundred (700) points may be awarded for the Technical Proposal and three hundred (300) for the Cost Proposal.

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

80.12 Evaluation Committee

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

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



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

80.13 Evaluation Process

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

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

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

The purpose of this phase of the evaluation is to determine if each Technical Proposal responds to the mandatory terms and conditions of the RFP. A responsive proposal shall comply with all instructions listed in this RFP at Section 20 – RFP Schedule and Procurement Rules and Section 70 - Proposal Submission Requirements. If a proposal does not meet all the Mandatory Proposal Submission Requirements, as listed in Appendix M of this RFP, it may be eliminated from further consideration.

In Step I, MQD will evaluate whether each Offeror meets the Basic Qualification Criteria stated in Section 70.10 using the information provided in the Transmittal Letter. Offerors not meeting the criteria will be disqualified, and evaluation of their proposals will not continue. MQD reserves the right to request additional information or clarification of information supporting the Offeror's ability to meet the Basic Qualification Criteria. MQD reserves the right to reject any or all of the proposals received, or cancel this RFP, in the best interest of MQD. MQD also reserves the right to waive minor irregularities in proposals, providing that such action is deemed to be in the best interest of MQD. Where MQD may waive minor irregularities, as determined by the Evaluation Committee, such waiver shall in no way modify RFP requirements or excuse the Offeror from full compliance with RFP specifications and other Contract requirements if the Offeror is awarded the Contract.



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

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

Technical Proposals will first be reviewed to determine if they comply with the Mandatory Technical Proposal Submission Requirements detailed in this RFP at Section 20 - Procurement Rules and Section 70 - Proposal Submission Requirements.

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

80.30 Step II – Evaluation of Technical Proposals

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

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

The evaluation of Technical Proposals will involve the point scoring of each proposal that is declared responsive in Step I. A maximum of 700 points will be available for each Technical Proposal.

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



Table 8-1 Point Distribution for Technical Proposals

CATEGORY / CRITERIA	PROPOSAL CATEGORY	POINTS
1	Offeror's Financial Stability	Pass/Fail
2	Offeror Qualifications and Experience	100
3	Approach to SLR Implementation	150
4	Approach to FA Operations	150
5	Approach to Administrative Tasks	200
6	Approach to Project Staffing	50
7	Approach to Work Plan and Schedule	50
	Total Technical Proposal Possible Score	700

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

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

80.31 Offeror's Financial Stability

In this section, the Offeror will be evaluated on a Pass/Fail basis depending on whether the Offeror provides all the financial materials detailed in Appendix M under tab 8. A passing score will be awarded to the Offerors who submit all the required financial documentation detailed in Appendix M.

80.32 Offeror Qualifications and Experience

In this section (valued at 100 out of the possible 700 Technical Proposal points), the Offeror's experience, corporate resources,



and corporate qualifications will be evaluated. Areas to be considered include to Offeror's response to Section 70.27 and experience in all activities described in the RFP at Section 40 – Scope of Services and that meet the requirements of this RFP at Section 50 – Solution Requirements. Client references and information received through other sources will also be evaluated.

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

80.33 Approach to SLR Implementation

In this section (valued at 150 out of the possible 700 Technical Proposal points), the Offeror's approach to the SLR Implementation as defined in this RFP at Section 40.20, Section 50.11, and Appendix O will be evaluated. Evaluators will consider the approach deliverables for this activity as well as consistency with work plan and staffing to perform the activities identified in Section 40.20 and Appendix O.

80.34 Approach to FA Operations

In this section (valued at 150 out of the possible 700 Technical Proposal points) the Offeror's approach to the SLR Implementation as defined in this RFP at Section 40.30, Section 50.12, and Appendix P will be evaluated. Evaluators will consider the approach deliverables for this activity as well as consistency with work plan and staffing to perform the activities identified in Section 40.30 and Appendix P.

80.35 Approach to Administrative Tasks

In this section (valued at 200 out of the possible 700 Technical Proposal points) the Offeror's approach to the SLR Implementation as defined in this RFP at Section 40.40, Section 50.13, and Appendix Q will be evaluated. Evaluators will consider the approach deliverables for this activity as well as consistency with work plan and staffing to perform the activities identified in Section 40.40 and Appendix Q.



80.36 Approach to Project Staffing

In this section (valued at 50 out of the possible 700 Technical Proposal points), the Offeror's key personnel and staffing plans for all activities submitted in response to Sections 70.210 will be evaluated. Evaluators will consider whether key personnel meet the minimum requirements stated in Appendix K.

80.37 Approach to Work Plan and Schedule

In this section (valued at 50 out of the possible 700 Technical Proposal points), the Offeror's descriptions for completing major activities, tasks, and subtasks to accomplish the requirements of this RFP will be evaluated. The Work Plan and Schedule as provided in response to Section 70.211 will be evaluated along with Project Staffing, Approach to SLR Implementation, Approach to FA Operations, and Approach to Administrative Tasks. The Offeror's ability to meet potential changes in program requirements and cope with delays will also be evaluated.

80.40 Step III – Evaluation of Cost Proposals

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

MQD reserves the right to require best and final offers from those Offerors whose Technical Proposals pass Step I and are eligible for consideration under Step III. If MQD decides to pursue best and final offers, it will follow the process outlined in Hawaii Administrative Rules §3-122-54 Best and Final Offers.

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



80.50 Step IV – Selection of Successful Offeror

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

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

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

80.60 Contract Approvals

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

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

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