



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

## **Medicaid Provider Enrollment and Revalidation**

**RFP-MQD-2023-004**



Med-QUEST Division – Health Care Services Branch



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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 Offeror to perform Medicaid provider enrollment and revalidation functions on behalf of the State of Hawaii, Department of Human Services (DHS), Med-QUEST Division (MQD).

The contractor shall be responsible for performing activities related to provider enrollment and revalidation based on the Medicaid provider application form DHS 1139. The provider may submit DHS 1139 information using either a paper form or by utilizing the DHS web-based provider enrollment Hawaii Online Kahu Utility (HOKU) system.

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. DHS reserves the right to modify, amend, change, add, or delete any requirements in this RFP to serve the best interest of the State. If significant amendments are made to the RFP, interested parties shall be provided additional time to submit their proposals.

### **10.20 Authority for Issuance of the RFP**

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



### **10.30 Issuing Officer**

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

Meredith Nichols, Assistant Med-QUEST Division 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 DHS.

### **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 DHS, the State’s current Medicaid program.





- Section 40 – Scope of Services – Provides information on the services to be provided under the contract.
- Section 50 – Special Terms and Conditions – Describes the terms and conditions under which the work shall be performed.
- Section 60 – Mandatory Proposal – Defines the requirements for Offerors' Mandatory Proposal and the information to be provided in the proposals.
- Section 70 – Technical Proposal – Defines the requirements for Offerors' Technical Proposal and the information to be provided in the proposals
- Section 80 – Business Proposal – Defines the required format of the business proposed and information to be provided in the proposal.
- Section 90 – Evaluation and Selection – Defines the evaluation process.

Appendices are included to support the information presented in Sections 10 through 90.



## Section 20 RFP SCHEDULE AND PROCUREMENT REQUIREMENTS

### 20.10 RFP Timeline

The delivery schedule set forth herein represents DHS'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
Issue RFP	September 2, 2022
Submission of Written Questions	September 23, 2022 – 2:00 p.m., Hawaii Standard Time (HST)
Written Responses to Questions	September 30, 2022 – 2:00 p.m., HST
Notice of Intent to Propose	October 4, 2022 – 2:00 p.m., HST
Proposal Due Date	October 17, 2022 – 2:00 p.m., HST
Contract Award	October 31, 2022
Contract Execution Date	November 30, 2022
Contract Effective Date	January 1, 2023

### 20.20 Written Questions

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

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

Eric Nouchi: [enouchi@dhs.hawaii.gov](mailto:enouchi@dhs.hawaii.gov)

Subject line: RFP-MQD-2023-004 - Medicaid Provider Enrollment and Revalidation.

DHS 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 to Propose**

Offerors shall submit their Notice of Intent to Propose by the date and time specified in Table 2-1. The submission of a Notice of Intent to Propose is necessary for the Issuing Officer to provide the designated proposal electronic submission site and to assure proper distribution of amendments and other communication regarding this RFP.

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 DHS must be through that single point of contact. DHS is not responsible for proposal correspondence not received by the Offeror.

The Notice of Intent to Propose shall include the subject line "The Notice of Intent to Propose for Medicaid Provider Enrollment and Revalidation RFP" and shall be emailed to the following email address:

Email Address: [enouchi@dhs.hawaii.gov](mailto:enouchi@dhs.hawaii.gov)

## **20.40 References**

Offerors will list, using the form in Appendix H, organizations for whom services similar to those requested herein were performed within the last five (5) years. The State reserves the right to contact the references provided.

## **20.50 Documentation**

Offerors may review information describing Hawaii's Medicaid program, QUEST Integration and other Medical Assistance services and benefits by visiting MQD's website:  
<https://medquest.hawaii.gov/>.

Information regarding administrative rules may be found at:  
<http://humanservices.hawaii.gov/admin-rules-2/admin-rules-for-programs/>



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

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

- HRS Chapter 237, tax clearance;
- HRS Chapter 383, unemployment insurance;
- HRS Chapter 386, workers' compensation;
- HRS Chapter 392, temporary disability insurance;
- HRS Chapter 393, prepaid health care; and
- One of the following:
  - Be registered and incorporated or organized under the laws of the State (hereinafter referred to as a "Hawaii business"); or
  - Be registered to do business in the State (hereinafter referred to as a "compliant non-Hawaii business").

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

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

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



the issuance date and is accepted for both contracting and final payment purposes. See website:  
<https://vendors.ehawaii.gov/hce/splash/welcome.html>

## **20.80 Rules of Procurement**

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

### **20.81 No Contingent Fees**

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

### **20.82 Restriction on Communication with State Staff**

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

### **20.83 RFP Amendment**

DHS 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 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 DHS before the deadline for receipt of proposals. The withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal.

## **20.87 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 on any part of the submission, each page of that submission 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 no confidential portion of the proposal. Proprietary or confidential information includes, but is not limited to, business information, financial information,



medical records, and patient information. An explanation, using the form in Appendix F, to DHS of how substantial competitive harm would occur if the information is released is required in the Transmittal Letter for the Technical Proposal as described in Section 60.30. If the DHS determines that the explanation is sufficient, then, to the extent permitted by the exemptions in HRS §92F-13, 45 CFR part 5, Office of Information Practices, or a Court, the affected section may be deemed confidential. Blanket labeling of the entire document as “Proprietary” or “Confidential,” however, is inappropriate and shall result in none of the document being considered confidential.

## **20.90 Acceptance of Proposals**

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

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

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

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

## **20.100 Submission of Proposals**

Each qualified Offeror shall submit only one (1) proposal. In the event that more than one (1) proposal is submitted, DHS may reject all proposals. The Offer Form (OF-1) shall be completed and submitted with the proposal (Appendix A).

Proposals shall be submitted in three parts: Mandatory, Technical and Business Proposals. The format and content of each are specified in Sections 60, 70 and 80 of this RFP.



The Offeror shall submit mandatory, technical and business proposals in one (1) single electronic primary folder and a redacted version of the mandatory, technical and business proposals, removing all confidential/proprietary information, in one (1) single electronic redacted version folder to the DHS designated proposal electronic submission site provided by the Issuing Officer. If there are discrepancies between the electronic primary folder and the electronic redacted version folder, the electronic primary folder will be the final version. The Issuing Officer shall receive an electronic primary and redacted version of the mandatory, technical and business proposals no later than the proposal due date identified in Table 2-1.

The one (1) single electronic primary folder shall have three (3) subfolders: Mandatory Proposal, Technical Proposal and Business Proposal.

The Offeror shall submit the mandatory, technical and business proposals to the designated electronic submission site as follows:

- All proposals shall be submitted in a fully searchable Adobe Acrobat Portable Document Format (PDF).
- The PDF submission shall not be password-protected or encrypted.
- Any forms and/or documents requiring signature(s) shall be scanned into the respective PDF files.

The Offeror shall place the Mandatory requirements, as described in Section 60, in the Mandatory Proposal subfolder as one (1) PDF file. The information required in Appendix A shall be included in the Mandatory Proposal.

The Offeror shall place the Technical requirements, as described in Section 70, in the Technical Proposal subfolder as one (1) PDF file.

For the Technical Proposal subfolder, the Offeror shall create one (1) PDF file for each evaluation category described in Section 90. Each file nomenclature shall be the same as the evaluation category (e.g., Category - Executive Summary). For each evaluation category PDF file submission, the Offeror shall include all appendices, graphics and attachments as required in this RFP





or to support the responses only for the specific evaluation category. No video shall be included.

The Offeror shall place the Business Proposal, as described in Section 80 in the Business Proposal subfolder as one PDF file. The information required in Appendix G shall be included in the Business Proposal.

The Offeror shall solely bear the whole and exclusive responsibility for ensuring the documents are received by the Issuing Officer and for ensuring the complete, correctly formatted, legible, and timely transmission of all documents. The Offeror shall assume all risk that the Issuing Officer receiving equipment and system may be inoperative or otherwise unavailable at the time transmission is attempted.

The Offeror file submissions to the designated DHS proposal designated electronic submission site can be reviewed or revised until 2:00 p.m. HST on the proposal due date specified in Table 2-1.

After the closing date and time, the DHS designated proposal electronic submission site shall be closed to prevent further proposal submissions or revisions.

#### **20.110 Proposal Inspection**

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

#### **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 Med-Quest Division (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.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if the best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an



Offeror to correct them if either is in the best interest of the State.

#### **20.140 Mistakes in Proposals**

Mistakes shall not be corrected after award of contract.

When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request for the Offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.

Once discussions are commenced or after best and final offers are requested, any priority-listed Offeror may freely correct mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.

If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which even the proposal may not be withdrawn.

If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: (1) the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or (2) the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

#### **20.150 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.



**20.160 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.

**20.170 Best and Final Offer (BAFO)**

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

**20.180 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.

The contract award is subject to availability of funding.

The successful Offeror receiving award shall enter into a formal written contract.

No work is to be undertaken by the Contractor prior to the contract start date specified in Table 2-1. 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 DHS 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.

**20.190 Offeror and Contractor**

Offeror is intended to mean any company that bids on this RFP. Contractor is intended to mean the company, if any, that is awarded the contract.



## **Section 30 BACKGROUND**

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

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

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

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

DHS is comprised of four (4) divisions with about 1,800 positions and an annual operating budget of over \$3.7 billion in SFY 2022. Each of its divisions provides assistance to its beneficiaries in Hawaii.

- MQD provides health coverage primarily through managed care organization health plans to low-income families, children and individuals, and the aged and disabled.
- The Benefit, Employment and Support Services Division (BESSD) provides Supplemental Nutrition Assistance Program (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, and child abuse and neglect prevention services.
- The Vocational Rehabilitation and Services for the Blind Division (VRSBD) helps persons with disabilities and the blind to become employed, start their own businesses, and live independently.

The four (4) divisions of DHS, along with the two (2) administratively attached agencies are assisted by five staff support offices. Staff support offices provide administrative hearings for applicants/beneficiaries, fiscal management, information technology systems support, management services,



research, personnel and other services. DHS maintains statewide offices in 88 locations.

### 30.12 Med-QUEST Division (MQD)

MQD administers the State's Medicaid and other health coverage programs. Medicaid, a Federal program created by Congress in 1965, was designed to provide access to medical care for the low-income population. In SFY 2022, MQD spent approximately \$2.4 billion for benefits and administration of the Medicaid program.

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

42 CFR Section 455 Subpart E requires the State of Hawaii's Medicaid program, Med-QUEST Division (MQD), to perform comprehensive screening, credentialing, and enrollment initiatives to prevent Medicaid provider fraud. The latest version of the Medicaid Provider Enrollment Compendium (MPEC) provides additional and updated sub-regulatory guidance on these regulations. The MQD is required to process new provider applications and revalidate the enrollment of all providers at least every five years (42 CFR 455.414).

### 30.13 Information Technology (IT) Landscape

The following sections describe the Hawaii Information Technology (IT) landscape as it relates to this RFP.



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

Hawaii’s Medicaid provider enrollment, encounter, and claims processing functions are supported by the HPMMIS. Its role consists primarily of collecting and storing eligibility data from the KOLEA System, processing enrollment, collecting encounters from health plans, 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, and is described in the Table 3-1.

30.15 Hawaii Online Kahu Utility (HOKU) System

The HOKU system went live on August 3, 2020, and is the first modular Medicaid Enterprise System (MES) sub-system that DHS has put into production. Prior to HOKU, the paper DHS 1139 was the sole modality through which providers were able to engage in provider enrollment activities with DHS. Now that HOKU is in production, providers have an additional on-line option to conduct provider enrollment activities with DHS 24 hours a day, 7 days a week. These activities can range from applying with DHS as a brand new provider, completing necessary and periodic provider re-validation activities, updating addresses, and many other basic updates to their provider enrollment. CNSI is the contractor for the HOKU system. HOKU is described in the Table 3-2.

**Table 3-1 HPMMIS Today**

<b>HAWAII PREPAID MEDICAID MANAGEMENT INFORMATION SYSTEM (HPMMIS)</b>	
Programs Supported	Federal (Medicaid) and State medical assistance programs
Programming Language	COBOL
Database Management System	CA DATACOM Database
Operating System	IBM mainframe system operated by the Arizona Health Care Cost Containment System (AHCCCS)



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

**Table 3-2 HOKU Today**

<b>HAWAII ONLINE KAHU UTILITY (HOKU) SYSTEM</b>	
Programs Supported	Federal (Medicaid) and State medical assistance programs-Provider Enrollment
Programming Language	JavaScript
Database Management System	Oracle 19C
Operating System	Linux and Windows Operating Systems
Batch Job Executions	HOKU uses a prescheduled series of batch database jobs to update provider enrollment data. It uses batch interfaces with HPMMIS, the Hawaii Department of Commerce and Consumer Affairs, CLIA, DEA, and LexisNexis to update credentialing data.
Hosting Environment	HOKU is maintained in a data center, the hosting environment uses established industry-standard security.
Integration	HOKU is integrated with HPMMIS through HIPAA standard transactions.





<b>HAWAII ONLINE KAHU UTILITY (HOKU) SYSTEM</b>	
Major Functions	HOKU gathers, receives, stores, and processes applications for Medicaid Provider Enrollment for Hawaii Med-QUEST. Enrolled provider data is maintained and credentialed via automated interfaces. Med-QUEST Provider Enrollment staff makes approval/denial decisions in HOKU to approve/deny/revalidate providers for Medicaid participation.

**30.20 Readiness Review**

Prior to the contract Start Date as described in Table 2-1, the DHS shall conduct a readiness review of the Contractor to provide assurance that the Contractor is able and prepared to perform all functions required by this contract. The Contractor’s responsibilities in their readiness review are described in Section 40.60.

The DHS review may include, but is not limited to, a walk-through of Contractor’s operations, information system demonstrations and interviews with Contractor’s staff. The review may include desk and on-site review of:

- Provider application processing center;
- New provider application processing & provider re-validation processing staff; and
- All required policies and procedures.

Based on the results of the review activities, the DHS shall provide the Contractor with a summary of findings including the identification of areas requiring corrective action before the Contractor begins operation. If the Contractor is unable to demonstrate its ability to meet the requirements of the contract, as determined by the DHS, and within the time frame specified by the DHS, the DHS may terminate the contract in accordance with Section 50.110.



## **Section 40 SCOPE OF SERVICES**

### **40.10 Introduction**

This section describes the scope of the services required for the Medicaid provider enrollment and revalidation functions.

The Contractor will be required to work in collaboration with DHS, MMIS operated by Arizona Health Care Cost Containment System (AHCCCS) and the HOKU contractor.

The Contractor shall be responsible for providing computer hardware and software resources to support the completion of all tasks. State computer resources will not be available to the Contractor. The Contractor shall use and maintain a word processing system and spreadsheet software compatible with DHS's software.

In this RFP, DHS is seeking a qualified Contractor to provide the following contract tasks to support the Medicaid provider enrollment and revalidation functions:

- Provider enrollment and revalidation application processing;
- Development of provider enrollment manuals;
- HOKU testing;
- Staff a provider call center;
- Development of a performance reporting system;
- Provider outreach and education; and
- Project management.

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

### **40.11 Service Level Agreement**

A Service Level Agreement (SLA) is the agreement between DHS and the Contractor quantifying the minimum acceptable service to DHS. In order to monitor compliance with SLAs, DHS will use a performance reporting system to be implemented by the Contractor. DHS requires compliance with all SLA. The following



list of SLAs will be prioritized by DHS. Each SLA are to be measured and reported 5 business days following the close of each month by the Contractor. The SLAs to be completed are:

- Provider Application Processing Metrics; and
- Call Center Metrics.

The Contractor is expected to monitor performance and the SLA compliance in a monthly report. The Contractor is to make available to DHS upon request all reports, in addition to the data used in the determination of SLA compliance. DHS and the Contractor agree that failure by the Contractor to perform in accordance with established SLAs may result in penalties imposed by the State. The SLAs and corresponding penalties are outlined in Appendix I.

#### 40.12 Hawaii Online Kahu Utility (HOKU) Start-up

With the start-up of new systems, it is expected that there will be some unforeseen system issues that may impact the provider enrollment process timeline. DHS is working with the vendor to fix any issues or perform enhancements to the system that will streamline the process of applications and reduce errors. The Contractor is expected to assist with identification and documentation of unknown issues, and work with DHS staff to propose potential resolutions. DHS will provide a template for the Contractor to complete and submit on a weekly basis, as issues are identified.

### **40.20 Provider Enrollment and Revalidation**

The following section provides the description, deliverables, and Contractor and State responsibilities associated with provider enrollment and revalidation activities.

#### 40.21 Provider Applications

The Contractor shall be responsible for performing activities related to Provider Enrollment and Revalidation including new provider application processing, provider revalidation application processing, provider screening activities, data input, and confirmation letter production. The Medicaid provider application may be submitted by providers using the web-based HOKU provider enrollment system or the DHS 1139 paper form. These



activities shall be performed on provider applications for all provider types.

The Contractor's staff are not required to reside in Hawaii, but the State requires that the contractor respond to questions, comments and inquiries from the providers' during Hawaii's office hours, Monday through Friday 7:45 a.m. to 4:30 p.m. (HST), excluding State holidays. The State encourages the Contractor to have a local presence in Hawaii.

The Contractor shall be responsible for the full measure of provider application functions, including, but not limited to:

- Validating applications for completeness and accuracy, including calling and following up with providers for missing or incomplete information;
- Screening applications for correct and updated professional licensing, certification, and identifications, including web page searches to confirm data on the application, and uploading attachments into HOKU;
- Entering application data including but not limited to service address updates, updates linking provider with group entities, ownership changes, and linking payment providers into HOKU;
- Completing the unannounced site visit process for applications from specified provider types;
- Processing the HOKU provider application to a fully completed status;
- Inputting paper DHS Form 1139 applications into HOKU; and
- Generating and mailing out provider confirmation letters for fully completed and approved provider applications.

#### 40.22 Provider Enrollment Deliverables

- Determine and submit to the State for approval an oversight methodology for the provider enrollment and revalidation function;
- Develop and/or maintain a library of provider enrollment application and revalidation processing manuals for internal use and external review by DHS.



**Table 4-1 Contractor and Provider Enrollment Responsibilities**

<b>CONTRACTOR RESPONSIBILITIES</b>	<b>STATE RESPONSIBILITIES</b>
Develop and deliver DEDs for all deliverables as defined in Section 40.21- Provider Application	Provide training and reference materials on the provider application process for all provider types, for both the DHS 1139 paper form, HPMMIS, and HOKU web-based application.
Develop, deliver, maintain and execute all deliverables as defined in Section 40.22 - Provider Enrollment Deliverables	Review all draft deliverables and provide feedback  Approve all deliverables

**40.30 Provider Call Center**

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

The Contractor shall operate a toll-free call center to respond to provider application questions, comments and inquiries. The toll-free call center services shall be available and accessible to Medicaid Providers. The provider call center shall be staffed Monday through Friday 7:45 a.m. to 4:30 p.m. (HST), excluding State holidays. In addition, the Contractor shall have a voicemail account for a provider to leave a message twenty-four (24) hours per day. The greeting shall identify the office and explain that the provider will receive a return call within two (2) business days, if the call is received after hours.

The State encourages the Contractor to have a local presence in Hawaii.

**40.31 Provider Call Center Description**

The Contractor shall utilize the toll-free telephone number provided by DHS and staff a provider call center to respond to providers questions regarding the HOKU provider application process, the paper DHS Form 1139, HOKU support, and provider enrollment and revalidation.

At a minimum, provider call center activities include:



- (a) Response to questions related to provider applications, either paper-based or electronic via the HOKU application.
- (b) Assisting providers with navigating through the HOKU enrollment process.
- (c) HOKU user support.
- (d) Assisting providers with completing the paper DHS Form 1139.

40.32 Provider Call Center Monitoring and Reporting

The Contractor shall monitor the provider call center and submit a report to DHS, refer to Section 40.40.

40.33 Contractor and Call Center Provider Responsibilities

**Table 4-2 Contractor and Provider Call Center Responsibilities**

CONTRACTOR RESPONSIBILITIES	STATE RESPONSIBILITIES
Develop and deliver Policy & Procedures (P&P) for all deliverables as defined in Section 40.30 – Medicaid Provider Call Center	Review all P&Ps and provide feedback  Approve all deliverables

**40.40 Reporting**

The following section provides the description, deliverables, Contractor and DHS responsibilities associated with reporting activities of the Provider enrollment and revalidation functions.

40.41 New Provider Enrollment Report

The Contractor shall use a report tool provided by DHS to submit a report on the volume and type of new provider enrollment applications processed during the previous month that shall include, at a minimum, the following:

- Total number of new HOKU provider enrollment applications;
- Total number of HOKU applications approved/denied;



- Total number of paper DHS From 1139 applications approved/denied;
- Total number of enrolled provider modifications;
- Total number of provider enrollment applications returned to 'In Process' status;
- Average time taken (in days) to process enrolled provider modifications; and
- Average time taken (in days) to process applications based on enrollment type.

#### 40.42 Provider Revalidation Report

The Contractor shall use a report tool provided by DHS to submit a report on the volume and type of provider revalidation applications processed during the previous month that shall include, at a minimum, the following:

- Total number of enrolled providers requiring revalidation based on enrollment type;
- Total number of revalidated providers based on enrollment type;
- Total number of providers that did not complete revalidation; and
- Average time taken (in days) to complete revalidation.

#### 40.43 Provider Call Center Report

The Contractor shall use a report tool provided by DHS to submit a report on the utilization rate of the call center for providers call line during the previous quarter that shall include, at a minimum, the following:

- Total number of calls;
- Call abandonment rate;
- Average speed of answer;
- Average hold time;
- Blocked call rate;
- Longest wait in queue;



- Average talk time; and
- Type of call.

The Contractor and/or DHS shall use these reports to determine the effectiveness of the Provider Call Center and make operational changes, as necessary, based on results.

#### 40.44 Ad Hoc Reports as requested by DHS

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

#### **40.50 Additional Tasks**

The State plans to implement a Provider Credentialing Management System (PCMS) that assures a statewide centralized platform for qualified providers to complete periodic credentialing and recredentialing activities. The PCMS may be for Medicaid providers only or it may include other health insurance payors. DHS may require the Contractor to plan and deliver additional tasks at DHS's option. These tasks may be executed upon negotiation with the Contractor and by mutual agreement in writing.

#### **40.60 Readiness Review**

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

- Staffing Organization Chart;
- A list of Contractor's staff including their job titles, FTEs, and % allocation to this contract;
- Policies and Procedures for provider application and revalidation process (not HOKU specific);
- Policies and Procedures for provider call center process;
- Policies and Procedures for Reporting Requirements; and
- Staff Training Plan.





In addition to the list above, DHS reserves the right to request additional documents for review and approval during readiness review. Contractor shall participate in all on-site or remote readiness review activities conducted by the DHS and submit updates on implementation activities.



## **Section 50 SPECIAL TERMS AND CONDITIONS**

### **50.10 General**

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

- Contract for Goods or Services: Competitive Sealed Proposals (Form AG-004), including General conditions for Goods or Services Contracts (Form AG-008-103D see Appendix C, any special conditions, attachments and addenda;
- This RFP, including all appendices, attachments, and addenda, which shall be incorporated by reference; and
- 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, including any special conditions, attachments and addenda;
- The Special Terms & Conditions included in this section;
- The RFP (RFP-MQD-2023-004) and
- The Contractor's offer (the selected Offeror's proposal in response to this RFP), and BAFO, if applicable.

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. DHS 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 thereunder.

## **50.20 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 January 1, 2023 or upon execution of the contract, whichever is later, and shall continue through December 31, 2025.

Unless terminated, the contract may be extended without the necessity of re-bidding, for not more than two (2) 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.

**50.30 Insurance**

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

Included in its submitted proposal, the Offeror shall complete and submit to DHS 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 DHS an updated COLI dated within thirty (30) days of the effective date of the contract necessary to satisfy DHS 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 5-1 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



COVERAGE	LIMITS
	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.

DHS 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 DHS 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 DHS 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 DHS to subcontract, subcontractors are not excused from the indemnification and / or insurance provisions of this contract. To indemnify the State of Hawaii, the Contractor agrees to require its subcontractors to obtain insurance in accordance with this section.

### **50.31 Waiver of Subrogation**

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

### **50.40 Inspection of Work Performed**

DHS, CMS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), and the Medicaid Fraud Control Unit of DHS 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.

### **50.50 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.

#### **50.60 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.

#### **50.70 Confidentiality of Information**

In addition to the requirement of General Conditions 24, the Contractor understands that the use and disclosure of information concerning the provider is restricted to purposes directly connected with the administration of the Hawaii Medicaid EHR Incentive program and agrees to guard the confidentiality of the providers' information as required by law.

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

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



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

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 DHS, 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 DHS.

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

## **50.80 Subcontractors Agreements**

The Contractor may negotiate and enter into contracts or agreements with subcontractors (with prior written consent of DHS) to the benefit of the Contractor and the State as long as the 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 DHS prior to implementation. DHS reserves the right to inspect all subcontractor agreements at any time during the contract period. Any subcontract may be subject to DHS's prior review and approval. The Contractor's subcontractor shall submit to the Contractor a tax clearance certificate from the Director of DHS 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 DHS 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 DHS at least fifteen (15) days prior to adding or deleting 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 shall be finalized and fully executed within thirty (30) days of the contract award. DHS reserves the right to review any subcontractor contracts or agreements prior to the notification of award of the contract.

All subcontracts shall require that the subcontractors 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.



## **50.90 Payment**

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

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

## **50.91 Other Payments**

No other payments will be made for deliverables or services provided under this contract without written amendment of the contract.

The Contractor shall be solely responsible for costs related to start-up costs or closing/transition cost to a subsequent vendor.

## **50.100 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.

## **50.110 Termination of the Contract**

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



### **50.111 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, DHS may, at its option, terminate this contract. In the event DHS elects to terminate a contract under this provision it shall do so by sending notice of termination to the 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.

### **50.112 Termination for Unavailability of Funds**

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

### **50.120 Damages, Sanctions and Financial Penalties**

The damages applying to the contract are described in Section 50.121.

### **50.121 Damages – Failure to Meet contract Requirements**

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



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

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

50.122 Sanctions

The DHS may impose sanctions for non-performance or violations of contract requirements. Sanctions shall be determined by the State and may include:

- Imposing civil monetary penalties (as described below);
- Suspending payment; or
- Terminating the contract (as described in Section 50.110).

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

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

Number	Activity	Penalty
1	Misrepresentation of actions or falsification of information furnished to the CMS or the State	A maximum of one hundred thousand dollars (\$100,000) for each determination
2	Failure to implement requirements stated in the Offeror’s proposal, the RFP or the contract, or other material failures in the Offeror’s duties	A maximum of fifty thousand dollars (\$50,000) for each determination



<b>Number</b>	<b>Activity</b>	<b>Penalty</b>
3	Violation of any of the other applicable requirements of Sections 1903(m), 1905(t)(3) or 1932 of the Social Security Act and any implementing regulations	A maximum of twenty-five thousand dollars (\$25,000) for each determination
4	Failure to report confidentiality breaches relating to eligible providers to the DHS by the specific deadlines provided in Section 50.70	One hundred dollars (\$100) per day per provider until the reports are received. A maximum of twenty-five thousand dollars (\$25,000).
5	Failure to provide accurate information, data, and reports to the DHS by the specified deadlines provided in Section 40.40	Two hundred dollars (\$200) per day until all required information, data, and reports are received

### **50.123 Operational Start Date**

The tentative contract start date is January 1, 2023.

### **50.130 Conformance with Federal Regulations**

Any provision of the contract which conflicts 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.

#### **50.140 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 DHS 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.

#### **50.150 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.

#### **50.160 Attorney's Fees**

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



### **50.170 Warranty of Fiscal Integrity**

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

### **50.180 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 60 MANDATORY PROPOSAL**

### **60.10 Introduction**

The following sections describe the required content and format for the mandatory proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

The mandatory proposal shall include the following sections:

- Offer Form;
- Transmittal letter; and
- Financial Status.

### **60.20 Offer Form**

The Offer Form (refer to Appendix A) shall be signed by an individual authorized to legally bind the Offeror.

### **60.30 Transmittal Letter**

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

- A statement indicating that the Offeror is a corporation or other legal entity. All subcontractors shall be identified, and a statement included indicating the percentage of work to be performed by the prime Offeror and each subcontractor, as measured by percentage of total contract price. If subcontractors will not be used for this contract, a statement to this effect shall be included;
- A statement that the Offeror is/will be registered to do business in Hawaii and has or will obtain a State of Hawaii General Excise Tax License by the start of work. Provide the Hawaii Excise Tax number (if applicable);





- A statement identifying all amendments and addenda to this RFP issued by the issuing office and received by the Offeror. If no amendments or addenda have been received, a statement to that effect should be included;
- A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, creed, ancestry, marital status, age, sex including gender identity or expression, sexual orientation, national origin, arrest and court records, or mental or physical handicap, except as provided by law;
- A statement that neither cost nor pricing is included in this letter or the technical proposal;
- 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 person signing this proposal certifies that he or she is the person in the Offeror's organization responsible for, or authorized to make, decisions as to the prices quoted, that the offer is firm and binding, and that he or she has not participated and will not participate in any action contrary to the above conditions;
- A statement that the Offeror has read, understands and agrees to all provisions of this RFP; and
- 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.

#### **60.40 Financial Status**

The financial status of an Offeror and related entities shall be reviewed to determine the financial solvency of the organization. Financial statements for the applicable legal entity and any subcontractor that is providing at a minimum of 20% of the work shall be provided for each of the last two years, including at a minimum:

- Balance Sheets;



- Profit and Loss Statements; and
- Auditor's report.

The guidelines in Section 20.88 shall be followed if the Offeror requests confidentiality on the financial statements submission.



## **Section 70 Technical Proposal**

### **70.10 Introduction**

The following sections describe the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

The technical proposal shall include the following sections:

- Executive summary;
- Company background and experience; and
- Organization and staffing.

### **70.20 Executive Summary**

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

### **70.30 Company Background and Experience**

The company background and experience section shall include for an Offeror and each subcontractor (if any): (1) details of the background of the company and its size and resources, and (2) details of company experience relevant to this RFP.

### **70.31 Background of the Company**

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

- A general description of the primary business of your organization and its beneficiary base;



- A brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile. An out-of-state Offeror must become duly qualified to do business in the State of Hawaii before a contract can be executed;
- Ownership of the company, including the officers, directors and members of the company, and the name(s) 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;
- The size of organization in assets, revenue and people; and
- The areas of specialization.

### **70.32 Company Experience**

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

- Processing Medicaid provider applications;
- Provider relations activities;
- Operating a provider Call Center; and
- Experience with State Medicaid Agencies' (SMA) MMIS systems, including HPMMIS.



#### **70.40 Organization and Staffing**

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

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

#### **70.41 Organization Charts**

The organization charts shall show:

- The structure of the project team and identifies the proposed project personnel;
- Relationships of an Offeror to related entities if subcontractor will be used;
- All proposed key personnel, including an indication of their major areas of responsibility and position within the organization; and
- Geographic location of the Offeror's personnel.

#### **70.42 Staffing**

The resume of the key project manager and provider enrollment staff shall include, if applicable:

- Experience with Medicaid provider enrollment activities in the State of Hawaii;
- Experience with provider enrollment activities for other SMA;
- Experience interpreting and implementing 42 CFR Section 455 Subpart E regulations and Medicaid Provider



Enrollment Compendium (MPEC) sub-regulatory guidance as a subject matter expert;

- Experience in HPMMIS input and process;
- Provider relation and education;
- Other relevant experience; and
- Names, position titles and phone numbers of references who can provide information on the individual's experience and competence, including other SMAs.



## **Section 80 BUSINESS PROPOSAL**

The Offeror shall provide a business proposal with cost for the scope of work specified in the RFP. The Offer submitted will be the Offeror's best and final offer, unless DHS requests for the Offeror to submit a BAFO in accordance with section 20.170. The business proposal shall include the total cost of proposal, see Appendix G.

### **80.10 Pricing Requirements**

The business proposal shall include the following information:

### **80.11 Total Proposal Price**

The Offeror shall provide the price for each of the following project components:

1. Provider Enrollment and Revalidation

The price shall be for:

January 1, 2023 - December 31, 2025.



## **Section 90 EVALUATION, SELECTION, AND APPROVAL**

### **90.10 Introduction**

The evaluation of proposals received in response to the RFP will be conducted comprehensively, fairly and impartially. Structural, quantitative scoring techniques will be utilized to maximize the objectivity of the evaluation. Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met.

### **90.20 Evaluation Process**

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

### **90.30 Mandatory Proposal Evaluation**

The mandatory proposal items for Sections 60.20, 60.30, and 60.40 shall first be evaluated against the following requirements:

- Proposal was submitted within the closing date and time for proposals as required in Section 20.10;
- Proposal was submitted as required in Section 20.100;
- Proposal contains all information required in Section 60; and
- Ability for Offeror and their subcontractors, if applicable, to remain solvent for the length of the contract in accordance with information submitted for Section 60.40.

A proposal that does not meet these requirements shall be rejected and will not enjoy further consideration for this procurement. A proposal that does meet these requirements will move on to the technical and business proposal evaluations.





## 90.40 Technical Proposal Evaluation

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

## 90.50 Technical Evaluation Criteria

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

Table 8-1 Scoring

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

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



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

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

The rating score (0-5) shall represent the corresponding conversion factor used to calculate the points awarded for each Evaluation Category listed in Sections 90.60 through 90.80, as follows:

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

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

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



impede effective communication of the content and may result in a lower score.

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

**90.51 Offer Form (OF-1) (Pass/Fail)**

- Signed by an individual authorized to legally bind the Offeror; and
- Includes all statements as specified in Section 60.20.

If the offer form is incomplete, the proposal will be rejected, will not be scored, and will be returned to the Offeror since this is part of the mandatory requirements established in Section 90.30.

**90.52 Transmittal Letter (Pass/Fail)**

- On an official letterhead and signed by an individual authorized to legally bind the Offeror; and
- Includes all statements as specified in Section 60.30.

If the Transmittal Letter is incomplete, the proposal will be rejected and not be scored and will be returned to the Offeror since this is part of the mandatory requirements established in Section 90.30.

**90.53 Financial Status (Pass/Fail)**

- The financial status of an Offeror and related entities shall be reviewed in order to determine the financial solvency of the organization. Quality care cannot be provided without adequate resources; and
- Other factors identified in Section 60.40.

If the Financial Status is incomplete, the proposal will be rejected and not be scored and will be returned to the Offeror since this is part of the mandatory requirements established in Section 90.30.



**90.60 Executive Summary (5 points possible)**

- Provides a broad understanding of the proposal;
- Clearly and concisely condenses the proposal;
- Highlights the contents of the technical proposal; and
- Identifies how the Offeror will implement the Medicaid provider application function with the RFP requirements if a contract is awarded to them.

**90.70 Company Background and Experience (30 points possible)**

- Company background and experience, including successful experience implementing a program of the nature/size required by this contract;
- Each subcontractor's background and experience;
- Extent to which the scope of services under this RFP can be completed by the Offeror;
- Experience with Medicaid provider enrollment activities in the State of Hawaii;
- Experience with provider enrollment activities for other SMAs;
- Experience interpreting and implementing 42 CFR Section 455 Subpart E regulations and Medicaid Provider Enrollment Compendium (MPEC) sub-regulatory guidance as a subject matter expert;
- Offeror's ability to meet the contract requirements; and
- Include all the required information described in Sections 70.30 through 70.32 for both themselves and each subcontractor.

**90.80 Organization and Staffing (40 points possible)**

- Past and current management experience for similar services of like projects in scope;
- Relevant program experience and success in performing projects of similar scope to that described herein;
- Competence of proposed key professionals and other employees;



- Qualifications of personnel including education, experience with Medicaid providers, length of time with the organization, and Medicaid experience. (Resumes of all key personnel must be provided.);
- Quality of references of key personnel;
- Describe how the Offeror’s personnel will resolve provider’s application questions timely;
- Number of Offeror’s personnel residing in the State of Hawaii that is sufficient to implement the operations described in Section 40;
- How the Offeror’s resources identified and allocated will fulfill the requirements of the contract; and
- Include all the required information described in Section 70.40 through 70.42.

**90.90 Business Proposal Evaluation (25 points possible)**

The proposals that have met the mandatory requirements shall continue on to the business proposal evaluation. Each proposal will be examined to ensure that all required pricing schedules have been included by the Offeror. Proposals will be evaluated to ensure that reasonable firm fixed prices have been assigned. The points given are set forth in the chart below:

	Lowest Proposal	2 <sup>nd</sup> Lowest Proposal	3 <sup>rd</sup> Lowest Proposal	4 <sup>th</sup> Lowest or More
Two Offerors	25	20		
Three Offerors	25	20	15	
Four Offerors	25	20	15	5

**90.100 Contract Award**

The Offeror with the highest score using the scoring methodology below will be awarded the contract.

**Evaluation Categories**

**Available Points**



**Technical Proposal**

Executive Summary	5 points
Company Background and Experience	30 points
Organization and Staffing	40 points

<b>Business Proposal</b>	25 points
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<b>TOTAL POSSIBLE POINTS</b>	<b>100 points</b>
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Upon selection of the Offeror, the DHS shall initiate the contracting process. The Offeror shall be notified in writing that the contract is awarded and that the DHS intends to contract with them. This letter shall serve as notification that the Offeror should begin to develop its programs, materials, policies and procedures for the program.

The contracts shall be awarded according to the Contract Award date specified in Table 2-1.