COMMONWEALTH of VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
600 East Broad Street, Suite 1300
Richmond, VA 23219

June 20, 2011

Dear Prospective Vendor:

The Department of Medical Assistance Services (DMAS or the Department) is soliciting proposals from qualified vendors to perform administrative and professional-level services associated with the Electronic Health Record (EHR) Provider Incentive Program. The Department prefers that qualified vendors meet the requirements, as defined by Federal regulations 42 CFR Parts 412, 413, 422, and 495; CMS–0033–F, RIN 0938–AP78.

The selected Contractor will provide the required services for DMAS. Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2011-06. Offerors must check the DMAS web site at http://dmasva.dmas.virginia.gov/ or check the eVA web site at http://www.eva.virginia.gov/ for any addendums or notices regarding this RFP.

The Commonwealth will not pay any costs that any Offeror incurs in preparing a proposal and reserves the right to reject any and all proposals received.

Potential Offerors are requested not to call this office. All issues and questions related to this RFP should be submitted in writing to the attention of John Tabb, Program Operations Division, 600 East Broad Street, Suite 1300, Richmond, VA 23219, or by fax to 804-225-4393. In order to expedite the process of submitting inquiries, it is requested that Offerors submit any questions or issues by email in MS Word format to rfp2011-06@dmas.virginia.gov no later than 2:00 P.M. EST on July 14, 2011

Offerors who wish to submit a proposal are required to submit a Letter of Intent which must be received by the Department no later than 2:00 PM local time on July 6, 2011. The prior submission of a Letter of Intent is a prerequisite for submitting a proposal; and proposals shall not be accepted from Offerors who have not submitted a Letter of Intent by the deadline specified above. Letters of Intent may be emailed to the address listed above with original hard copy to follow via USPS, overnight delivery, or courier service. All Letters of Intent shall be sent addressed to:

Department of Medical Assistance Services
Attention: Chris Banaszak
600 East Broad Street, Suite 1300
Richmond, VA 23219

Sincerely,

Christopher Banaszak
DMAS Contract Manager

Enclosure

REQUEST FOR PROPOSALS RFP 2011-06

Issue Date: June 20, 2011

Title: Electronic Health Record (EHR) Provider Incentive Program Administrator

Period of Contract: An initial period of four years from award of contract, with provisions for six twelve-month extensions.

All inquiries should be directed in writing via email in MS Word Format to:
rfp2011-06@dmas.virginia.gov

John Tabb
Division of Program Operations
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

Deadline for submitting Letters of Intent: 2:00 pm E.S.T., July 6, 2011

Deadline for submitting questions/inquiries: 2:00 pm E.S.T., July 14, 2011

Proposal Due Date: Proposals will be accepted until **10:00 a.m. E.S.T., August 9, 2011**

Submission Method: The proposal(s) must be sealed in an envelope or box and addressed as follows:

"RFP 2011-06 Sealed Proposal"
Department of Medical Assistance Services
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219
Attention: Chris Banaszak

Facsimile Transmission of the proposal is not acceptable.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

In compliance with this Request for Proposal and to all conditions imposed therein and hereby incorporated by reference, the undersigned proposes and agrees to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone	Date Signed
Fax Number	
eVA Registration Required	eVA Vendor #:
State Corporation Commission ID Number **(Required)**:(See Special Terms and Conditions)	SCC ID #:
Check Applicable Status Corporation _____Partnership_____Proprietorship____ Individual_____ Woman Owned_____ Minority Owned_____ Small Business_____ If DMBE certified, provide certification number:_____	

COMMONWEALTH OF VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

REQUEST FOR PROPOSALS

FOR

VIRGINIA MEDICAID ELECTRONIC HEALTH RECORD (EHR) PROVIDER INCENTIVE PROGRAM ADMINISTRATION

RFP 2011-06

ISSUED June 20, 2011

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1 PURPOSE AND DEFINITIONS

The Department of Medical Assistance Services, hereinafter referred to as the Department or DMAS, is the single State agency in the Commonwealth of Virginia that administers the Medicaid program under Title XIX of the *Social Security Act;* the Virginia State Child Health Insurance Program, known as the Family Access to Medical Insurance Security (FAMIS), under Title XXI of the *Social Security Act* for low-income people; and the new Virginia EHR Provider Incentive Program, *under the HITECH Act*. These programs are financed by federal and state funds and administered by the state according to federal guidelines.

The Commonwealth of Virginia, Department of Medical Assistance Services (DMAS) is hereby soliciting proposals from qualified Offerors to establish a contract through competitive negotiations for the administration of the EHR Provider Incentive Program as well as providing Software-as-a-Service (SaaS) for supporting the administration and provider access to the program. This procurement is being issued to support the State Medicaid Health Information Technology (HIT) Plan (SMHP), which can be accessed from this link: http://dmasva.dmas.virginia.gov/Content_atchs/atchs/pr-smhp.pdf. Contractual agreements with qualified organizations will enable DMAS to implement Section 4201 Medicaid provisions of the American Recovery and Reinvestment Act (ARRA).

A qualified Offeror is defined as one that is already delivering the EHR Provider Incentive Program services and SaaS requested in an efficient and effective manner to one or more states/territories while ensuring the highest standards of performance, integrity, customer service, and fiscal accountability.

The successful Contractor will demonstrate the ability to consistently meet the requirements put forth in this RFP and will be evaluated, in part, by the degree to which the Contractor shows how it will achieve them. The Contractor shall perform all services under this RFP. The Contractor shall comply with all applicable administrative rules and the Department's written policies and procedures, as may be amended from time to time. Copies of such rules and policies are available from the Department.

Duration of Contract: The duration of the contract resulting from this RFP is intended to cover the life-cycle of the EHR Provider Incentive Program starting in 2011 until it sunsets in 2021. There will be an implementation phase followed by a four year base contract for the operations phase with up to six one-year renewals. This contract may be renewed by the Commonwealth upon written agreement of both parties for six successive one-year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

Number of Awards: An Offeror may submit a proposal for statewide services only. The maximum number of contracts to be awarded under this RFP is one. Based on the proposals, DMAS is planning to select and enter into a contractual agreement with a qualified organization for the provision of the EHR Provider Incentive Program administrative and SaaS services in the Commonwealth.

1.1 Definitions

The following terms when used in this RFP shall be construed and/or interpreted as follows, unless the context expressly requires a different construction and/or interpretation.

ACRONYM	NAME	DESCRIPTION
ACA	Affordable Care Act of 2010 "Health Reform"	In March 2010, Congress passed and the President signed into law the Affordable Care Act, which puts in place health insurance reforms that will hold insurance companies more accountable, lower health care costs, guarantee more health care choices, and enhance the quality of health care for all Americans.
ARRA	American Recovery and Reinvestment Act	Recovery Act has three immediate goals: • Create new jobs and save existing ones • Spur economic activity and invest in long-term growth • Foster unprecedented levels of accountability and transparency in government spending The Recovery Act intends to achieve those goals by: • Providing $288 billion in tax cuts and benefits for millions of working families and businesses • Increasing federal funds for education and health care as well as entitlement programs (such as extending unemployment benefits) by $224 billion • Making $275 billion available for federal contracts, grants and loans • Requiring recipients of Recovery funds to report quarterly on how they are using the money. All the data is posted on Recovery.gov so the public can track the Recovery funds.
CAQH	Council for Affordable Quality Healthcare	An unprecedented nonprofit alliance of health plans and trade associations, is a catalyst for industry collaboration on initiatives that simplify healthcare administration
CCD	Continuity of Care Document	The Continuity of Care Document (CCD) is built using HL7 Clinical Document Architecture (CDA) elements and contains data that is defined by the ASTM Continuity of Care Record (CCR). It is used to share summary information about the patient within the broader context of the personal health record.
CCR	Continuity of Care Record	A standard specification being developed jointly by ASTM International, the Massachusetts Medical Society (MMS), the Health Information Management and Systems Society (HIMSS), and the American Academy of Family Physicians (AAFP).
CMS	Centers for Medicare and Medicaid Services	A federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid, the State Children's Health Insurance Program (CHIP), and Health Insurance Portability standards (HIPAA).
CMS Registration and Attestation System	CMS Registration and Attestation System	Used to track incentive payments to heath care providers that adopt electronic health records and modernize their computer systems.
COB	Coordination of Benefits	Coordination of benefits is a practice which is used to ensure that insurance claims are not paid multiple times when someone is insured under multiple insurance plans.
Consumer	Consumer	Any actual or potential recipient of health care, such as a patient in a hospital, a client in a community mental health center, or a member of a prepaid health maintenance organization.

COV-HIE	Commonwealth of Virginia Health Information Exchange	A services gateway to be created under contract from VDH to a non-profit Governance Body and various technology and services vendors to serve the health information exchange needs of all stakeholders in the Commonwealth of Virginia. COV-HIE is a temporary name, the contracted Governance Body will define official name and branding for the network.
CRM	Customer Relationship Management	An information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way.
DMAS	Department of Medical Assistance Services	DMAS is the agency that administers Medicaid and the State Children's Health Insurance Program (CHIP) in Virginia.
E-scan	Environmental Scan	Process of gathering, analyzing, and dispensing information for tactical or strategic purposes.
EH	Eligible Hospital	To participate in the Medicare and Medicaid EHR Incentive Programs, hospitals must meet the eligibility criteria defined by law. Eligibility groups are listed below: • Acute care hospitals (including Critical Access Hospitals (CAHs) and cancer hospitals) with at least 10% Medicaid patient volume. • Children's hospitals (no Medicaid patient volume requirements).
EHR	Electronic Health Record	A longitudinal electronic record of patient health information generated by one or more encounters in any care delivery setting, including patient demographics, progress notes, problem lists, vital signs, past medical history, review of systems, immunizations, laboratory data, radiology reports, and other components of medical records.
EFT	Electronic Funds Transfer.	Any transfer of funds that is initiated by electronic means, such as an electronic terminal, telephone, computer, ATM or magnetic tape.
EMR	Electronic Medical Record	A computerized legal medical record created in an organization that delivers care, such as a hospital and doctor's surgery.
EP	Eligible Professional	Eligible professionals include physicians, dentists, certified nurse-midwives, nurse practitioners, and physician assistants who are practicing in Federally Qualified Health Centers (FQHCs) or Rural Health Clinics (RHCs) led by a physician assistant. Under the Virginia State Plan, ophthalmologists can participate.
ESB	Enterprise Service Bus	Consists of a software architecture construct which provides fundamental services for complex architectures via an event-driven and standards-based messaging-engine (the bus).
FQHC	Federally Qualified Health Centers	Public and private non-profit health care organizations that meet certain criteria under the Medicare and Medicaid Programs (respectively, Sections 1861(aa)(4) and 1905(l)(2)(B) of the Social Security Act and receive funds under the Health Center Program (Section 330 of Public Health Service Act).
HL7	HL7	The 7th level of the International Organization for Standardization (ISO) seven-layer communications model for Open Systems Interconnection (OSI) - the application level. The application level interfaces directly to and performs common application services for the application processes.
HIE	Health Information Exchange	The mobilization of healthcare information electronically across organizations within a region, community or hospital system.
HIT	Health Information Technology	The umbrella framework that describes the comprehensive management of health information across computerized systems and its secure exchange between consumers, providers, government and quality entities, and insurers.
HIT I-APD	Health Information Technology Implementation Advance Planning Document	Plan of action that requests Federal matching funds and approval to acquire and implement the proposed SMHP services, equipment, or both.
HITAC	Health Information	Consists of members appointed by the chair in consultation with the

	Technology Advisory Commission	Secretary of Technology and represents broad stakeholder engagement in health information technology and exchange.
HITECH	Health Information Technology for Economic and Clinical Health Act	Federal Act that amends Public Health Service Act by adding a number of funding opportunities to advance health information technology. The Act seeks to improve American health care delivery and patient care through an unprecedented investment in health information technology.
HITSAC	Health Information Technology Standards Advisory Committee	Advises the Information Technology Investment Board (ITIB) on the approval of nationally recognized technical and data standards for HIT systems or software.
HITSP	Health Information Technology Standards Panel	Serve as a cooperative partnership between the public and private sectors for the purpose of achieving a widely accepted and useful set of standards specifically to enable and support widespread interoperability among healthcare software applications, as they will interact in a local, regional and national health information network for the United States.
HRSA	Health Resources and Services Administration	Is the primary Federal agency for improving access to health care services for people who are uninsured, isolated or medically vulnerable.
LOINC	Logical Observation Identifiers Names and Codes	Facilitate the exchange and pooling of clinical results for clinical care, outcomes management, and research by providing a set of universal codes and names to identify laboratory and other clinical observations.
MITA	Medicaid Information Technology Architecture	A national framework supporting improved systems development and health care management for the Medicaid enterprise.
MMIS	Medicaid Management Information System	An integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives.
MPI	Master Patient Index	The MPI system is characterized by a structured format that permits instantaneous access to medical patient records and eliminates all paper medical records, allowing accurate, quick documentation and retrieval of patients' visits.
NHIN	Nationwide Health Information Network	Set of standards, services and policies that enable secure health information exchange over the Internet.
NTIA	National Telecommunications and Information Administration	An agency in the U.S. Department of Commerce that serves as the executive branch agency principally responsible for advising the President on telecommunications and information policies.
PHI	Protected Health Information	Individually identifiable information, including demographics, which relates to a person's health, health care, or payment for health care as specified in 45 CFR § 160.103 of the Final HIPAA Privacy Rule. HIPAA protects individually identifiable health information transmitted or maintained in any form.
PPCP	Priority Primary Care Provider	Defined in Virginia HIT Regional Extension Center contract with ONC as providers practicing internal medicine, family practice, Ob/Gyn and pediatrics in groups of ≤10, unless they serve uninsured/underinsured patients.
QIO	Quality Improvement Organizations	Improve the effectiveness, efficiency, economy, and quality of services delivered to Medicare beneficiaries.
QoC	Quality of Care	Metric typically associated with measuring patient outcomes, positive or negative. Can be gathered purely for statistical analyses or as part of a program of continuous improvement in health care provider or payer organizations.
RFP	Request for Proposal	"Official" statement to vendors about the services you require.
RLS	Record Locator Service	Holds information authorized by the patient about where authorized information can be found, but not the actual information the records may contain.
SaaS	Software-as-a-Service	A service provided that includes hardware and software that is licensed

		through the vender rather than purchased. Instead of buying software and paying for periodic upgrades, SaaS is subscription based, and all upgrades are provided during the term of the subscription. When the subscription period expires, the software is no longer valid.
SDE	State Designated Entity	In reference to the contractual relationship between a state and ONCHIT for the funding grants for statewide HIE, when a state abdicates contractual control of the funding and statewide health information exchange to a third party, typically an existing Health Information Exchange within the state. The Commonwealth of Virginia does NOT have an SDE. The responsible agency to ONCHIT for the duration of grant funding being received for statewide health information exchange is the Virginia Department of Health.
SLA	Service Level Agreement	A part of a service contract where the level of service is formally defined.
SMHP	State Medicaid HIT Plan	A plan describing how a state's Medicaid Services agency intends to implement and promote Health IT, especially in light of Meaningful Use requirements as defined by CMS. The American Recovery and Reinvestment Act of 2009 specifies three main components of Meaningful Use: 1. The use of a certified EHR in a meaningful manner, such as e-prescribing. 2. The use of certified EHR technology for electronic exchange of health information to improve quality of health care. 3. The use of certified EHR technology to submit clinical quality and other measures.
SOA	Service Oriented Architecture	A flexible set of design principles used during the phases of systems development and integration.
SS-A	State Self- Assessment	The process by which a state performs an assessment of health IT maturity in both the public and private sector within its borders. Can also be referred to as an environmental scan.
SSAE no. 16	Statements on Standards for Attestation Engagements	An enhancement to the current standard for Reporting on Controls at a Service Organization, the SAS70, with some changes that bring it up to date with international service organization reporting standards, ISAE 3402.
SSL	Security Socket Layer	Cryptographic protocols that provide security for communications over networks such as the Internet.
VDH	Virginia Department of Health	The Commonwealth of Virginia's Health Department.
VHEN	Virginia Health Exchange Network	A collaboration of Virginia health plans and systems dedicated to lowering administrative costs in healthcare convened by the Virginia Association of Health Plans (VAHP), The Virginia Hospital and Healthcare Association (VHHA), and the Governor's Office of Health IT.
VHQC (VHIT REC)	Virginia Health Quality Center (Virginia HIT Regional Extension Center)	The organization offering technical assistance, guidance and information on best practices to support and accelerate health care providers' efforts to become meaningful users of electronic health records (EHRs) in Virginia.

2 BACKGROUND

DMAS is an executive branch agency within the Commonwealth of Virginia and is designated as the single state agency responsible for administering medical assistance programs for the medically indigent in Virginia. Although Medicaid is the largest medical assistance program administered by DMAS, the Department also administers other programs.

2.1 The Medicaid Management Information System

The Medicaid Management Information System (MMIS) is a mechanized system of claims processing and information retrieval and is used in most state Medicaid programs. The system is used to process Medicaid claims from providers and to retrieve and produce utilization data and management information about medical care and services furnished to members.

The MMIS runs on an IBM mainframe leased by the Commonwealth's Fiscal Agent and supported by a variety of ancillary servers. The primary programming language of the MMIS is COBOL using IBM DB2 Relational data base technology for the information. Multiple methods for telecommunication to the MMIS are supported for secure batch file or email exchanges by the Fiscal agent: multiprotocol label switching (MPLS), secure file transfer protocol (FTP), or virtual private network (VPN). The Virginia MMIS contains approximately 900,000 active members, 90 million claims history, and 80,000 provider records.

2.2 The American Recovery and Reinvestment Act of 2009 (ARRA)

ARRA was enacted on February 17, 2009 is intended to stimulate the economy. Among other provisions, the new law provides major opportunities for the Department of Health and Human Services (DHHS), its partner agencies, and the States to improve the nation's health care through HIT**.** To promote the Meaningful Use of electronic health records (EHR), incentives are available for eligible entities. For a copy of the full bill, go to: http://www.hhs.gov/recovery/overview/index.html

The HIT provisions of the Recovery Act are found primarily in Title XIII, Division A, Health Information Technology, and in Title IV of Division B, Medicare and Medicaid Health Information Technology. These titles together are cited as the Health Information Technology for Economic and Clinical Health Act or the HITECH Act. Under Title IV, funding is available to certain Eligible Professionals (EPs) and hospitals, as described below. Funds will be distributed through Medicare and Medicaid incentive payments to EPs and hospitals that are "meaningful EHR users."

ARRA also provides for Regional Extension Centers (RECs) to provide outreach, education, and technical assistance to assist providers in adopting, upgrading, and implementing EHRs and/or attaining or exceeding Meaningful Use of certified EHR. Virginia Health Quality Center (VHQC) has been designated as Virginia's sole Regional Extension Center (VHIT REC).

Certain classes of Medicaid professionals and hospitals are eligible for incentive payments to encourage the adoption and use of certified EHR technology. Eligible professionals include physicians, dentists, certified nurse-midwives, nurse practitioners, and physician assistants who are practicing in Federally Qualified Health Centers (FQHCs) or Rural Health Clinics (RHCs) led by a physician assistant. Under the Virginia State Plan, ophthalmologists can also participate.

Eligible professionals must meet minimum Medicaid patient volume percentages but do not need to be enrolled in Medicaid; they must waive rights to duplicative Medicare EHR incentive payments. Eligible professionals may receive up to 85 percent of the net average allowable costs for certified EHR technology, including support and training (determined on the basis of studies that the Secretary of HHS will undertake), up to a maximum level, and incentive payments are available for no more than a 6-year period.

Acute care hospitals with at least 10 percent Medicaid patient volume would also be eligible for payments, as would children's hospitals of any patient volume. Entities that promote the adoption of certified EHR technology, as designated by the State, are also eligible to receive incentive payments through arrangements with Eligible Professionals under

certain conditions. VHQC, as Virginia's REC, is a designated entity.

To be eligible for incentive payments not associated with the initial adoption/implementation/upgrade of EHR technology, the provider must demonstrate Meaningful Use of the EHR technology through a means approved by the State and acceptable to the Secretary of HHS. In determining what is Meaningful Use, DMAS must ensure that populations with unique needs, such as children, are addressed. In addition, to the extent specified by the Secretary of HHS, the EHR technology must be compatible with State or Federal administrative management systems.

EPs may not receive an incentive under both Medicare and Medicaid in a given year. The Centers for Medicare and Medicaid Services (CMS) expects that the prevention of duplicative payments will be addressed more fully through notice and comment rulemaking.

The CMS Registration and Attestation System became operable in January 2011. DMAS projects it will begin reviewing applications in the first quarter of 2012. Figure A depicts CMS-defined major milestones and deadlines in the Incentive Program.

Figure A CMS Medicaid EHR Incentive Program Milestone Timeline

2.3 State Medicaid Health Information Technology Plan (SMHP)

As part of DMAS' administration of the EHR Provider Incentive Program, CMS requires the State to submit for approval an SMHP. This plan describes how DMAS expects to encourage, administer, and monitor incentive payments to Eligible Professionals and hospitals. The draft SMHP was submitted to CMS for comments and questions on September 1, 2010. The conditionally approved draft is available at http://dmasva.dmas.virginia.gov/Content_atchs/atchs/pr-smhp.pdf.

Additionally the SMHP addresses how DMAS' efforts will fit together with and support broader Health Information Exchange (HIE) efforts in Virginia including the VHQC (VHIT REC), and how best DMAS can align with the Medicare models. DMAS plans to contract with VHQC (VHIT REC) to extend the outreach of their work currently funded under ARRA to all Medicaid Eligible Professionals and Hospitals regardless of size.

3 SCOPE OF SERVICES

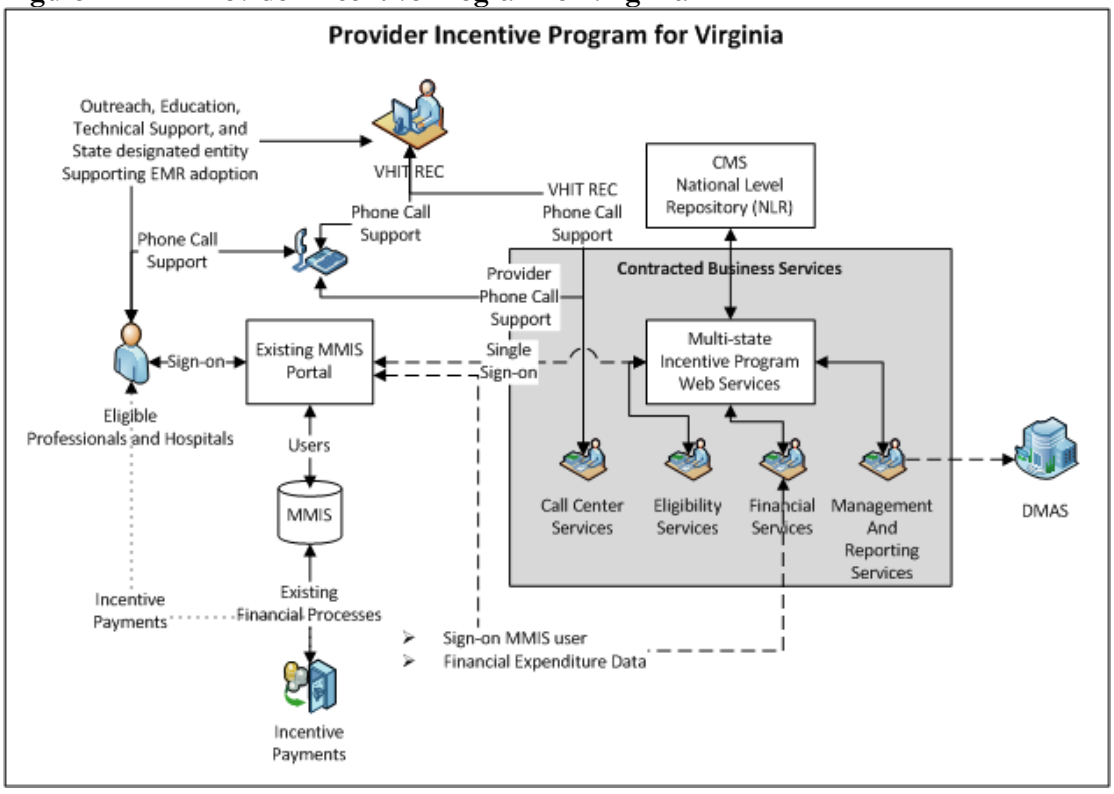
In order to implement the EHR Provider Incentive program, DMAS seeks to competitively procure a multi-state/territories turn-key solution for incentive payment program administration and its supporting SaaS. The successful Offeror will provide a business service that provides a multi-state/territories solution for the Medicaid EHR Incentive Payment Program under CMS Final Rule for Meaningful Use of EHR 42 CFR Part 495, Subpart D (the Act). This solution will include infrastructure management, a provider portal accessible from the Virginia Medicaid portal, and interfaces to the MMIS and the CMS Registration and Attestation System. Specific process details will depend on the workflow the Contractor is using and what data is needed from DMAS to support the workflow.

The EHR Provider Incentive process as conceived by CMS, will begin when a provider registers with the CMS Registration and Attestation System and elects consideration for incentives for a given state and program (Medicaid/Medicare). Then, in the case of a Virginia Medicaid selection, DMAS/Contractor will be notified from the interfaces with the CMS Registration and Attestation System and will then contact the provider to begin the eligibility process.

Virginia providers will interface with the selected multi-state/territories solution as shown in Figure B. The providers will use the existing Medicaid portal to access the EHR incentive system. Incentive payments could be made from existing functionality in the MMIS or the Contractor may propose an alternative. DMAS prefers a turn-key solution that handles all financials, 1099s, and EFT payments. The successful vendor will provide SaaS that integrates with the CMS Registration and Attestation System for the operational staff. The Contractor will handle eligibility, payment, reporting, and general call center information on the incentive program (referring contacts to VHQC (VHIT REC)).

The providers' primary method of direct support is through the VHCQ (VHIT REC) call center; however, providers may also access the Contractor's call center concerning the Virginia EHR Incentive Program. VHQC (VHIT REC) may also use the Contractor's call center to obtain help, coordinate efforts, report SaaS problems, and obtain answers to specific EHR Incentive Program policy questions.

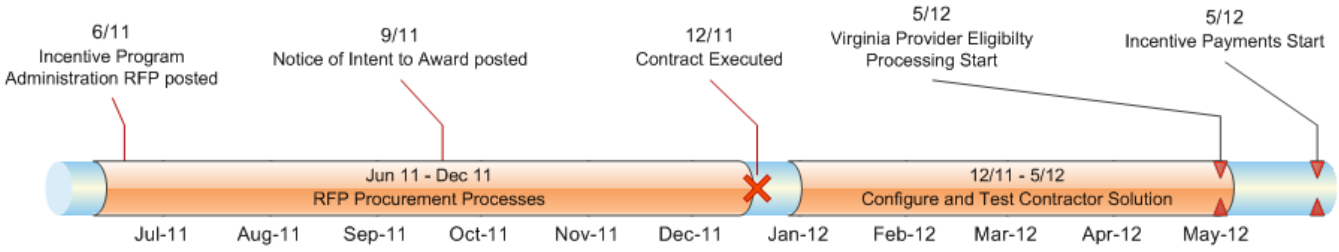
Figure B EHR Provider Incentive Program for Virginia



3.1 Implementation Timeline

Figure C below shows the envisioned implementation timeline for proposal purposes. The actual timeline issued will be based upon the proposed and agreed upon work plan.

Figure C Implementation Timeline for Virginia Medicaid EHR Provider Incentive Program



3.2 Mandatory Program Specifications

The successful Offeror must be able to meet the following requirements. Offerors will demonstrate their understanding and ability to perform these tasks in their Technical Proposal to the Department:

- Demonstrate via the Offeror's references and statement of work that they are already providing EHR Provider Incentive Program administrative and SaaS to one or more States and/or territories. Preferably, turn-key solutions;
- Demonstrate via the Offeror's statement of work that the proposed solution meets all CMS guidelines, processes, DMAS requirements, and technical requirements;
- Demonstrate via the Offeror's statement of work how the vendor is currently working with one or more states/territories and CMS to develop, test, and deploy their solution;
- Demonstrate via the Offeror's references and statement of work how the vendor can support both Fee-for-Service (FFS) and Managed Care Organization (MCO) Eligible Professionals, Some Virginia EPs take both FFS and MCO patients;
- Demonstrate via the Offeror's references and statement of work their process, procedures, communications plan and ability to perform all tasks required by this RFP;
- Demonstrate via the Offeror's references and statement of work their risk mitigation, disaster recovery and high-level timeline and implementation plans for their solution; and
- Submit the completed Attachments V and VIII, Requirements Matrix and Vendor Required Responses, respectively, with the proposal.

4 TECHNICAL AND BUSINESS REQUIREMENTS

This section contains the technical proposal requirements for this RFP. The Offeror shall provide a narrative of how it will define and perform each of the required tasks listed in this section with specific cross-referencing of the Offeror's proposal response to each RFP requirement. The narrative shall demonstrate that the Offeror has considered all the requirements and has developed a specific approach to meeting them in order to implement and conduct a successful ongoing project through the term of this contract. It is not sufficient to state that the requirements will be met without supporting documentation and demonstration of a thoughtful, detailed and comprehensive response. The description shall correspond to the order of the tasks described herein. The Offeror may perform all of these processes internally or involve subcontractors for any portion. Subcontractors shall be identified by name and by a description of the services/functions they will be performing. The Contractor shall be wholly responsible for the performance of this entire contract whether or not subcontractors are used.

It is DMAS' objective to identify a qualified vendor that can describe the methods it will use to provide program administration and SaaS for the EHR Provider Incentive Program for all services and procedures outlined in this RFP and that DMAS requests in an efficient and effective manner. The successful Offeror will also provide industry best practice functionality that will place the Virginia EHR Provider Incentive Program into full-compliant operation as quickly as possible. DMAS encourages potential vendors to bring new ideas and innovations to the process, and propose enhancements that will help DMAS more effectively balance its responsibilities to Virginia providers with the fiscal needs of Virginia taxpayers.

To comply with the terms of this RFP, Offerors must propose as part of their response to the RFP EHR Provider Incentive Program administrative and SaaS functions that addresses, at a minimum, the requirements below. Offerors are encouraged to propose additional items that add value to the contract.

Table 1 Technical and Business Requirements

TECHNICAL REQUIREMENTS	
Eligibility	
1	Interface with the CMS Registration and Attestation System to receive enrollment data and to communicate eligibility determinations back to the CMS Registration and Attestation System.
2	Check that EPs are properly licensed, non-sanctioned or excluded by the OIG LEIE, and non-hospital based in accordance with the Act.
3	Capture and maintain attestations for patient volume thresholds; adopt, implement, or upgrade; and Meaningful Use in accordance with the Act.
4	Verify that an eligible hospital's (EH) Medicare/Medicaid provider number, which has been renamed the CMS Certification Number (CCN) and verify it is in the allowable range in accordance with the Act.
5	Capture and maintain attestations that hospitals have an average length of stay of 25 days or less.
6	Capture state-requested supporting information from the provider (document attachments).
7	Maintain a database of readable data on all eligibility transactions for the duration of the contract.
8	Allow providers to choose either patient volume formulas set forth in the final rule. For Virginia providers that see both Fee-for-Service (FFS) and Managed Care patients, the FFS visits should be considered as encounters and included in the MCO patient population.
Monitoring and Validation	
9	Require and capture each applying provider's National Provider Identifier (NPI).
10	Require and capture each applying provider's Tax Identification Number (TIN).
11	Import claims (including encounters) from the MMIS.
12	Provide monthly service level agreement monitoring and reporting.
13	Track incentive payments.
14	Provide a change management methodology.
Payments	
15	Provide payment calculation as defined in the Act for EPs and EHs.

16	Calculate payments that are not paid at amounts higher than 85 percent of the net average allowable cost of certified EHR technology and the yearly maximum allowable payment thresholds.
17	Interface with the CMS Registration and Attestation System in accordance with the Act to ensure that an EP or EH that collects an EHR payment incentive has collected an incentive payment from only one state even if the provider is licensed to practice in multiple States.
18	Interface with the CMS Registration and Attestation System in accordance with the Act to ensure there is no duplication of Medicare and Medicaid incentive payments to EPs.
19	Calculate yearly payments according to provider participation year.
20	Ensure payments are made for no more than a total of 6 years; that no EP or EH begins receiving payments after 2016; that incentive payments cease after 2021; that an EH does not receive incentive payments after FY2016 unless the hospital received an incentive payment in the prior fiscal year; and that incentive payments for hospitals are disbursed over three-year period.
21	Capture and maintain payment information, including designated assignees as allowable under the Act.
22	Utilize national data standards for health data exchange and open standards for technical solutions as they become available.
23	Ensure secure data exchange using SSL in compliance with HIPAA and other requirements included in ARRA.
24	Track and process incentive payments to providers in a timely and predictable manner. The vendor will be given appropriate level of secure access to the MMIS through the Medicaid portal that is accessible from the Internet.
	Fraud/Abuse and Appeals
25	Provide on-demand data to support fraud or abuse investigations.
26	Provide on-demand data to support audit requests.
27	Provide on-demand data to support reconsideration or appeal requests.
	BUSINESS REQUIREMENTS
	Eligibility
1	Ensure that each EP (FFS and MCO) and EH meets all provider enrollment eligibility criteria upon enrollment and re-enrollment to the Medicaid EHR payment incentive program. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information, such as hospital cost reports.
2	Ensure patient volume is consistent with the criteria in 42 CFR §§ 495.304 and 495.306 for each EP who practices in a FQHC or RHC and for each Medicaid EP (FFS and MCO) who is a physician, pediatrician, nurse practitioner, certified nurse midwife, dentist or optometrist. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information, such as hospital cost reports.
3	Ensure that the EP (FFS or MCO) or EH is a provider who meets patient volume consistent with the criteria in 42 CFR §§ 495.304 and 495.306. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information, such as hospital cost reports.
4	Ensure that each EP (FFS and MCO) is not hospital based in accordance with the Act. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information, such as hospital cost reports.
5	Ensure that a hospital eligible for incentive payments has demonstrated an average length of stay of 25 days or less. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information, such as hospital cost reports.
	Monitoring and Validation
6	Review claims extracts and other available data to verify attestations, such as information from VHIT REC.
7	Monitor the compliance of providers coming into the program with different requirements depending upon their participation year.
8	Provide operational procedures for all contracted areas.
9	Provide service level agreements currently used with other states/territories.

Payments	
10	Monitor that incentives are paid, without deduction or rebate, directly to an EP or EH or to an employee or facility to which such provider has assigned payments. Investigate whether a relationship between an EP and its designated payee is valid.
11	Through interaction with the CMS Registration and Attestation System, monitor that no duplicate payments are made.
12	Monitor that payment calculations are accurate.
13	Monitor that entities promoting the adoption of certified EHR technology do not retain more than 5% of such payments for costs not related to EHR technology.
14	Provide Electronic Fund Transfer (EFT) payments to providers.
Fraud/Abuse and Appeals	
15	Monitor fraud and abuse through interaction with the CMS Registration and Attestation System and support State and Federal government access to the information.
Communication and Outreach	
16	Provide a call center for specific enrollment, validation, and incentive questions and coordinate efforts with VHQC (VHIT REC). The primary method of communication and outreach will be performed by VHQC (VHIT REC).
17	Provide a secure mechanism for providers to submit questions via email

4.1 Responsibilities of DMAS and the Contractor

DMAS serves as the Contract Administrator. The Contractor will be responsible for the administration of the program.

4.2 Estimated Volume

Virginia conducted an environmental scan (e-scan) in spring of 2010 to attempt to gain better estimates directly from providers, Managed Care Organizations (MCO), and hospital systems. Neither the MCO nor the provider survey supplied enough responses for a statistically valid sample. The estimates provided in the tables below are derived from MMIS data and industry standard information.

Table 2 Estimated Hospital Data Based on 2009 Data

Hospitals not meeting volume threshold	31
Hospitals meeting volume threshold[1]	55

[1] These hospitals are estimated to meet the volume threshold but are not confirmed to be within the allowable CCN range.

Table 3 Percent Medicaid Visits of Total Estimated Practice Visits for Physicians, Nurse Practitioners & Dentists

% Medicaid Visits of Total Estimated[1, 2, 3] Practice Visits:	Number of Physicians (Column %)	Number of Nurse Practitioners (Column %)	Number of Dentists (Column %)	Total Physicians, Nurse Practitioners & Dentists (Column %)
Medicaid < 20 percent	9548(87.42)	382(88.02)	824(83.66)	10,754(87.15)
20-29 percent	428[4](3.92)	17 (3.92)	54(5.48)	499[4](4.04)
30 percent or more	945(8.66)	35 (8.06)	107(10.86)	1,087(8.81)
Total	10,921(100.0)	434 (100.0)	985(100.0)	12,340(100.0)
Total Physicians, Nurse Practitioners & Dentists Estimated Eligible for HIT Incentives[5]	**1025[4]**	**35**	**107**	**1,167**

[1] For physicians, Mountain States Group estimates 4800 visits to a physician (family physician) in a year, reduced here to 1200 for selected claims period. Estimate based on American Medical Association and Department of Health and Human Services data. Optometrists are excluded from counts.

[2] For nurse practitioners, Mountain States Group estimates 3000 visits to a nurse practitioner in a year, reduced here to 750 for selected claims period. Estimate based on American Medical Association and Department of Health and Human Services data.

[3] For dentists, an estimate of 1465 dental visits per dentist per quarter based on discussions with the DMAS dental consultant.
[4] Includes 80 pediatricians who meet the HIT legislation criteria for incentive payments because Medicaid patient visits are 20 percent or more of total practice visits.
[5] Physicians with the exception of pediatricians, nurse practitioners and dentists must have 30 percent or more Medicaid patient visits of total practice visits.
Data Sources: MMIS SAS claims and encounters dates of service January – March 2009, hospital-based visits excluded, Medicaid-Medicare visits excluded, and nurse practitioner-nurse midwives excluded. Mountain States Group "Tools for Estimating Need for Physicians, Market Penetration, Revenue Potential", not dated. DMAS dental consultant for total visits per dentist estimate, 5/2010.

4.3 Incentive Program Administration

4.3.1 Enrollment and Eligibility Verification

The Contractor is expected to have processes and procedures in place that meet CMS stated requirements to include attestations. For Virginia providers, the Contractor can verify provider licensure using the Department of Health Profession's licensing web site and provider and claims information from the Department's MMIS in order to perform due-diligence verification of the provider's attestation and supporting documentation. The Offeror should propose what information from DMAS will be needed. It should be noted, not all Virginia providers will be enrolled Medicaid providers so the MMIS will not have provider information available for providers that are not enrolled.

4.3.2 Incentive Payments

The Offeror shall propose its plan and processes for making incentive payments promptly to include an ad hoc back-up method.

4.3.3 Meaningful Use Attestations

The Offeror shall describe in detail the SaaS process for provider Meaningful Use attestations as well as any documentation needed by the Contractor to support due diligence.

4.4 Provider Relations

4.4.1 Provider Education

The Contractor shall provide a call center for specific EHR Provider Incentive Program questions, a Website, computer-based training, FAQs and Webex capabilities as well as coordinate with VHQC (VHIT REC), which has the primary responsibility for provider outreach and education. The Offerors, in response to this RFP, must submit its technology and education plan for the duration of the contract.

4.4.2 Provider Reconsideration to the Contractor

The Contractor shall have a reconsideration process in place available to providers who wish to challenge adverse decisions. This process, independent from and prior to the DMAS Appeals process, must assure that appropriate decisions are made as promptly as possible. The Contractor, in response to this RFP, must submit its reconsideration process, including timelines, which allows for automatic review of those requests.

4.4.3 Provider Appeals to DMAS

Medicaid providers have the right to appeal adverse actions to the Department. After exhausting the Contractor's reconsideration process, the Contractor must inform providers of their right to appeal to the Department, the timeframes and the Department's address to be used for filing a Request for Appeal to the Department. For appeals of Contractor actions filed by providers, the Contractor shall assist DMAS by presenting the Department's position during the administrative appeals process. In addition to the required reconsideration process administered by the Contractor, DMAS has two levels of administrative appeals for providers challenging an adverse action. These two levels are generally referred to as the informal level and the formal level. At the informal level, the Contractor prepares the written appeal summary on behalf of DMAS and represents DMAS at an informal fact-finding conference conducted by a DMAS employee (the Informal Appeals Agent), with the provider participating in person or by telephone, as determined by the

Informal Appeal Agent. At the formal level, the Contractor assists the DMAS staff attorney in preparing the case summary, complies with any subpoena or deposition requests that may be issued pursuant to the Virginia Administrative Process Act at Va. Code § 2.2 4000 *et seq*., and acts as a witness at the formal administrative hearing before a Hearing Officer appointed by the Virginia Supreme Court.

Upon the Department's receipt of a Request for Appeal from a provider, the Department will notify the Contractor and the Contractor shall prepare and submit appeal summaries to the DMAS Appeals Division, the DMAS Contract Monitor, and the provider involved in the appeal in accordance with required applicable regulatory requirements and timeframes. The appeal summary content and timelines are specified by regulations governing provider appeals. The Contractor shall comply with all state and federal laws, regulations, and DMAS policies regarding the content and timeframes for appeal summaries. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees and costs incurred by DMAS as a result of the Contractor's failure to submit appeal summaries within the required timeframe or with the required content.

The Contractor shall attend and defend the Contractor's decisions at all appeal hearings or conferences, whether informal or formal, or whether in person or by telephone, or as deemed necessary by the DMAS Appeals Division staff. The Contractor's Medical Director shall be available, by telephone or in person, as determined by the Appeals Division staff, for conferences and hearings involving adverse actions taken on the basis of medical necessity. All appeal activities including but not limited to Contractor travel, telephone expense, copying expenses, staff time, documents retrieval and storage shall be borne by the Contractor. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees and costs incurred by DMAS as a result of the Contractor's failure to attend or defend the Contractor's decisions within required timeframes at all appeal hearings or conferences.

Flow charts that outline the general appeal process for provider appeals are set forth in Attachment VI.

4.5 Incentive Program Administrative Offices

The Contractor shall provide and maintain an Incentive Program Administrative office with a dedicated toll-free telephone number accessible to Virginia providers.

The Offeror shall describe the operation, monitoring and support of an automated call distribution system and operations that have the capability to receive requests via telephone, facsimile and/or direct data entry. The multi-state/territory processing center should perform the following general functions:

- Complete eligibility decisions and handle reconsiderations and appeals;
- Provide technical support functions for providers who request assistance on how to complete the processes described under this RFP;
- Provide general information in response to provider inquiries; and
- Refer providers that need more information or technical support to VHQC (VHIT REC).

The Offeror may propose their existing Incentive Program Office hours stated in Eastern Standard Time. It is expected that the office will be available Monday through Friday with a defined and published holiday schedule and office hours.

4.5.1 EHR Provider Incentive Program Call Center

The Contractor shall establish and maintain a toll-free Provider Incentive Program Call Center in support of all the Provider Incentive Program functions. Through the call center, the Contractor will provide professional, prompt, and courteous service and process all incoming telephone inquiries for all Provider Incentive Program functions. The call center hours of operation shall be Monday through Friday 0800-1700 excluding state holidays and DMAS pre-approved exceptions.

The Contractor shall provide sufficient staff, facilities, and technology such that ninety-five percent (95%) of all calls received in the processing center are answered by a live voice in 90 seconds. The total number of busy signals and abandoned calls measured against the total calls attempted shall not exceed five percent (5%) on an average daily basis;

The Contractor shall agree to the following call center requirements:

- Maintain a dedicated Automated Call Distributor system with toll-free telephone and facsimile numbers for Provider Incentive Program customers;
- Digitally record the audio of all incoming and outgoing calls;
- Retain all digital recordings of incoming and outgoing calls for a period of no less than 12 months;
- Provide the capability to review and furnish to DMAS historic call recordings;
- Provide greeting and educational messages while callers are on hold;
- Provide access for the Contract Monitor or other authorized DMAS staff to have access to privately listen to incoming and outgoing calls for quality-assurance purposes;
- Provide a voice-messaging system to be available only after normal business hours and calls must be returned by 5:00 PM the next business day;
- Implement and maintain a dedicated facsimile server solution to accommodate incoming and outgoing facsimiles from staff computers; and
- Provide detailed weekly reports of industry standard call statistics (Average Talk Time, Abandonment Rate, etc.) to be mutually agreed upon by DMAS and the Contractor.

4.6 Requirements Matrix and Vendor Required Responses

Offerors shall indicate their capability of fulfilling all requirements set forth in Attachment V of this RFP. Additionally, Offerors must complete and submit Attachment VIII, Vendor Required Responses. Each Offeror's response will be reviewed and compared independently against the requirements of the RFP, in order to determine the best solution for meeting DMAS' requirements. Unless otherwise noted, all requirements and Offeror responses shall apply to any user (Offeror's employee or agent) of a potential resulting contract.

Offerors are required to indicate their capability of fulfilling each specific requirement listed in Attachment V. Each Offeror's responses will be reviewed and compared across Offerors to determine the best solutions for the Commonwealth. To respond to each requirement, Offeror is asked to enter a code that best corresponds to its intended response for the requirement listed. The acceptable codes for this column are as follows:

- Y – "Yes" – Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier is to provide in the column labeled "Comments" an explanation of how it will fulfill the requirement. Supplier may also use "Comments" column to cross-reference a detailed explanation included in an attachment of its proposal.
- F – "Yes, Future" – Supplier will be able to fully meet this requirement in the near future. Supplier SHALL provide a proposed start date, and cross-reference any attached documentation in the "Comments" column.
- N – "No" – Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within the contract period.

A blank or "NA" in any box in "Offeror Response" column will be interpreted by DMAS as an "N".

In the column titled "Comments", Offeror shall describe in detail how it will fulfill each requirement it has marked with a Y or F. For requirements marked with an N, Offeror shall explain its answer and offer any applicable alternatives.

Offeror may opt to provide this information in another format; However, all questions shall be answered in the order they are posed. Offeror shall restate the actual question and question number at the beginning of each response in order to facilitate ease of review.

4.7 Staffing Requirements

4.7.1 Office Location

The Contractor is not required to maintain a physical business office in Virginia as long as the services are easily accessible to Virginia providers, DMAS Staff, and VHQC (VHIT REC).

4.7.2 Staffing Plan

DMAS encourages the Offeror to propose a staffing plan that mirrors best industry practices for a multi-state/territories EHR Provider Incentive Program turn-key solution. The plan must emphasize efficiency and flexibility. A Staffing plan should include, at a minimum, the following:

- A sufficient number of dedicated operational staff, with the necessary knowledge, education, and experience, to implement, operate, and administer a multi-state/territories EHR Provider Incentive Program administrative solution that can also support Virginia's needs;
- Sufficient technical support services staff for SaaS to ensure timely and accurate processing of system support and maintenance services, reports and requests (i.e., telephone systems, information systems, etc.) to the Contractor's dedicated administrative staff, DMAS staff, and Virginia providers;
- Sufficient number of staff dedicated to perform quality management and improvement activities;
- Description of the types of personnel who shall handle administration of the multi-state/territory incentive program; and
- An organizational chart with management and supervision indicated. This section shall also include a description of the Offeror's plan for staff training, including cross training of staff, components and length of training curriculum, a plan for on-going training, and a proposal of a Training Guide or Procedures Manual.

The Contractor shall not have an employment, consulting or any other agreement with persons who has been debarred or suspended by any federal agency for the provision of items or services that are significant and material to the entity's contractual obligation with the State.

The staffing for the plan covered by this RFP must be capable of fulfilling the requirements of this RFP. A single individual may not hold more than one (1) position unless otherwise specified. The minimum staff requirements are as follows:

- A Project Director dedicated to the multi-state/territories EHR Provider Incentive Program services project specifically identified with overall responsibility for the administration of this RFP. The Project Director shall serve as the liaison to the Department by communicating with the Department's contract monitor regarding service issues. This person shall be at the Contractor's officer level and is responsible for the multi-state/territories solution to include Virginia. Said designee shall be responsible for the coordination and operation of all aspects of the RFP. The Project Director shall be available to DMAS by telephone during regular business hours;
- Sufficiently trained and experienced support staff to conduct daily business in an orderly and efficient manner, including such functions as administration and accounting, and appeal reconsideration process;
- Sufficient trained and experienced administrative and clinical staff who can address the unique needs of the providers while assuring that services are provided in the most economical manner;

- Full-time supervisors with overall responsibility of supervising staff;
- Full time IT support with responsibility for SaaS solution for building interfaces, modifying systems, maintaining Web portal, testing, and readiness reviews;
- A quality assurance coordinator;
- Sufficient staff that are trained and experienced in information systems, data processing and data reporting as required to provide necessary and timely reports to the Department;
- A staff of qualified, trained personnel, whose primary duties are to process requests and maintain a call center and be responsible for assisting providers and other caller processing requests, answering questions, and handling inquiries;
- The Offeror's staffing plan must include the materials and methods used (on-going) for training staff, including the handling of the call line and other telephone inquiries. The Contractor shall provide copies of all training materials and a description of methods used for training staff with this RFP submission and annually thereafter;
- The Contractor shall identify in writing the name and contact information for the multi-state/territories Project Director at the implementation of the program. Key contact persons shall also be provided for Accounting and Finance, and Information Systems within thirty (30) days of program implementation. The Contractor must notify the Department of any changes in staff persons during the term of this RFP in writing within 10 business days; and
- Failure to maintain the proposed staffing level to meet contract requirements may result in a reduction in the Department's payments to the Contractor.

The Contractor's failure to comply with staffing requirements as described in this RFP shall result in the application of liquidated damages as specified in Attachment I of this RFP.

4.8 Virginia Medicaid Management Information Systems (VAMMIS) Interface Requirements

In response to this RFP, the Offeror must describe how its staff would access the MMIS information necessary to support the incentive program, if this approach is proposed. User access can be provided to the Contractor's staff via the Virginia Medicaid portal for triggering authorized payments to providers as well as access to the provider and claims information for provider eligibility purposes. Further, the Contractor will need to be able to receive and intake payment information extracted from the MMIS to post to CMS Registration and Attestation System.

The Contractor may propose similar methods and techniques used for other states/territories in their multi-state/territories solution. For example, provider or claims data extracts to load into the SaaS in order to increase staff operational efficiency and minimize cost.

4.8.1 Data Mapping

The Contractor shall complete all data mapping necessary to extract information from the MMIS at no cost to the Department. This will consist of a cross-reference map of required VAMMIS data and Contractor system data elements and data structures. Any changes required by the Contractor shall be borne by the Contractor at no expense to the Department.

4.8.2 System Security

The Contractor will apply recognized industry standards governing security of State and Federal Automated Data Processing systems and information processing. At a minimum, the State requires the Contractor to conduct a security risk analysis and to communicate the results in an Information Security Plan.

Throughout the term of the contract, the Contractor must remain compliant with the most stringent requirements from the following security references:

- Section 1902 (a) (7) of the SSA;
- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later);
- COV ITRM Policy SEC519-00 dated July 24, 2009 (revised) (or later);
- COV ITRM Standard SEC501-01 dated August 11, 2009 (revised) (or later); and
- DMAS policies that require all access over public networks to disallow the use of weak encryption keys for all platforms unless it is already an IT standard.

The risk analysis will also be made available to appropriate Federal agencies.

The following specific security measures should be included in the system design documentation and operating procedures:

- Computer hardware controls that ensure acceptance of data from authorized networks only;
- At the Contractor's central facility, placement of software controls that establish separate files for lists of authorized user access and identification codes;
- Manual procedures that provide secure access to the system with minimal risk;
- Multilevel passwords, identification codes or other security procedures that must be used by State agency or Contractor personnel;
- All Contractor database software changes related to the EHR Provider Incentive Program may be subject to the Department's approval prior to implementation; and
- System operation functions must be segregated from systems development duties.

The Information Security Plan document must be delivered to the Department 30 days before implementation.

4.8.3 Disaster Preparedness and Recovery at the EHR Provider Incentive Program Site

The Contractor must submit evidence that it has a Business Continuity/Disaster Recovery plan for its processing system. If requested, test results of the plan must be made available to the Department. The plan must be tested before the effective date of the contract and must meet the requirements of any applicable state and federal regulations, and of the Department. The Contractor's Business Continuity/Disaster Recovery Plan must include sufficient information to show that it meets the following requirements:

- Documentation of emergency procedures that include steps to take in the event of a natural disaster by fire, water damage, sabotage, mob action, bomb threats, etc. This documentation must be in the form of a formal Disaster Recovery Plan. The Contractor will apply recognized industry standards governing Disaster Preparedness and Recovery including the ability to continue receiving calls, and other functions required in this RFP in the event that the central site is rendered inoperable. Additionally, the Contractor's disaster plan must include provisions in relation to the processing center telephone number(s);

- Employees at the site must be familiar with the emergency procedures;
- Smoking must be prohibited at the site;
- Heat and smoke detectors must be installed at the site both in the ceiling and under raised floors (if applicable). These devices must alert the local fire department as well as internal personnel;
- Portable fire extinguishers must be located in strategic and accessible areas of the site. They must be vividly marked and periodically tested;
- The site must be protected by an automatic fire suppression system; and
- The site must be backed up by an uninterruptible power source system.

The Business Continuity/Disaster Recovery Plan document must be delivered to the Department 30 days before implementation.

4.9 Connectivity to MMIS Fiscal Agent

The Contractor may not transmit PHI over the Internet or any other insecure or open communication channel unless such information is secured or otherwise safeguarded using procedures no less stringent that those described in 45 CFR § 164.312(e). If the Contractor stores or maintains PHI in encrypted form, the Contractor shall, promptly at the Department's request, provide the Department with the software keys to unlock such information.

The Department will provide technical assistance to the Contractor to ensure that appropriate linkage to the fiscal agent occurs and to ensure that the Contractor purchases the appropriate equipment and software applications necessary for the appropriate connectivity.

All expenses incurred in establishing connectivity between the Contractor and the Department's fiscal agent will be the responsibility of the Contractor. Connectivity to the Department's fiscal agent must be operational thirty-days prior to implementation.

The Contractor is expected to comply with the Health Insurance Portability and Accountability Act (HIPAA) Final Rules and Standards related to the electronic transactions of data between the Contractor and the department's fiscal agent, electronic correspondence between the Contractor and the Department, and transmission within and out of the Contractor's corporate network including any Internet Service Providers. These HIPAA standards involve:

1. The Privacy of Individually Identifiable Health Information;
2. Standards for Electronic Transactions; National Standards for Employer Identifiers;
3. National Standards for Health Care Provider Identifiers; and
4. HIPAA Privacy and Security Regulations.

4.9.1 Contractor Electronic Access to Department's Fiscal Agent

The Contractor may propose to "pull" or "push" all data from the Department's fiscal agent in a HIPAA compliant and secured fashion by secure FTP to support the provider incentive program requirements. The Department's fiscal agent will require the execution of a trading partner's agreement for EDI connection. The Contractor shall describe in detail how they will pursue the secure FTP connectivity. All expenses incurred in establishing connectivity between the Contractor and the Department's fiscal agent will be the responsibility of the Contractor. Connectivity and remote access to the Department's fiscal agent must be operational 30 days prior to implementation.

The Contractor must access the ACS Secure File Transfer Server over the Internet. An area on the server will be created for the FTP file exchange by ACS. Files that the Contractor needs to upload to the Secure FTP server will automatically be routed to their respective hosts without the partner's interaction.

4.9.2 DMAS Access to Contractor Database and System

There will be no direct connection to DMAS from the Contractor. The Contractor will provide access to DMAS via 128-bit SSL web front end to the application. All application operations must be able to be accessed via a web browser from DMAS workstations.

The Contractor shall provide DMAS access (read-only) to the Contractor's computer system with respect to all Virginia Medicaid Incentive Program requirements/activities. The Contractor shall provide equipment, training and access to the Contractor's computer system at no cost to the Department. Remote access to the Contractor's database and processing system must be operational 30 days prior to implementation.

The Contractor shall provide DMAS' providers remote access in order for them to access the SaaS.

The Contractor will be expected to provide DMAS with a written Communications Plan to include communications security that describes the use of data that will be transmitted to DMAS or ACS or reside in the custody of the Contractor and how that data is transmitted/accessed. The Communications Plan document must be delivered to the Department 30 days before implementation.

4.9.3 DMAS Remote Access/Email Communications

The Contractor will provide SSL secure email access over the Internet between DMAS and the Contractor. No direct connection or VPNs to DMAS will be used for this purpose nor will DMAS use individual email certificates for its staff. Such secured email will only require DMAS staff to use a 128-bit SSL enabled web browser to access from the contractor or send email to the contractor. DMAS will provide no special application server(s) for this purpose on its side nor accept contractor provided server(s).

4.9.4 Timeliness, Accuracy, and Completeness of Data

The Contractor must ensure that all electronic data submitted to the Department are timely, accurate and complete. At a minimum, data and reports will be submitted via electronic media or via the web in accordance with Department criteria.

In the event that electronic data files are returned to the Contractor due to errors, the Contractor agrees to process incorrect data and resubmit within 24 hours.

4.10 Transition upon Termination Requirements

At the expiration of this Contract, or if at any time the Department desires a transition of all or any part of the duties and obligations of Contractor to the Department or to another vendor after termination or expiration of the Contract, the Department shall notify the Contractor of the need for transition. Such notice shall be provided at least sixty (60) calendar days prior to the date the Contract will expire, or at the time the Department provides notice of termination to Contractor, as the case may be. The transition process will commence immediately upon such notification and shall, at no additional cost to the Department, continue past the date of contract termination or expiration if, due to the actions or inactions of Contractor, the transition process is not completed before that date.

If delays in the transition process are due to the actions or inactions of the Department or the Department's newly designated vendor, the Department and Contractor will negotiate in good faith a contract for the conduct of and compensation for transition activities after the termination or expiration of the Contract. In the event that a subsequent Contractor is unable to assume operations on the planned date for transfer, the Contractor will continue to perform operations on a month-to-month basis for up to six months beyond the planned transfer date. The Department will withhold final payment to the Contractor until transition to the new Contractor is complete.

4.10.1 Close Out and Transition Procedures

a. Within ten (10) business days after receipt of written notifications by the Department of the initiation of the transition, the Contractor shall provide to the Department a detailed electronic document, containing the following:
    i. The number of individuals enrolled in the Virginia incentive program;

ii. Each participant's name and identification number; and
iii. Information on any pending requests/payments.

b. Within ten (10) business days after receipt of the detailed document, the Department will provide the Contractor with written instructions, which shall include, but not be limited to, the following:
   i. The packaging, documentation, delivery location, and delivery date of all records, data and review information to be transferred. The delivery period shall not exceed thirty (30) calendar days from the date the instructions are issued by the Department.
   ii. The date, time and location of any transition meeting to be held among the Department, the Contractor and any incoming Contractor. The Contractor shall provide a minimum of two (2) individuals to attend the transition meeting and those individuals shall be proficient in and knowledgeable about the materials to be transferred.

c. Within five (5) business days after receipt of the materials from the Contractor, the Department shall submit to the Contractor in writing any questions the Department has with regard to the materials transferred by Contractor. Within five (5) business days after receipt of the questions, the Contractor shall provide written answers to the Department.

d. All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract that is specific to Virginia shall become the sole property of the Department. On request, the Contractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Department to evidence the Department's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

4.11 Reporting Requirements

The Contractor may propose reporting used for other States in the multi-state/territories solution. However, the Department reserves the right to change reporting requirements and request ad hoc reports with sufficient notice.

The Contractor must maintain data necessary to complete reports specified in this RFP. The Contractor shall submit accurate and complete management reports to DMAS at the following intervals: weekly, quarterly (cumulative), and annually, as specified herein, and on demand. The Contractor shall demonstrate experience in data accumulation and in writing reports that are well organized, clear, concise and readable by laypersons. All reports, analyses, and/or publications developed under this contract will be the property of the Department.

In response to this RFP, the Contractor shall include its standard reporting packages including specialized tracking and reviewing reports.

4.11.1 Call Center Reporting

The Contractor may propose reporting used for other States in the multi-state/territories solution. The call center reporting shall be provided weekly and, at a minimum, shall include the following:

- Total hours of daily call center access provided, and any downtime experienced, and an explanation of why downtime occurred;
- Overall call volume, by type of call, including nature of inquiry and source of call;
- Call abandonment rate, and average time prior to abandonment, including for calls placed on hold;
- Wait time for customer service representative; number and percentage of calls on hold that were answered by call line staff within twenty (20) seconds, and intervals thereafter;
- Comprehensive report on the nature of calls received, with counts of the twenty most frequent types of calls handled during the month;
- Detailed statistics regarding provider grievances to include but not be limited to the handling of grievances, reconsiderations or appeals;
- Average time required to call back providers when a call back was required;
- Average length of calls handled; and
- Outcomes of quality improvement measurements.

The processing center shall have the capacity to track individual provider call activity and capture important aspects covered during the call transaction. The Contractor shall report individual call activity data to the Department upon request.

4.11.2 Audited Financial Statements and Income Statements

The Contractor shall provide to the Department copies of its annual audited financial (or fiscal) statements no later than ninety (90) calendar days after the end of the reporting year and Quarterly Income Statements no later than thirty (30) calendar days after the end of each calendar quarter.

4.11.3 Public Filings

The Contractor shall promptly furnish the Department with copies of all public filings, including correspondence, documents and all attachments on any matter that involves this RFP.

4.11.4 Appeals Reports

The Contractor shall provide reconsideration and appeal logs and outcome reports as described in this RFP.

4.11.5 Status Report

The Contractor shall develop a system for identifying and reporting the current EHR Provider Incentive Program status and tracking pending services, outcomes and, reconsiderations awaiting review reports.

4.11.6 Annual Report

The Contractor shall provide an annual report that provides, in addition to statistical data, program changes and accomplishments and a report card summary for the program. The Offeror shall submit sample "annual report card" reports with their RFP Proposal. The Contractor may propose annual reports used for other states in the multi-state/territories solution. The Department reserves the right to request modification to the report and the Contractor will modify the final report to the agreed upon specifications at no cost to the Department.

4.11.7 Other Reporting Requirements

The Contractor shall also provide such additional reports, routine and/or ad hoc in relation to the RFP (and resulting contract) requirements in a format as agreed upon by the Department and the Contractor. The Department shall incur no expense in the generation of such reports. Additionally, the Contractor shall make revisions in the data elements or format of the reports required in this RFP and resulting contract upon request of the Department and without additional charge to the Department. The Department shall provide written notice of such requested revisions of format changes in a notice of required report revisions. Contractor shall maintain a data gathering and storage system sufficient to meet the requirements of this RFP. The Department may impose liquidated damages under Attachment I of the RFP based upon Contractor's failure to timely submit Standard Reports in the required format and medium.

4.11.8 Trend Analysis

Each quarter, the Contractor shall provide to DMAS a trend analysis, profiling program trends, evaluating authorized services including, the number of enrollments, the number of appeal reconsiderations, the number of payments, and the number of reconsiderations that are reversed by the Contractor and overturned by the State on appeal. Upon completion of the qualitative and quantitative analysis, the Contractor shall provide recommendations to the State for suggested policy and/or procedural changes or provider educational needs. The report must be delivered within 30 calendar days of the end of the quarter.

4.12 Fraud and Abuse

4.12.1 Prevention/Detection of Provider Fraud and Abuse

The Contractor shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse activities. Such policies and procedures must be in accordance with Federal regulations described in 42 CFR Parts 455 and 456. The Contractor shall have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist the Contractor in preventing and detecting potential fraud and abuse activities.

4.12.2 Fraud and Abuse Compliance Plan

1. The Contractor may propose an existing multi-state/territory written Fraud and Abuse compliance plan. The Contractor's specific internal controls and polices and procedures shall be described in a comprehensive written plan and be maintained on file with the Contractor for review and approval by the Department with this RFP and as an annual submission as part of the Contract. The Plan shall define how the Contractor will adequately identify and report suspected fraud and abuse by enrollees, by network providers, by subcontractors and by the Contractor. The Plan shall be submitted annually and shall discuss the monitoring tools and controls necessary to protect against theft, embezzlement, fraudulent marketing practices, or other types of fraud and program abuse and describe the type and frequency of training that will be provided to detect fraud. All fraudulent activities or other program abuses shall be subject to the laws and regulations of the Commonwealth of Virginia and/or Federal laws

and regulations.

The Department will provide notice of approval, denial, or modification to the Contractor within thirty (30) calendar days of annual submission. The Contractor shall make any requested updates or modifications available for review after modifications are completed as requested by the Department within thirty (30) calendar days of a request. At a minimum the written plan shall:

a. Ensure that all officers, directors, managers and employees know and understand the provisions of the Contractor's fraud and abuse compliance plan;

b. Contain procedures designed to prevent and detect potential or suspected abuse and fraud in the administration and delivery of services under this contract;

c. Include a description of the specific controls in place for prevention and detection of potential or suspected abuse and fraud, such as:
   i. Incentive program enrollment and payment management;
   ii. Relevant subcontractor and provider agreement provisions;

d. Contain provisions for the confidential reporting by providers and subcontractors of plan violations to the designated person as described in item b. below;

e. Contain provisions for the investigation and follow-up of any compliance plan reports;

f. Ensure that the identities of individuals reporting violations of the plan are protected;

g. Contain specific and detailed internal procedures for officers, directors, managers and employees for detecting, reporting, and investigating fraud and abuse compliance plan violations;

h. Require any confirmed or suspected provider fraud and abuse under state or federal law be reported to the Department and that enrollee fraud and abuse be reported to the Department;

i. Ensure that no individual who reports plan violations or suspected fraud and abuse is retaliated against.

2. The Contractor shall designate an officer or director in its organization who has the responsibility and authority for carrying out the provisions of the fraud and abuse compliance plan.

3. The Contractor shall report incidents of potential or actual fraud and abuse to the Department within two (2) business days of initiation of any investigative action by the Contractor or within two (2) business days of Contractor notification that another entity is conducting such an investigation of the Contractor, its network providers, or its enrollees. All reports shall be sent to the Department in writing and shall include a detailed account of the incident, including names, dates, places, and suspected fraudulent activities. The Contractor shall cooperate with all fraud and abuse investigation efforts by the Department and other State and Federal offices. The Contractor shall provide a quarterly summary report to the Department of all activities and results.

4.13 Readiness for Implementation

No later than 30 days prior to the start of eligibility processing the Contractor shall demonstrate through operational and technical readiness testing, to the Department's satisfaction, that Contractor is fully capable of performing all duties under this Contract, including demonstration of the following:

- That the Contractor has hired and thoroughly trained its staff in accordance with the requirements outlined in this RFP, including on the specifics of the Virginia EHR Provider Incentive Program policies, and that Contractor's staff has sufficient program knowledge to make eligibility, payment, and Meaningful Use determinations needs;

- That the Contractor has trained its staff to handle telephone requests from participating providers, and has provided to the Department copies of the materials and methods used for training;

- That the Contractor has successfully completed the requirements listed in Section 4;

- That the Contractor has the ability to accept and process all methods as listed in Sections 3 and 4 of this RFP;
- That the Contractor has demonstrated the ability to submit and accept to the Department's satisfaction all required documentation with respect to the payments from the Department to the Contractor as described in Section 6; and
- That the Contractor's telephone system is fully operational and staff training has been completed for a readiness review fifteen days prior to the effective date of implementation.

4.14 Implementation

Administration of the EHR Provider Incentive Program by Contractor shall begin on the schedule agreed during contract negotiations. Payment to Contractor as provided in Section 6 (Payments to the Contractor) of this Contract shall begin upon implementation. The Contractor shall not be compensated for any expenses incurred prior to the implementation begin date.

The Contractor shall submit, no later than 30 days after the award of the contract, a detailed implementation plan demonstrating the Contractor's proposed schedule to implement the incentive based on the negotiated schedule. This plan shall include a pre-testing of the Virginia incentive program with select providers as well as VHQC (VHIT REC).

The Department may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services and the Offeror shall furnish to the Department all such information and data for this purpose as may be requested. The Department reserves the right to inspect Offeror's physical facilities, prior to award to satisfy questions regarding the Offeror's capabilities. The Department further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Department that such Offeror is properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

4.15 Internet Site

Contractor agrees to maintain an Internet site with a section or page devoted to Virginia providers that is accessible from the Virginia Medicaid portal. At a minimum, the site shall contain the following:

- An outline of services;
- Provider process workflows;
- Administrative staff process workflows;
- Criteria utilized;
- Contractor contact names, telephone numbers, and addresses for individuals to contact with respect to services covered in this RFP;
- Information about how to submit grievances and or reconsideration appeals to the Contractor and to DMAS;
- Information to assist providers in relation to frequently asked questions; and
- A secure mechanism for providers to submit questions via e-mail in lieu of making a phone call to customer service line.

5 DMAS RESPONSIBILITIES

DMAS will oversee the EHR Provider Incentive Program, including overall program management, determination of policy and monitoring of service. DMAS will work in partnership with the Contractor in developing a quality program. The primary responsibilities of DMAS include:

- Policy and procedures interpretation – DMAS will make the final decision regarding all policy and procedural issues;
- Provide on-going project oversight, management and evaluation to include announced and unannounced visits to ensure regulatory compliance;
- Provide Contractor access to relevant MMIS data needed for incentive program administration;
- Conduct field and desk observations of all Contractor operations;
- Monitor all performance contract standards as stated in this RFP;
- Review and approve any Contractor written policy, subcontracts and/or procedural communications specific to Virginia providers and others prior to release;
- Provide Contractor state, federal or Department guidance relevant to the program;
- Perform periodic audits of Contractor's contractual compliance. Such audits will commence upon 30 days written notice by the DMAS Division of Internal Audit to the Contractor that DMAS will be conducting a review of enumerated aspects of Contractor's contractual compliance. The scope and estimated duration of each such review will be specified in writing; and
- DMAS may also conduct "secret shopper" communications with the contractor to assess the quality of the services.

6 PAYMENTS TO THE CONTRACTOR

6.1 Annual Review of Internal Controls

The Contractor shall provide to the Department and the State Treasurer an SSAE no. 16, Reporting on Controls at a Service Organization, Type 2 Report from its independent auditor that includes a description of its system including the nature of the service provided, how the service is performed, and the service organization's internal controls over the service and related internal control objectives, and an opinion on whether the internal controls were operating effectively relating to the Department's Provider Incentive Program in accordance with sound business principles. The report shall address Contractor privacy practices. The written statement shall be provided annually no later than 90 days after the end of the reporting year.

6.2 Payment Methodology

6.2.1 Fixed Fee Contract for Traditional and Medicaid Specific Services

This is a fixed price contract. DMAS will pay Contractor a fixed monthly payment of _____, which represents payment for provider incentive program administrative services as covered under this contract. If legislative funds are not fully appropriated by July 1st of the subsequent contract years, a reduction or termination in the scope of work shall occur. Payments will be made electronically through the MMIS.

6.2.2 Payment Modifications

In the event of an increase in provider incentive program volume due to uncertainties in estimates used in this RFP, volume thresholds were defined as a risk contingency. Application of the thresholds for billing purposes is as follows: (1) When the Base Price Threshold is exceeded for a calendar quarter (three consecutive calendar months), the contractor may begin using the appropriate High/Higher/Highest Volume Threshold; (2) When the High/Higher/Highest Threshold is below the threshold for a calendar quarter (three consecutive calendar months), the contractor shall use the next lower High/Higher/Highest Volume Threshold.

All costs for service provided in the proposal and resulting contract shall be included in the fixed fee cost and the cost is the sole consideration to be received by Contractor for performance of the contract. There shall be no separate compensation for any other costs, including but not limited to, supplies or any other expense.

6.2.3 Scope of Work Modifications

In the event of federal or State regulatory or program changes, or federally approved SMHP for Virginia that result in changes in population, the Contractor shall provide services specified under this RFP to the impacted population and DMAS reserves the right to negotiate payment to the Contractor as a result of any increase or decrease in population due to federal or State regulatory changes. DMAS will notify the Contractor of any additions or deletions of programs and/or populations and its projected impact on payment at least 90 days prior to the effective date of the addition or deletion of populations.

Any payments for increases or decreases in populations, programs, services and/or criteria shall not be considered for future payment adjustments.

6.3 Travel Compensation

The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

6.4 Payment of Invoice

The payment of the invoice by the Department shall not prejudice the Department's right to object to or question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

6.5 Invoice Reductions

The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the Department, on the basis of audits conducted in accordance with the terms of this RFP, not to constitute proper remuneration for compensable services.

6.6 Deductions

The Department reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the Commonwealth of Virginia any amounts which are or shall become due and payable to the Commonwealth of Virginia by the Contractor, including but not limited to liquidated damages assessed as described in Attachment I to this RFP.

7 PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

Each Offeror shall submit a separate Technical Proposal and a Cost Proposal in relation to the requirements described in this RFP. The following describes the general requirements for each proposal and the specific requirements for the Technical Proposal and the Cost Proposal.

7.1 Overview

Both the Technical Proposal and the Cost Proposal shall be developed and submitted in accordance with the instructions outlined in this section. The Offeror's proposals shall be prepared simply and economically, and they shall include a straightforward, concise description of the Offeror's capabilities that satisfy the requirements of the RFP. Although concise, the proposals should be thorough and detailed so that DMAS may properly evaluate the Offeror's capacity to provide the required services. All descriptions of services should include an explanation of proposed methodology, where applicable. The proposals may include additional information that the Offeror considers relevant to this RFP.

The proposals shall be organized in the order specified in this RFP. A proposal that is not organized in this manner risks elimination from consideration if the evaluators, at their sole discretion, are unable to find where the RFP requirements are specifically addressed. Failure to provide information required by this RFP may result in rejection of the proposal.

7.2 Critical Elements of the Technical Proposal

The Offeror must be providing a multi-state/territory solution in order for its proposal to be submitted. The Offeror must cross reference its Technical Proposal with each requirement listed in Section 4 of this RFP. In addition, the Offeror must assure that the following documentation is included in the proposal:

1. **Implementation Plan:** Submit a detailed implementation plan with in 30 days from contract execution demonstrating the Offeror's proposed schedule to implement the EHR Provider Incentive Program.

   Implementation Schedule: The Contractor shall implement the EHR Provider Incentive Program described in this RFP no later than May 2012. The Contractor shall provide a detailed implementation and work plan, including deliverables and timelines, as part of the proposal. A comprehensive report on the status of each subtask, tasks, and deliverables in the work plan will be provided to the Department by the Contractor every week during implementation;

2. **Multi-state/territories EHR Provider Incentive Program Process**: Submit a detailed description of any proposed multi-state/territories EHR Provider Incentive Program process. The Contractor must address the states/territories using its services, how it will use automation, and what specific steps will be taken to make the Virginia incentive program process consumer/provider friendly;

3. **Call Center:** Submit a detailed description of how the Offeror will staff and operate a toll-free processing/call center. The plan must describe the information and assistance that will be provided by staff , hours of operation, technology components to be used, and plan for ensuring quality controls;

4. **Staffing:** The Contractor must submit a detailed description of the staffing plan, which describes the types of personnel who shall be available, how staff shall be compensated (hourly, wage, temporary), how the staff shall be supervised, and how the staff allocation for each client state/territory is determined. This section shall also include a description of the Contractor's plan for staff training, including components and length of training curriculum, a plan for on-going training, and a proposal of a Training Guide or Procedures Manual; and

5. **Auditing:** Submit a description of how all activities will be audited and how processing center responses will be monitored to ensure accuracy of information provided to callers. This section must also describe a plan to ensure confidentiality of records.

6. **Reporting:** Provide samples or templates of proposed weekly, monthly, and annual reports that the contractor will provide to DMAS throughout the span of the contract.

7. **Outreach:** The Contractor must submit a comprehensive outreach plan detailing the methods and means that will be utilized during the duration of this contract, timeline for outreach activities, and technology used to conduct outreach and education.

8. **Quality Assurance/Compliance:** The Contractor will provide a detailed description of quality assurance activities and their approach to ensuring and monitoring compliance with State and Federal requirements for the program.

7.3 Binding of Proposal

The Technical Proposal shall be clearly labeled "RFP 2011-06 Technical Proposal" on the front cover. The Cost Proposal shall be clearly labeled "RFP 2011-06 Cost Proposal" on the front cover. The legal name of the organization submitting the proposal shall also appear on the covers of both the Technical Proposal and the Cost Proposal.

The proposals shall be typed, bound, page-numbered, single-spaced with a 12-point font on 8 1/2" x 11" paper with 1" margins and printed on one side only. Each copy of the Technical Proposal and each copy of the Cost Proposal and all documentation submitted shall be contained in single three-ring binder volumes where practical. A tab sheet keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.

The Offeror shall submit an original and ten (10) copies of the Technical Proposal and one original of the Cost Proposal by the response date and time specified in this RFP. Each copy of the proposal shall be bound separately. This submission shall be in a sealed envelope or sealed box clearly marked "RFP 2011-06 Technical Proposal". In addition, the original of the Cost Proposal shall be sealed separately and clearly marked "RFP 2011-06 Cost Proposal" and submitted by the response date and time specified in this RFP. The Cost Proposal forms in Section 7.12 shall be used. The Offeror shall also submit one electronic copy (compact disc preferred) of their Technical Proposal in MS Word format (Microsoft Word 2003 or compatible format) and of their Cost Proposal in MS Excel format (Microsoft Word 2003 or compatible format). In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy in PDF format of their Technical Proposal and their Cost Proposal.

7.4 Table of Contents

The proposals shall contain a Table of Contents that cross-references the RFP submittal requirements in Section 4: "Technical Proposal Requirements." Each section of the Technical Proposal shall be cross-referenced to the appropriate section of the RFP that is being addressed. This will assist DMAS in determining uniform compliance with specific RFP requirements.

7.5 Submission Requirements

All information requested in this RFP shall be submitted in the Offeror's proposals. A Technical Proposal shall be submitted and a Cost Proposal shall be submitted in the Offeror's collective response. The proposals will be evaluated separately. By submitting a proposal in response to this RFP, the Offeror certifies that all of the information provided is true and accurate.

All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFP belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act and subject to Va. Code § 2.2-4342. Confidential information shall be clearly marked in the proposal and reasons the information should be confidential shall be clearly stated.

Trade secrets or proprietary information submitted by an Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of § 2.2-4342(F) of the Code of Virginia, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.

The proprietary or trade secret materials submitted shall be identified by some distinct method such as highlighting or underlining and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary

information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and, in the sole discretion of DMAS, may result in rejection and return of the proposal. Attachment VII of this RFP shall be used for the identification of proprietary or confidential information and submitted with the technical response.

All information requested by this RFP on ownership, utilization and planned involvement of small businesses, small women-owned businesses and small minority-owned business (Attachment II) **shall be submitted with the Offeror's Cost Proposal.**

7.6 Transmittal Letter

The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda (if issued).

At a minimum, the transmittal letter shall contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
   a. The Offeror must identify any contracts or agreements they have with any state or local government entity that is a Medicaid and/or Title XXI State Child Health Insurance Program provider or Contractor and the general circumstances of the contract or agreement. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
   b. Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its subcontractors; and
   c. The Offeror must be licensed to conduct business in the state of Virginia.

2. A statement that the Offeror has read, understands and agrees to perform all of the Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, the Contract and Addenda;

3. The Offeror's general information, including the address, telephone number, and facsimile transmission number;

4. Designation of an individual, to include their e-mail and telephone number, as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant Contract; and

5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS.

7.7 Signed Cover Page of the RFP and Addenda

To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP, the cover page of the Addenda, if issued, the Certification of Compliance with Prohibition of Political Contributions and gifts during the Procurement Process" form (Attachment III), and the State Corporation Commission Form (Attachment IX), and submit them along with its technical proposal.

7.8 Procurement Contact

The principal point of contact for this procurement in DMAS shall be:

John Tabb, Division of Program Operations
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219
rfp2011-06@dmas.virginia.gov

All communications with DMAS regarding this RFP should be directed to the principal point of contact. All RFP content-

related questions shall be in writing to the principal point of contact or the DMAS Contract Management Officer. An Offeror who communicates with any other employees or Contractors of DMAS concerning this RFP after issuance of the RFP may be disqualified from this procurement.

7.9 Submission and Acceptance of Proposals

The proposals, whether mailed or hand delivered, shall arrive at DMAS no later than **10:00 a.m. EST** on **August 9, 2011**. DMAS shall be the sole determining party in establishing the time of arrival of proposals. Late proposals shall not be accepted and shall be automatically rejected from further consideration. The address for delivery is:

Proposals may be sent by US mail, Federal Express, UPS, etc. to:
Attention: Christopher Banaszak
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Hand Delivery or Courier to:
Attention: Christopher Banaszak
Department of Medical Assistance Services
7th Floor DMAS Receptionist
600 East Broad Street
Richmond, VA 23219

DMAS reserves the right to reject all proposals. DMAS reserves the right to delay implementation of the RFP if a satisfactory Contractor is not identified or if DMAS determines a delay is necessary to ensure implementation goes smoothly without service interruption. Information will be posted on the DMAS web site, http://dmasva.dmas.virginia.gov/ and eVA Web-site at http://www.eva.virginia.gov/.

7.10 Oral Presentation and Site Visit

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- Reviewing Industry Research;
- Offeror Presentations;
- Site Visits;
- Contacting Offerors References;
- Product Demonstrations/Pilot Tests; and
- Requesting Offerors elaborate on or clarify specific portions of their proposals.

No Offeror is guaranteed an opportunity to explain, supplement or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend or clarify any aspect of their submitted proposals. Therefore, each Offeror is encouraged to ensure that its initial proposal contains and represents its best offering.

Offerors should be prepared to conduct product demonstrations, pilot tests, presentations or site visits at the time, date and location of DMAS' choice, should DMAS so request.

DMAS may make one or more on-site visits to see the Offeror's operation of another contract. DMAS shall be solely responsible for its own expenses for travel, food and lodging.

7.11 Technical Proposal

The following describes the required format, content and sequence of presentations for the Technical Proposal:

7.11.1 Chapter One: Executive Summary

The Executive Summary Chapter shall highlight the Offeror's:

1. Understanding of the project requirements;
2. Qualifications to serve as the DMAS Contractor for the project to include identification of participating states/territories in the Offeror's multi-state/territory solution; and
3. Overall Approach to the project and a summary of the contents of the proposal.

7.11.2 Chapter Two: Corporate Qualifications and Experience

Chapter Two shall present the Offeror's qualifications and experience to serve as the Contractor. Specifically, the Offeror shall describe its:

1. Organization Status:

a. Name of Project Director for this Contract;
b. Name, address, telephone number, fax number, and e-mail address of the legal entity with whom the contract is to be written;
c. Federal employer ID number;
d. Name, address, telephone numbers of principal officers (president, vice-president, treasurer, chair of the board of directors, and other executive officers);
e. Name of the parent organization and major subsidiaries;
f. Major business services;
g. Legal status and whether it is a for-profit or a not-for-profit company;
h. A list of board members and their organizational affiliations;
i. Current organization chart; and
j. Any specific licenses and accreditation held by the Offeror.
k. Information on any impending lawsuits against the organization, or its officers or key staff, if applicable.
l. Information on any lawsuits the organization has filed against its grantors or subcontractors, if applicable.
m. Information on any felony convictions against the organization, or its officers or key staff, if applicable.

2. Corporate Experience:

a. Offeror's overall qualifications to carry out a project of this nature and scope;
b. The Offeror shall describe the background and success of the Offeror's organization and experience in performing EHR Provider Incentive Program services, specifically implementing other state or territory programs;
c. The Offeror's knowledge of the EHR Provider Incentive Program;
d. For each experience with operating, managing, or contracting for the provision of EHR Provider Incentive Program services, the Offeror shall indicate the contract or project title, dates of performance, scope and complexity of contract, and customer references (see below);
e. Any other related experience the Offeror feels is relevant shall be included;
f. The Offeror shall indicate whether the Offeror has had a contract terminated for any reason within the last five years; and
g. The Offeror also shall indicate if a claim was made on a payment or performance bond. If so, the Offeror shall submit full details of the termination and the bonds including the other party's name, address, and telephone number.

3. References:

a. Two customers or participants who will substantiate the Offeror's qualifications and capabilities to perform the services required by the RFP; and
b. One or more multi-state/territory customers or participants who can attest to the Offeror's experience with vendor's SaaS.

The Offeror shall complete the Reference Form in Attachment IV for each reference and contract, which includes the contract name, address, telephone number, contact person, and periods of work performance.

4. **Financial Stability:**

The Offeror shall submit evidence of financial stability. The Offeror should submit one of the following financial reports:

a. For a publicly held corporation, a copy of the most recent three years of audited financial reports and financial statements with the name, address, and telephone number of a responsible person in the Offeror's principal financial or banking organization; or
b. For a privately held corporation, proprietorship, or partnership, financial information for the past three years, similar to that included in an annual report, to include, at a minimum, an income statement, a statement of cash flows, a balance sheet, and number of years in business, as well as the name, address, and telephone number of a contact in the Offeror's principal financial or banking organization and its auditor.

7.11.3 Chapter Three: Tasks and Technical Approach

The Offeror shall fully describe how it intends to meet all of the tasks required in Section 3 of the RFP and technical proposal requirements listed in Section 4 of this RFP. DMAS does not want a "re-write" of the RFP requirements. Specifically, the Offeror shall describe in detail its proposed approach for each of the required tasks listed in Section 3 and technical proposal requirements in Section 4 including any staff, systems, procedures, or materials that will be used to perform these tasks. This includes how each task will be performed, what problems need to be overcome, what functions the staff will perform, and what assistance will be needed from DMAS, if any.

Note: DMAS welcomes new and innovative approaches to a multi-state/territory EHR Provider Incentive Program services. While fully addressing the incentive program objectives in Sections 3 and 4 of this RFP, the Offeror may also include alternate approaches for DMAS consideration. Additional services can be addressed as long as a separate line item for the associated costs is submitted with the proposal.

7.11.4 Chapter Four: Staffing

The proposal shall describe the following:

1. **Staffing Plan:** The Offeror shall provide a functional organizational chart of the proposed multi-state/territory project structure and organization, indicating the lines of authority for proposed staff directly involved in performance of this contract and relationships of the staff to each function of the organization. The staffing plan shall indicate the number of proposed full time employees by position and an estimate of hours to be committed to the project by each staff position and the percentage of their time allocated to Virginia. The plan shall also show the number of staff to be employed by the Contractor and staff to be obtained through subcontracting arrangements. Contact information must be provided for all key staff involved in the implementation and ongoing management of the program.

   Offerors must submit 2 references for each proposed key staff member, showing work for previous participants who have received similar services to those proposed by the Offeror for this contract. Each reference must include the name of the contact person, address, telephone number and description of services provided;

2. **Staff Qualifications and Résumés:** Job descriptions for all key staff on the project including qualifications, experience and/or expertise required should be included. Resumes limited to two pages must be included for key staff. The resumes of personnel proposed must include qualifications, experience, and relevant education, professional certifications and training for the position they will fill; and

3. **Office Location:** A description of the geographical location of the central business office, the billing office, the call center and satellite offices, if applicable, shall be included. In addition, the days and hours of operation should be noted for each office as applicable to this contract.

7.11.5 Chapter Five: Project Work Plan

The proposal shall describe the following:

1. **Work Plan and Project Management:** The proposal shall include a work plan (Microsoft Project 2003 or compatible version) detailing the sequence of events and the time required to implement this project. The relationship between key staff and the specific tasks and assignments proposed to accomplish the scope of work shall also be included. A PERT, Gantt, or Bar Chart that clearly outlines the project timetable from beginning to end shall be included in the proposal. Key dates and key events relative to the project shall be clearly described on the chart including critical path of tasks. The Offeror shall describe its management approach and how its proposed work plan will be executed.

2. **Progress Reports:** Upon award of a contract, the Contractor must prepare a written progress report, as well as telephonic meetings, every week or more frequently as necessary and present this report to the Director, Division of Program Operations or his designee. The report must include:

    a. Status of major activities and tasks in relation to the Contractor's work plan, including specific tasks completed for each part of the project.
    b. Target dates for completion of remaining or upcoming tasks/activities.
    c. Any potential delays or problems anticipated or encountered in reaching target dates and the reason for such delays.
    d. Any revisions to the overall work schedule.

7.11.6 Chapter Six: RFP 2011-06 Signed Documentation

This chapter shall contain the signatory documents as outlined in the RFP. These include the following:

1. RFP Cover Sheet
2. RFP Addenda (if issued).
3. Offerors Transmittal Letter
4. Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process (Attachment III)
5. Proprietary/Confidential Information Identification Form (Attachment VII)
6. State Corporation Commission Form (Attachment IX)

7.12 Cost Proposal

This section provides the instructions for the Cost Proposal preparation. Refer to Section 3, Scope of Services; Section 4, Technical and Business Requirements; Section 5, DMAS responsibilities; and Section 6, Payments to the Contractor for details to consider in the Cost Proposal.

7.12.1 Overview

The Contract term is defined by a Configure and Test Contractor Solution Phase from contract signing through Operations phase start milestone and a calendar year based operations phase through December 31, 2015. DMAS, in its sole discretion, may extend this Contract with up to six (6) one-year option periods that would run January 1 through December 31 for each period.

7.12.2 Total Price Instructions

Schedule A-1 is the total price worksheet that contains all of the pricing for this RFP. The instructions for completing the form are included as notes in the table. Schedule A-1 is dependent on Schedule A-2 being completed first. The total price on Schedule A-1 will be used for cost evaluation and Small Business subcontracting plan scoring purposes.

Schedule A-1: Total Price

Item	**Monthly Price** (Schedule A-2, C1: Base Price Threshold)	**Annual Price** (note 1)
Monthly fixed price for EP/EH incentive program services and volumes as outlined in this RFP.	$	$
Total Price (note 2)		$

Notes

1. Formula: Annual Price equals Monthly price times 12 months per calendar year.
2. The Total Price proposed dollar amount is the annual price time 4 (total cost for the four year base contract). This value will be used for cost evaluation and Small Business subcontracting plan scoring purposes.

7.12.3 Volume Price Instructions

Schedule A-2 is the volume pricing worksheet. The following schedule will be used to specify a tiered volume pricing structure.

Schedule A-2 Volume Pricing Worksheet

	C1: Base Price Threshold EP+EH (up to 2000)	C2: High Volume Threshold EP+EH = 2001 to 2500	C3: Higher Volume Threshold EP+EH = 2501 to 3,000	C4: Highest Volume Threshold EP+EH = 3,001 to 10,000
Monthly price				

7.13 RFP Schedule of Events

The following RFP Schedule of Events represents the State's maximum timeframe that shall be followed for implementation of the program.

EVENT	DATE
State Issues RFP	June 20, 2011
Letter of Intent Deadline	July 6, 2011
Last Day for Receipt of Questions	July 14, 2011
Deadline for Submitting a Proposal to the Department	August 9, 2011
Optional Vendor/Oral Presentation period	August 25, 2011 to August 31, 2011
Intent to Award	September 20, 2011
Contract Signed and Approved	December 20, 2011
Implementation Period	December 28, 2011 to May 3, 2012

If it becomes necessary to revise any part of this RFP, or if additional data is necessary for an interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be issued by the Department. If supplemental releases are necessary, the Department reserves the right to extend the due dates and time for receipt of proposals to accommodate such interpretations of additional data requirements. The RFP and subsequent information will be posted on the Department's website (http://dmasva.dmas.virginia.gov/) and eVA website (http://www.eva.virginia.gov/). It is the responsibility of the Offerors to monitor these websites for revisions and/or updates.

8 PROPOSAL EVALUATIONS AND AWARD CRITERIA

DMAS will conduct a comprehensive, fair, and impartial evaluation of the Technical and Cost Proposals received in response to this RFP. The Evaluation Team will be responsible for the review and scoring of all proposals. This group will be responsible for the recommendation to award to the DMAS Director

8.1 Evaluation of Minimum Requirements

DMAS will initially determine if each proposal addresses the minimum RFP requirements to permit a complete evaluation of the Technical and Cost Proposals. Proposals shall comply with the instructions to Offerors contained throughout this RFP. Failure to comply with the instructions shall deem the proposal non-responsive and subject to disqualification without further consideration. DMAS reserves the right to waive minor irregularities.

The minimum requirements for a proposal to be given consideration are:

RFP Cover Sheet, Addenda (if issued), Transmittal Letter, Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process (Attachment III), Proprietary/Confidential Information Identification Form (Attachment VII) and State Corporation Commission Form (Attachment IX): These shall be completed and properly signed by the authorized representative of the organization.

Closing Date: The proposal shall have been received, as provided in Section 7.9, before the closing of acceptance of proposals in the number of copies specified.

Compliance: The proposal shall comply with the entire format requirements described in Section 4 and the Technical Proposal and Cost Proposal requirements described in Section 7. Only Contractors that are already delivering EHR Provider Incentive Program services and SaaS to one or more states/territories will be considered.

Mandatory Conditions: All mandatory General and Special Terms and Conditions contained in Sections 9 and 10 shall be accepted.

Small Business Subcontracting Plan – Summarize the planned utilization of Department of Minority Business Enterprise (DMBE) certified small businesses and small businesses owned by women and minorities under the contract to be awarded as a result of this solicitation. (Attachment II). **Attachment II shall be submitted with the Offeror's Cost Proposal**

8.2 Proposal Evaluation Criteria

The broad criteria for evaluating proposals include, but are not limited to, the elements below:

Criteria	Weights
1. Experience of the Offeror in performing EHR Provider Incentive Program Services.	**20%**
a) Experience of the Offeror in working with other states/territories on the EHR Provider Incentive Program	
2. Technical Proposal - Demonstration in the written proposal of the Offeror's ability, facilities and capacity to plan, provide, and evaluate all required services in a timely, efficient and professional manner	**30%**
a) Clarity and thoroughness of the Offeror's proposal in addressing the components of the RFP and implementing them as described and on schedule	
b) Proposed project management of the resources available to the Offeror for meeting the requirements of the RFP	
3. Staffing - Experience and expertise of staff assigned to the contract	**10%**
a) Prior experience of staff with multi-state/territory incentive programs	
b) Qualifications of staff	
c) Appropriateness of the relationship between staff qualifications and assigned responsibilities	
4. Quality of References	**5%**
a) References who clearly address the nature of the work performed by the Contractor	
b) References who exhibit satisfaction with the work performed by the Contractor	
c) Contacts for other contracts who exhibit satisfaction with the work performed by the Offeror	
5. Small Business Subcontracting Plan (Attachment II)	**20%**
6. Cost as Identified in Section 7.12	**15%**
a) The fixed fee cost proposal	

The cost proposal shall be evaluated and weighted but is not the sole deciding factor for the RFP. The lowest cost proposal shall be scored the maximum number of evaluation points for cost. All other cost proposals shall be evaluated and assigned points for cost in relation to the lowest cost proposal. Although cost proposals are evaluated and weighted, they are not the sole deciding factor for the RFP.

9 GENERAL TERMS AND CONDITIONS

9.1 Vendors Manual

This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual.* A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at http://www.eva.virginia.gov/learn-about-eva/vendors-manual.htm.

9.2 Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Department and the Contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual disputes using Alternative Dispute Resolution (ADR) procedures *(Code of Virginia,* § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual.* The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

9.3 Anti-Discrimination

By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act, Va. Code §§ 2.2-4201 and 2.2-4310 and 2.2-4311 of the Virginia Public Procurement Act and any other applicable laws. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. *(Code of Virginia,* § 2.2-4343.1 E).

In every contract over $10,000, the provisions in Sections 9.3.1 and 9.3.2. below apply:

9.3.1 Contractor Agreements

During the performance of this contract, the Contractor agrees as follows:

a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

9.3.2 Subcontracts and Purchases over $10,000

The Contractor will include the provisions of 9.3.1 above in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

9.4 Ethics in Public Contracting

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

9.5 Immigration Reform and Control Act Of 1986

By entering into a written contract with the Commonwealth of Virginia (COV), the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

9.6 Debarment Status

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia or any other Federal, State or Local government from submitting bids or proposals on any type of contract, nor are they an agent of any person or entity that is currently so debarred.

9.7 Antitrust

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

9.8 Mandatory Use of State Form and Terms and Conditions

Failure to submit a proposal on the official State form, in this case the completed and signed RFP Cover Sheet, may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

9.9 Clarification of Terms

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact John Tabb at rfp2011-06@dmas.virginia.gov no later than 2:00 pm E.S.T., July 14, 2011. Any revisions to the solicitation will be made only by addendum issued by the buyer.

9.10 Payment

1. To Prime Contractor:
   a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
   b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
   c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
   d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
   e. Unreasonable Charges: Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with

respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges that are not in dispute *(Code of Virginia,* § 2.2-4363).

2. To Subcontractors:
   a. A Contractor awarded a contract under this solicitation is hereby obligated:
      i. To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
      ii. To notify the Department and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
   b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime Contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the Department, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the Department, or other appropriate penalties may be assessed in lieu of withholding such payment.

4. The COV encourages Contractors and subcontractors to accept electronic and credit card payments.

9.11 Precedence of Terms

The following General Terms and Conditions: *VENDORS MANUAL,* APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

9.12 Qualifications of Offerors

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

9.13 Testing and Inspection

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to ensure goods and services conform to the specifications.

9.14 Assignment of Contract

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth. Any assignment made in violation of this section will be void.

9.15 Changes to the Contract

Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract**. In any such change to the resulting contract, no increase to the contract price shall be permitted without adequate consideration, and no waiver of any contract requirement that results in savings to the Contractor shall be permitted without adequate consideration. Pursuant to Virginia Code § 2.2-4309, the value of any fixed-price contract shall not be increased via modification by more than 25% without the prior approval of the Division of Purchases and Supply of the Virginia Department of General Services.**

2. The Department may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Department a credit for any savings. Said compensation shall be determined by one of the following methods:

   a. By mutual agreement between the parties in writing; or

      i) By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Department's right to audit the Contractor's records and/or to determine the correct number of units independently; or

      ii) By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Department with all vouchers and records of expenses incurred and savings realized. The Department shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Department within thirty (30) days from the date of receipt of the written order from the Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Department or with the performance of the contract generally.

9.16 Default

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies, which the Commonwealth may have.

9.17 Insurance

By signing and submitting a bid or proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation: Statutory requirements and benefits: Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability: $100,000.
3. Commercial General Liability: $1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability: $1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

9.18 Announcement of Award

Upon the award or the announcement of the decision to award a contract over $50,000, as a result of this solicitation, the Department will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov) for a minimum of 10 days.

9.19 Drug-Free Workplace

During the performance of this contract, the Contractor agrees to:

1. Provide a drug-free workplace for the Contractor's employees;
2. Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
3. State in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and
4. Include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, *"drug-free workplace"* means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

9.20 Nondiscrimination of Contractors

A Bidder or Offeror shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the Department has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

9.21 eVA Business-To-Government Vendor Registration

The eVA Internet electronic procurement solution, Web-site portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All Offerors must register in eVA; failure to register shall result in the proposal being rejected.

a. eVA Basic Vendor Registration Service: $25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.

b. eVA Premium Vendor Registration Service: $25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.

c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of $500 per order.

d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:
   (i) DMBE-certified Small Businesses: 1%, capped at $500 per order.
   (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at $1,500 per order.

   The eVA transaction fee will be invoiced approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustment (increase/decrease) will be handled through purchase order changes.

9.22 Availability of Funds

It is understood and agreed between the parties herein that the Department shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

9.23 Set-Asides

This solicitation is set-aside for DMBE-certified small business participation only when designated "SET-ASIDE FOR SMALL BUSINESSES" in the solicitation. DMBE-certified small businesses are those businesses that hold current small business certification from the Virginia Department of Minority Business Enterprise. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. For purposes of award, Offerors shall be deemed small businesses if and only if they are certified as such by DMBE on the due date for receipt of proposals.

9.24 Proposal Price Currency

Unless stated otherwise in the solicitation, Offerors shall state offer prices in US dollars.

9.25 Authorization to Conduct Business in the Commonwealth

A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1

or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section

10 SPECIAL TERMS AND CONDITIONS

10.1 Access to Premises

The Contractor shall allow duly authorized agents or representatives of the State or Federal Government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the State or Federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor will be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

The Department, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

10.2 Access To and Retention of Records

In addition to the requirements outlined below, the Contractor must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards with respect to the Department's confidential records.

10.2.1 Access to Records

The Department, the Centers for Medicare and Medicaid Services, State and Federal auditors, or any of their duly authorized representatives shall have access to any books, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors.

The Department, the Centers for Medicare and Medicaid Services, State and Federal auditors, or any of their duly authorized representatives, shall be allowed to inspect, copy, and audit any of the above documents, including, medical and/or financial records of the Contractor and its subcontractors.

10.2.2 Retention of Records

The Contractor shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the renewal date. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.

10.2.3 Confidentiality of Personally Identifiable Information

The Contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the Department's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the Department of any breach or suspected

breach in the security of such information. Contractors shall allow the Department to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

10.3 Advertising

In the event a contract is awarded for supplies, equipment, or services resulting from this bid/proposal, no indication of such sales or services to the Department of Medical Assistance Services will be used in product literature or advertising without the expressed written consent of DMAS. The Contractor shall not state in any of its advertising or product literature that the Department of Medical Assistance Services has purchased or uses any of its products or services, and the Contractor shall not include the Department of Medical Assistance Services in any client list in advertising and promotional materials without the expressed written consent of DMAS.

10.4 Audit

The Contractor shall retain all books, records, and other documents relative to this contract for six (6) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Department, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

10.5 Award

Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those *submitting proposals on th*e basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offeror(s) so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Department shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359D). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated.

10.6 Best and Final Offer

At the conclusion of negotiations, the Offeror(s) may be asked to submit in writing, a Best and Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the Offeror(s). The Offeror's proposal will be rescored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.

10.7 Termination

This Contract may be terminated in whole or in part:

a. By the Department, for convenience, with not less than sixty (60) days prior written notice, which notice shall specify the effective date of the termination;
b. By the Department, in whole or in part, if funding from Federal, State, or other sources is withdrawn, reduced, or limited;
c. By the Department if the Department determines that the instability of the Contractor's financial condition threatens delivery of services and continued performance of the Contractor's responsibilities; or
d. By the Department if the Department determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities.

The Contractor shall not terminate this contract in part. Each of these conditions for contract termination is described in the following paragraphs.

10.7.1 Termination for Convenience

a. The Department may terminate this contract at any time without cause, in whole or in part, upon giving the Contractor notice of such termination. Upon such termination, the Contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as owner elects not to purchase or to assume in the manner hereinafter provided. Upon such termination, the Contractor shall take such steps as owner may require to assign to the owner the Contractor's interest in all subcontracts and purchase orders designated by owner. After all such steps have been taken to owner's satisfaction, the Contractor shall receive as full compensation for termination and assignment the following:

(i) All amounts then otherwise due under the terms of this contract;
(ii) Amounts due for work performed subsequent to the latest Request for Payment through the date of termination; and
(iii) Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, owner shall have no further obligations to the Contractor of any nature.

b. In no event shall termination for the convenience of the owner terminate the obligations of the Contractor's surety on its payment and performance bonds.

10.7.2 Termination for Unavailable Funds

The Contractor understands and agrees that the Department shall be bound only to the extent of the funds available or which may become available for the purpose of this resulting Contract. When the Department makes a determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department shall, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether Federal and/or State funds. The Department may terminate this Contract at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor shall be unable or unwilling to provide covered services at reduced rates, the Contract shall be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract between the parties is executed. A determination by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract shall be final and conclusive.

10.7.3 Termination Because of Financial Instability

If DMAS determines that there are verifiable indicators that the Contractor will become financially unstable to the point of threatening the ability of the Department to obtain the services provided for under the Contract, DMAS will require verification of the Contractors financial situation. If from the information DMAS determines the Contractor will inevitably become financially unstable, DMAS may terminate the contract before this occurs. If the Contractor ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, DMAS may, at its option, immediately terminate this Contract effective at the close of business on a date specified by the Department. In the event the Department elects to terminate the Contract under this provision, the Contractor shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor shall submit a written waiver of the licensee's rights under the Federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a principal network provider or subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

10.7.4 Termination for Default

The Department may terminate the Contract, in whole or in part, if the Department determines that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract and is unable to cure such failure within a reasonable period of time as specified in writing by the Department, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the Department that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract, the Contractor shall be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Department can notify the Contractor in writing within thirty (30) calendar days of the last day of the specified time period that the Contract, has been terminated in full or in part, for default. This written notice will identify all of the Contractor's responsibilities in the case of the termination, including responsibilities related to enrollee notification, network provider notification, refunds of advance payments, return or destruction of Department data and liability for medical claims.

If, after notice of termination for default, it is determined by the Department or by a court of law that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control of and without error or negligence on the part of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.

In the event of termination for default, in full or in part, as provided for under this clause, the Department may procure or contract from other sources, upon such terms and in such manner as is deemed appropriate by the Department, supplies or services similar to those terminated, and the Contractor shall be liable for any costs for such similar supplies and services and all other damages allowed by law. In addition, the Contractor shall be liable to the Department for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. In the event of a termination for default prior to the start of operations, any claim the Contractor may assert shall be governed by the procedures defined by the Department for handling contract termination. Nothing herein shall be construed as limiting any other remedies that may be available to the Department.

In the event of a termination for default during ongoing operations, the Contractor shall be paid for any outstanding payments due less any assessed damages.

10.8 Remedies for Violation, Breach, or Non-Performance of Contract

Upon receipt by the Department of evidence of substantial non-compliance by the Contractor with any of the provisions of this Contract or with State or Federal laws or regulations the following remedies may be imposed.

10.8.1 Procedure for Contractor Noncompliance Notification

In the event that the Department identifies or learns of noncompliance with the terms of this contract, the Department will notify the Contractor in writing of the nature of the noncompliance. The Contractor shall remedy the noncompliance within a time period established by the Department and the Department shall designate a period of time, not less than ten (10) calendar days, in which the Contractor shall provide a written response to the notification. The Department may develop or may require the Contractor to develop procedures with which the Contractor shall comply to eliminate or prevent the imposition of specific remedies.

10.8.2 Remedies Available To the Department

The Department reserves the right to employ, at the Department's sole discretion, any and all remedies available at law or equity including but not limited to, payment withholds and/or termination of the contract.

10.9 Performance Bond

The Contractor shall deliver to the Department purchasing office an executed performance bond, in a form acceptable to the Department, in the amount of one month of the estimated annual contract amount with the Department as obligee. The

surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment shall be due and payable to the Contractor, even if the contract has been performed in whole or in part, until the bonds have been delivered to and approved by the Department.

10.10 Payment

The Contractor shall be prepared to provide the full range of services requested under this RFP and resultant contract, on site and operationally ready to begin work by the implementation date established by DMAS. DMAS shall provide adequate prior notice of at least 120 days of the implementation date. Upon approval of the Contractor's operational readiness and a determined start date, DMAS shall make payments as described in Section 6.

Each invoice submitted by the Contractor shall be subject to DMAS approval based on satisfactory performance of contracted services and compliance with all contract terms. The invoice shall contain the Federal tax identification number, the contract number and any other information subsequently required by DMAS.

10.11 Identification of Proposal Envelope

If a special envelope is not furnished, or if return in the special envelope is not possible, the signed bid/proposal should be returned in a separate envelope or package, sealed and identified as follows:

From:_____ _____
Name of Contractor Due Date /Time

_____ _____
Street or Box Number City, State, Zip Code

_____
RFP Number

Name of Contract/Purchase Officer: _____

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

10.12 Indemnification

Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the Department or to failure of DMAS to use the materials, goods, or equipment in the manner already and permanently described by the Contractor on the materials, goods or equipment delivered.

10.13 SWAM Businesses Subcontracting and Evidence of Compliance

a. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential Offerors are required to submit a Small Business Subcontracting Plan. Unless the Offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification. No Offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a

Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of proposals. If small business subcontractors are used, the prime Contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

b. Each prime Contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the Department on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the Department. DMAS reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

c. Each prime Contractor who wins an award valued over $200,000 shall deliver to the Department on a quarterly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

10.14 Prime Contractor Responsibilities

The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that it may utilize, using its best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors and of persons employed by it as it is for the acts and omissions of its own employees.

10.15 Renewal of Contract

This contract may be renewed by the Commonwealth at the conclusion of the four-year base contract for six successive one-year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

1. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract**, in addition to any modifications,** increased/decreased by more than the percentage increase/decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

2. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period , in addition to any modifications, increased/decreased by more than the percentage increase/decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

10.16 Confidentiality of Information

By submitting a proposal, the Contractor agrees that information or data obtained by the Contractor from DMAS during the course of determining and/or preparing a response to this RFP may not be used for any other purpose than determining and/or preparing the Contractor's response. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the Contractor's response to this RFP.

10.17 HIPAA Compliance

The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and Regulations with regards to handling, processing, or using the Department's Protected Health Information (PHI). This includes but is not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations as it pertains to this agreement, and the Contractor shall keep abreast of the regulations. Since this is a federal law and the regulations apply to all health care information, the Contractor shall comply with the HIPAA regulations at no additional cost to DMAS. The Contractor shall also be required to enter into a DMAS-supplied HIPAA Business Associate Agreement with DMAS to comply with the regulations concerning PHI. A template of this Agreement is available on the DMAS Internet Site at http://dmasva.dmas.virginia.gov/Content_pgs/ab-ocs.aspx

10.18 Obligation of Contractor

By submitting a proposal, the Contractor covenants and agrees that it has satisfied itself of the conditions to be met, and fully understands its obligations, and that it will have no right to cancel its proposal or to relief of any other nature because of its misunderstanding or lack of information.

10.19 Independent Contractor

Any Contractor awarded a contract under this RFP will be considered an independent Contractor, and neither the Contractor, nor personnel employed by the Contractor, is to be considered an employee or agent of DMAS.

10.20 Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance specific to this contract shall become the sole property of the Commonwealth. DMAS shall have open access to the above. On request, the Contractor shall promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Commonwealth to evidence the Commonwealth's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

10.21 Subsidiary-Parent Relationship

In the event the Offeror is a subsidiary or division of a parent organization, the Offeror shall include in the proposal, a signed statement by the chief executive officer of the parent organization pledging the full resources of the parent organization to meet the responsibilities of the subsidiary organization under contract to the Department. DMAS shall be notified within 10 days of any change in ownership as well as a letter explaining how the changes affect the Contractor's relationship with the Department. Any change in ownership shall not relieve the original parent of its obligation of pledging its full resources to meet the obligations of the contract with DMAS without the expressed written consent of the DMAS Director.

10.22 Business Transactions Reporting

The Contractor shall notify the Department within five (5) calendar days after any publicly announced acquisition agreement, pre-merger agreement, or pre-sale agreement impacting the Contractor's ownership. Business transactions to be disclosed include, but are not limited to:

a. Any sale, exchange, or lease of any property between the Contractor and a Party in Interest;
b. Any lending of money or other extension of credit between the Contractor and a Party in Interest; and
c. Any furnishing for consideration of goods, services (including management services) or facilities between the Contractor and a Party in Interest. Business transactions for purposes of this section do not include salaries paid to employees for services provided in the normal course of employment by the Contractor.

The Contractor shall advise the Department, in writing, within five (5) business days of any organizational change or major decision affecting its Medicaid business in Virginia or other states. This includes but is not limited to sale of existing business to other entities or a complete exit from the Medicaid market in another state or jurisdiction.

10.23 eVA Business-To-Government Contracts and Orders

The solicitation/contract will result in 1 purchase order(s) with the eVA transaction fee specified below assessed for each order.

a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of $500 per order.
b. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:
   (i) DMBE-certified Small Businesses: 1%, Capped at $500 per order.
   (ii) Businesses that are not DMBE-certified Small Businesses: 1%, Capped at $1,500 per order.

The eVA transaction fee will be assessed approximately 30 days after each purchase order is issued. Any adjustments (increases/decreases) will be handled through eVA change orders.

Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following:

If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov. Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov.

10.24 Compliance with Virginia Information Technology Accessibility Standard

The Contractor shall comply with all State laws and Regulations with regards to accessibility to information technology equipment, software, networks, and web sites used by blind and visually impaired individuals. This accessibility standards are State law see § 2.2-3502 and § 2.2-3503 of The Code of Virginia. Since this is a State law and the regulations apply to accessibility to information technology equipment, software, networks, and web sites used by blind and visually impaired individuals, the Contractor shall comply with the Accessibility Standards at no additional cost to the Department. The Contractor must also keep abreast of any future changes to The Virginia Code as well as any subsequent revisions to the Virginia Information Technology Standards. The current Virginia Information Technology Accessibility Standards are published on the Internet at http://www.vita.virginia.gov/library/default.aspx?id=663.

10.25 Continuity of Services

a. The Contractor recognizes that the services under this contract are vital to the Department and must be continued without interruption and that, upon contract expiration, a successor, either the Department or another Contractor, may continue them. The Contractor agrees:

   (i) To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
   (ii) To make all Agency owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the contract to facilitate transition to successor; and
   (iii) That the Agency Contracting Officer shall have final authority to resolve disputes related to the transition of the contract from the Contractor to its successor.

b. The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

c. The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract. All phase-in/phase-out work fees shall be approved by the Contract Officer in writing prior to commencement of said work.

10.26 State Corporation Commission Identification Number

Pursuant to Code of Virginia, § 2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or Offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or Offeror is not required to be so authorized.

10.27 Subcontracts

No portion of the work shall be subcontracted without prior written consent of the Department. In the event that the Contractor desires to subcontract some part of the work specified herein, the contractor shall furnish DMAS the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

10.28 Severability

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. DMAS and Contractor further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

ATTACHMENT I: LIQUIDATED DAMAGES

LIQUIDATED DAMAGES

The Department may impose any or all of the liquidated damages below upon reasonable determination that the Contractor fails to comply with any corrective action plan or is otherwise deficient in the performance of its obligations under the RFP, provided, however, that the Department only imposes those damages it determines to be appropriate for the deficiencies identified. The Department may impose intermediate damages on the Contractor simultaneously with the development and implementation of a corrective action plan if the deficiencies are severe or numerous.

Reports and Deliverables

For each day that an agreed upon report or deliverable is late, incorrect, or deficient, the Contractor shall be liable to the Department for liquidated damages in the amount of $100 per work day per report or deliverable, except that if the delivery be delayed by any act, negligence, or default on the part of the Commonwealth, public enemy, war, embargo, fire, or explosion not caused by the negligence or intentional act of the Contractor or his supplier(s), or by riot, sabotage, or labor trouble that results from a cause or causes entirely beyond the control or fault of the Contractor or his supplier(s), a reasonable extension of time as the procuring public body deems appropriate may be granted. Upon receipt of a written request and justification for any extension from the Contractor, the Department may extend the time for performance of the contract or delivery of goods herein specified, at the Department's sole discretion, for good cause shown.

Liquidated damages for late reports shall begin on the first day the report is late. Liquidated damages for incorrect reports (except ad hoc or on-request reports involving EHR Provider Incentive Program information), or deficient deliverables shall begin on the sixteenth day after notice is provided from the Department to the Contractor that the report remains incorrect or the deliverables remain deficient; provided, however, that it is reasonable to correct the report or deliverable within fifteen (15) calendar days. For the purposes of determining liquidated damages in accordance with this Section, reports or deliverables are due in accordance with the following schedule, unless otherwise specified elsewhere in this RFP:

DELIVERABLES		DATE AGREED UPON BY THE PARTIES
Monthly Reports		20th of the following month.
Quarterly Reports		30th of the following month.
Annual Reports		Ninety (90) calendar days after the end of the contract year.
On Request Reports		Within three (3) working days from the date of request, or agreed upon date, when reasonable unless otherwise specified by Department.
Ad Hoc Reports		Within ten (10) working days from the date of the request, or agreed upon date, when reasonable unless otherwise specified by Department.

Program Issues

Liquidated damages for failure to perform specific responsibilities as described in this RFP are shown below. Damages are grouped into three categories: Class A violations, Class B violations and Class C violations.

Class A violations are those which pose a significant threat to patient care or to the continued viability of the Department's program.

Class B violations are those which pose threats to the integrity of the Department's program, but which do not necessarily imperil patient care.

Class C violations are those which represent threats to the smooth and efficient operation of the Department's program but which do not imperil patient care or the integrity of the Department's program.

CLASS	PROGRAM ISSUES		DAMAGE
A.1	Failure to comply with EHR Provider Incentive Program and SaaS processes as described in this RFP including making timely responses to provider requests for requests		$10,000 per billing month, for each month that the Department determines that the Contractor is not in compliance with the requirements of this RFP.
A.2	Failure to comply with obligations and timeframes in the delivery of EHR Provider Incentive Program services		$1,000 per occurrence
A.3	Failure to provide a service within five (5) calendar days of a reasonable and appropriate directive from the Department to do so or within a longer period of time which has been approved by the Department upon a demonstration of good cause.		$500 per day beginning on the next calendar day after default by the plan.
A.4	Failure to comply with the notice requirements of the Department rules and regulations or any subsequent amendments thereto, and all court orders governing appeal procedures, as they become effective.		$500 per calendar day for each day beyond the required time frame that the reconsideration/appeal is unanswered in each and every aspect and/or each day the reconsideration/appeal is not handled according to the provisions set forth by this RFP or required by the Department
A.5	Failure to forward an expedited appeal to the Department in twenty-four (24) hours or a standard appeal in five (5) days.		$500 per calendar day.
A.6	Failure to submit provider appeals summaries within the required timeframes and according to the applicable regulatory requirements shall result in the Contractor being liable for any costs that DMAS incurs as a result of the Contractor's noncompliance.		Costs that DMAS incurs as a result of the Contractor's noncompliance.
A.7 A.8	Failure to attend or defend the Contractor's decisions at provider appeal hearings or conferences shall result in the Contractor being liable for any costs that DMAS incurs as a result of the Contractor's noncompliance. Failure by the Contractor to comply with any subpoena or deposition requests that may be issued pursuant to the Virginia Administrative Process Act		Costs that DMAS incurs as a result of the Contractor's noncompliance.
B.1	Failure to complete or comply with corrective action plans as required by the Department		$500 per calendar day for each day the corrective action is not completed or complied with as required.
C.1	Failure to comply in any way with staffing requirements as described in this RFP		$250 per calendar day for each day that staffing requirements as described in this RFP are not met.

Payment of Liquidated Damages

It is further agreed by the Department and the Contractor that any liquidated damages assessed by the Department shall be due and payable to the Department within thirty (30) calendar days after Contractor receipt of the notice of damages and if

payment is not made by the due date, said liquidated damages may be withheld from future payments by the Department without further notice. It is agreed by the Department and the Contractor that the collection of liquidated damages by the Department shall be made without regard to any appeal rights the Contractor may have pursuant to this RFP; however, in the event an appeal by the Contractor results in a decision in favor of the Contractor, any such funds withheld by the Department will be immediately returned to the Contractor. With respect to Class B and Class C violations, the due dates mentioned above may be delayed if the Contractor can show good cause as to why a delay should be granted. The Department has sole discretion in determining whether good cause exists for delaying the due dates.

Liquidated damages as described herein shall not be passed to a provider and/or subcontractor unless the damage was caused due to an action or inaction of the provider and/or subcontractor. Nothing described herein shall prohibit a provider and/or a subcontractor from seeking judgment before an appropriate court in situations where it is unclear that the provider and/or the subcontractor caused the damage by an action or inaction.

All liquidated damages imposed pursuant to this RFP, whether paid or due, shall be paid by the Contractor out of administrative and management costs and profits.

ATTACHMENT II: SMALL BUSINESS SUBCONTRACTING PLAN

To Be Completed By Offeror and Returned With Your Cost Proposal

Definitions:

Small Business: "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of $10 million or less averaged over the previous three years. Note: This shall not exclude DMBE-certified women- and minority-owned businesses when they have received DMBE small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at www.dmbe.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____

Date: _____

Instructions

A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.

B. If you are not a DMBE-certified small business, complete Section B of this form. For the Offeror to receive credit for the small business subcontracting plan evaluation criteria, the Offeror shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in this section. Points will be assigned based on each Offeror's proposed subcontracting expenditures with DMBE certified small businesses for the initial contract period as indicated in Section B in relation to the Offeror's total price.

Section A

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a (check only one below):
_____ Small Business

_____ Small and Women-owned Business

_____ Small and Minority-owned Business

Certification number: _____Certification Date: _____

Section B

Populate the table below to show your firm's plans for utilization of DMBE-certified small businesses in the performance of this contract. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.

Plans for Utilization of DMBE-Certified Small Businesses for this Procurement

Small Business Name & Address **DMBE Certificate #**	**Status if Small Business is also: Women (W), Minority (M)**	**Contact Person, Telephone & Email**	**Type of Goods and/or Services**	**Planned Involvement During Initial Period of the Contract**	**Planned Contract Dollars During Initial Period of the Contract**
Totals $					

Note: Offeror's Small Business Subcontracting Plan shall be included with the submission of the Offeror's Cost Proposal

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ATTACHMENT III: CERTIFICATION OF COMPLIANCE WITH PROHIBITION OF POLITICAL CONTRIBUTIONS AND GIFTS DURING THE PROCUREMENT PROCESS

For contracts with a stated or expected value of $5 million or more except those awarded as the result of competitive sealed bidding

I, _____, a representative of _____,
Please Print Name *Name of Bidder/Offeror*

am submitting a bid/proposal to _____ in response to
Name of Agency/Institution

_____, a solicitation where stated or expected contract value is
Solicitation/Contract #

$5 million or more which is being solicited by a method of procurement other than competitive sealed bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of § 2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The bidder/offeror shall not knowingly provide a contribution, gift, or other item with a value greater than $50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.

2. No individual who is an officer or director of the bidder/offeror, shall knowingly provide a contribution, gift, or other item with a value greater than $50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.

3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of $500 or up to two times the amount of the contribution or gift, whichever is greater.

_____
Signature

_____
Title

_____
Date

To Be Completed By Offeror and Returned With Your Technical Proposal

ATTACHMENT IV: REFERENCES RFP 2011-06

Reference Form:

Contract Name:	
Customer name and address:	
Customer contact and title:	
Contact Phone number:	
Scope of Services of Contract:	
Contract Type (fixed price, fee for service, capitation, etc)	
Contract Size (# of clients eligible, # of clients served, etc):	
Contract Period	
Any legal or adverse contractual actions against the Offeror related to the project:	
Number of Contractor staff assigned to contract:	
Annual Value of Contract:	

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ATTACHMENT V: REQUIREMENTS MATRIX

TECHNICAL REQUIREMENTS		Offeror Response	Comments
Eligibility		**Yes/No/ Future**	
1	Interface with the CMS Registration and Attestation System to receive enrollment data and to communicate eligibility determinations back to the CMS Registration and Attestation System.		
2	Check that Eligible Professionals (EP) are properly licensed, non-sanctioned, and non-hospital based in accordance with the Act.		
3	Capture and maintain attestations for patient volume thresholds; adopt, implement, or upgrade; and Meaningful Use in accordance with the Act.		
4	Verify that an eligible hospital's (EH) Medicare/Medicaid provider number, which has been renamed the CMS Certification Number (CCN) and verify it is in the allowable range in accordance with the Act.		
5	Capture and maintain attestations that hospitals have an average length of stay of 25 days or less.		
6	Capture state-requested supporting information from the provider (document attachments)		
7	Maintain a database of readable data on all eligibility transactions for the duration of the contract.		
8	Allow providers to choose either patient volume formulas set forth in the final rule. For Virginia providers that see both Fee-for-Service (FFS) and Managed Care patients, the FFS visits should be considered as encounters and included in the MCO patient population.		
Monitoring and Validation		**Yes/No/ Future**	**Comments**
9	Require and capture each applying provider's National Provider Identifier (NPI).		
10	Require and capture each applying provider's Tax Identification Number (TIN).		
11	Import claims (including encounters) from the Medicaid Management Information Systems (MMIS).		
12	Provide service level agreement		

	monitoring and reporting.		
13	Track incentive payments.		
14	Provide a change management methodology.		
Payments		**Yes/No/ Future**	**Comments**
15	Provide payment calculation as defined in the Act for EPs and EHs.		
16	Calculate payments that are not paid at amounts higher than 85 percent of the net average allowable cost of certified Electronic Health Record (EHR) technology and the yearly maximum allowable payment thresholds.		
17	Interface with the CMS Registration and Attestation System in accordance with the Act to ensure that an EP or EH that collects an EHR payment incentive has collected an incentive payment from only one state even if the provider is licensed to practice in multiple States.		
18	Interface with the CMS Registration and Attestation System in accordance with the Act to ensure there is no duplication of Medicare and Medicaid incentive payments to EPs.		
19	Calculate yearly payments according to provider participation year.		
20	Ensure payments are made for no more than a total of 6 years; that no EP or EH begins receiving payments after 2016; that incentive payments cease after 2021; that an EH does not receive incentive payments after FY2016 unless the hospital received an incentive payment in the prior fiscal year; and that incentive payments for hospitals are disbursed over three-year period.		
21	Capture and maintain payment information, including designated assignees as allowable under the Act.		
22	Utilize national data standards for health data exchange and open standards for technical solutions as they become available.		
23	Ensure secure data exchange using SSL in compliance with HIPAA and other requirements included in ARRA.		

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24	Track and process incentive payments to providers in a timely and predictable manner. The vendor will be given appropriate level of secure access to the MMIS through the Medicaid portal that is accessible from the Internet.		
Fraud/Abuse and Appeals		**Yes/No/ Future**	**Comments**
25	Provide on-demand data to support fraud or abuse investigations.		
26	Provide on-demand data to support audit requests.		
27	Provide on-demand data to support reconsideration or appeal requests.		
BUSINESS REQUIREMENTS		**Offeror Response**	**Comments**
Eligibility		**Yes/No/ Future**	
1	Ensure that each EP (Fee for Service (FFS) and Managed Care Organization (MCO)) and EH meets all provider enrollment eligibility criteria upon enrollment and re-enrollment to the Medicaid EHR payment incentive program. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information such as hospital cost reports.		
2	Ensure patient volume is consistent with the criteria in § 495.304 and § 495.306 for each EP who practices in a Federally Qualified Health Centers (FQHC) or Rural Health Clinic (RHC) and for each Medicaid EP (FFS and MCO) who is a physician, pediatrician, nurse practitioner, certified nurse midwife, dentist or optometrist. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information such as hospital cost reports.		
3	Ensure that the EP (FFS or MCO) or EH is a provider who meets patient volume consistent with the criteria in § 495.304 and § 495.306. This will be accomplished using a combination of the following: (1) model after		

	Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information such as hospital cost reports.		
4	Ensure that each EP (FFS and MCO) is not hospital based in accordance with the Act. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information such as hospital cost reports.		
5	Ensure that a hospital eligible for incentive payments has demonstrated an average length of stay of 25 days or less. This will be accomplished using a combination of the following: (1) model after Medicare, as applicable; (2) leverage the contracted business solution; and (3) utilize available claims and/or encounters and other information such as hospital cost reports.		
Monitoring and Validation		**Yes/No/ Future**	**Comments**
6	Review claims extracts and other available data to verify attestations, such as information from VHIT REC.		
7	Monitor the compliance of providers coming into the program with different requirements depending upon their participation year.		
8	Provide operational procedures for all contracted areas.		
9	Provide service level agreements currently used with other states/territories.		
Payments		**Yes/No/ Future**	**Comments**
10	Monitor that incentives are paid, without deduction or rebate, directly to an EP or EH or to an employee or facility to which such provider has assigned payments. Investigate whether a relationship between an EP and its designated payee is valid.		
11	Through interaction with the CMS Registration and Attestation System, monitor that no duplicate payments are made.		

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12	Monitor that payment calculations are accurate.		
13	Monitor that entities promoting the adoption of certified EHR technology do not retain more than 5% of such payments for costs not related to EHR technology.		
14	Provide Electronic Fund Transfer (EFT) payments to providers.		
Fraud/Abuse and Appeals		**Yes/No/ Future**	**Comments**
15	Monitor fraud and abuse through interaction with the CMS Registration and Attestation System and support State and Federal government access to the information.		
Communication and Outreach		**Yes/No/ Future**	**Comments**
16	Provide a call center for specific enrollment, validation, and incentive questions and coordinate efforts with VHQC (VHIT REC). The primary method of communication and outreach will be performed by VHQC (VHIT REC).		
17	Provide a secure mechanism for providers to submit questions via email		

SOFTWARE AS A SERVICE (SaaS)		Offeror Response	Comments
The Offeror shall describe its SaaS to include each of the following points:		**Yes/No/ Future**	
1	Bidirectional interfaces with the CMS Registration and Attestation System		
2	User access (providers, stakeholders, and DMAS staff		
3	Online documentation/help/training available to users, including features such as application/eligibility status and question submittal		
4	Process/work flows (use cases supported) for both users and Contractor staff		
5	Technical architecture diagram and high-level explanation of the solution		
6	1099 issuing functionality		
7	Extracts and reports that are available for state staff monitoring the program		
8	Overview of provider administration capabilities/services supporting the following: a) Enrollment b) Payment c) Meaningful Use d) Attestation e) Additional supporting material (attaching files) f) Appeals		

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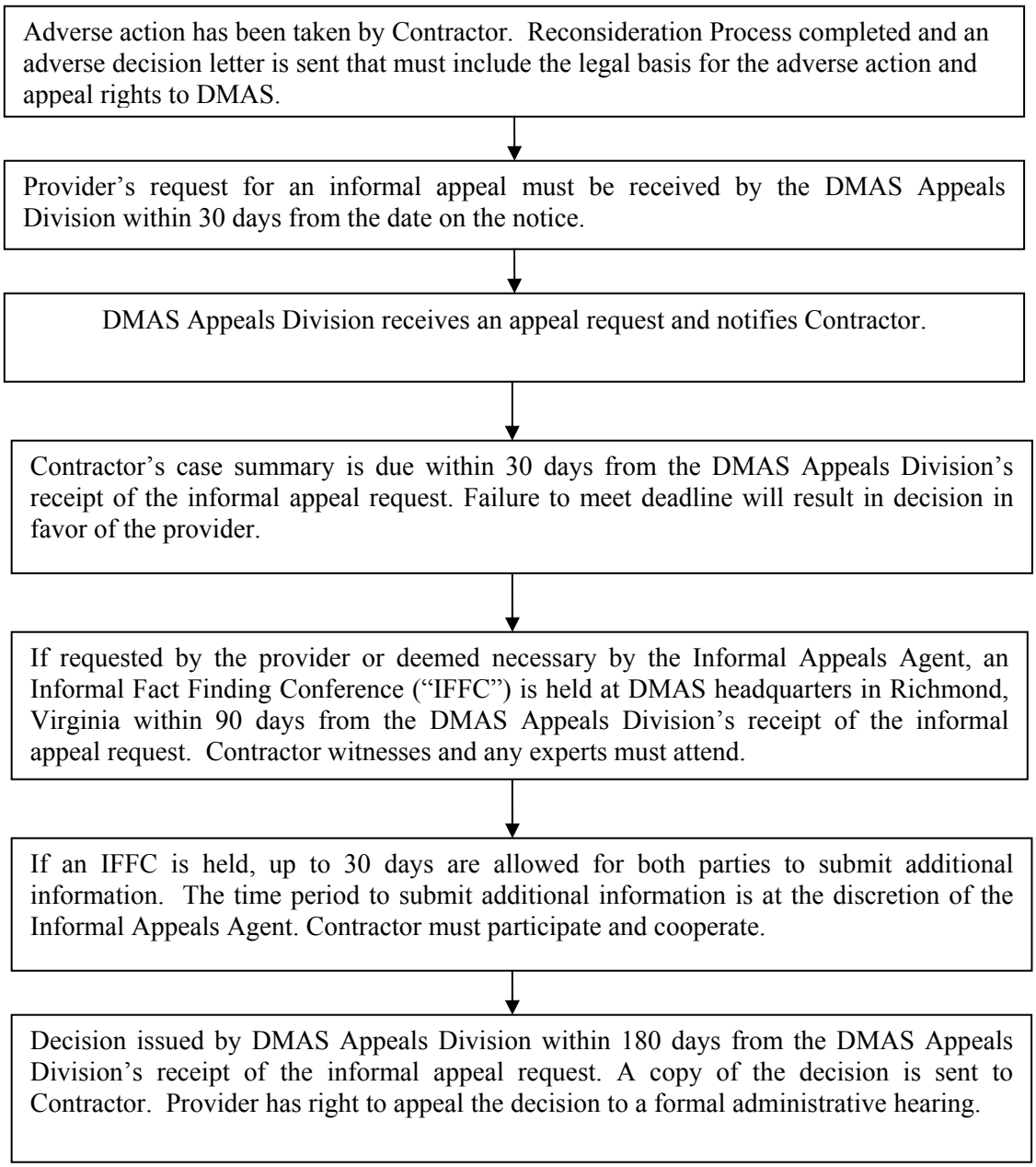
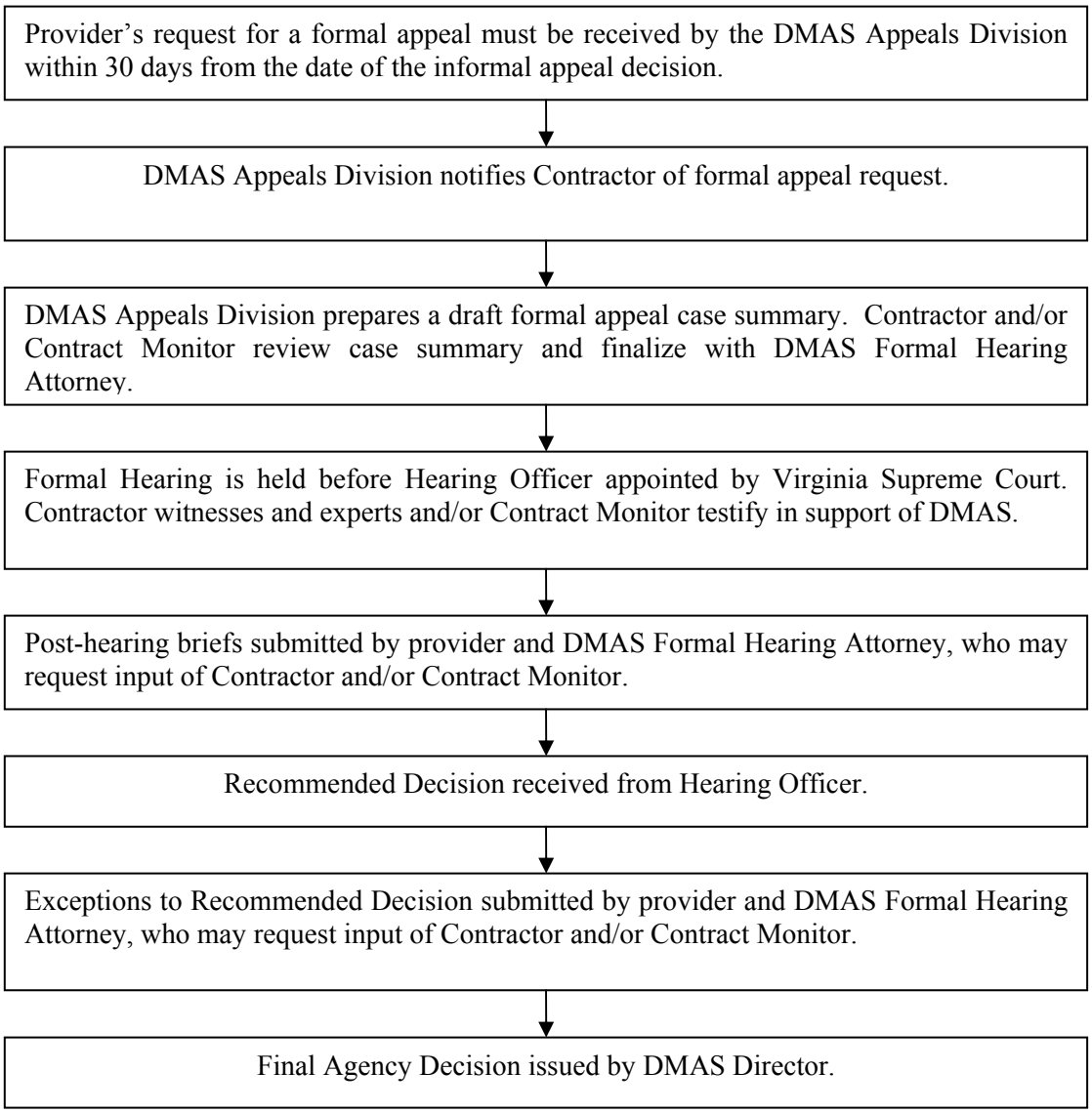
ATTACHMENT VI: FLOWCHART FOR INFORMAL PROVIDER APPEALS

FLOWCHART FOR FORMAL PROVIDER APPEALS




Provider's request for a formal appeal must be received by the DMAS Appeals Division within 30 days from the date of the informal appeal decision.
DMAS Appeals Division notifies Contractor of formal appeal request.
DMAS Appeals Division prepares a draft formal appeal case summary. Contractor and/or Contract Monitor review case summary and finalize with DMAS Formal Hearing Attorney.
Formal Hearing is held before Hearing Officer appointed by Virginia Supreme Court. Contractor witnesses and experts and/or Contract Monitor testify in support of DMAS.
Post-hearing briefs submitted by provider and DMAS Formal Hearing Attorney, who may request input of Contractor and/or Contract Monitor.
Recommended Decision received from Hearing Officer.
Exceptions to Recommended Decision submitted by provider and DMAS Formal Hearing Attorney, who may request input of Contractor and/or Contract Monitor.
Final Agency Decision issued by DMAS Director.

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ATTACHMENT VII

PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION

To Be Completed By Offeror and Returned With Your Technical Proposal

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of § 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of proprietary information submitted shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal will be rejected.

Name of Firm/Offeror:_____, invokes the protections of § 2.2-4342F of the Code of Virginia for the following portions of my proposal submitted on _____.
Date

Signature:_____ Title:_____

DATA/MATERIAL TO BE PROTECTED	SECTION NO., & PAGE NO.	REASON WHY PROTECTION IS NECESSARY

END OF DOCUMENT

ATTACHMENT VIII REQUIRED VENDOR RESPONSES

	DMAS Question	Offeror Response
1	How will the proposed solution check for criminal convictions, sanctions, proper licenses, ownership information for providers, and any other exclusionary data that would preclude an entity from receiving incentive money? Ownership information for providers is not captured in Virginia's MMIS, but a monthly List of Excluded Individuals/Entities (LEIE) is in production.	
2	DMAS anticipates that the Contractor will perform routine desk audits of provider transactions and that the DMAS contract monitor will review a sample of the Contractor's desk audits to ensure compliance with applicable policies and procedures. Please explain how you anticipate performing these desk audits.	
3	a) How will the proposed solution verify that an eligible professional (EP) is not hospital based? Will claims be checked to help make this verification? b) What checks will be in place to verify attestations for Adopt, Implement, Upgrade (AIU) and Meaningful Use (MU)? c) What methodology will you give EPs to help them determine whether they are hospital based? d) Please describe the proposed technology/process for supporting cases where a provider is ready to attest to not being hospital-based at the time of registration versus one who is not.	
4	In the case of improperly completed attestations, what will be the exact process for communicating with the submitter?	

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5	a) How will the proposed solution verify that patient volume calculations are accurate? Will claims be checked to help make this verification? b) How will the proposed solution handle supporting documentation that a provider may submit? c) Under what circumstances will an attestation be deemed unreasonable and subject to audit?	
6	How will the proposed solution verify that the 30 percent needy individual threshold is met at FQHCs and RHCs? Virginia currently has 25 FQHCs operating in the Commonwealth. In 1994, these FQHCs formed a health center controlled network called Community Care Network of Virginia (CCNV), which provides the vehicle through which Virginia's FQHCs adopt, implement and operate health information technology. As one of the first federally supported networks, CCNV has been implementing Health Resource Services Administration (HRSA) supported HIT initiatives since 1999. Twenty three of 25 FQHC's in Virginia already use an EMR.	
7	Please explain the proposed process flow for testing and file exchange with the NLR.	
8	Please explain in detail how existing systems would be leveraged to check eligibility, pay providers, and handle managed care versus fee for service providers.	
9	Please describe in detail the operations of the proposed help desk. How will it handle providers that need to be redirected to the Regional Extension Center?	
10	Please provide the proposed standards, methodology, and formula that will be used for the eligible hospital and EP calculations for incentive payments.	
11	Please explain how overpayment tracking will be handled.	

ATTACHMENT IX

State Corporation Commission Form

Virginia State Corporation Commission (SCC) registration information. **The offeror:**

☐ is a corporation or other business entity with the following SCC identification number: _____
-OR-

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

****NOTE**** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver): ☐

To Be Completed by Offeror and Returned with Your Technical Proposal

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