



Request for Proposal 11-X-21361

For: Medical Consulting: External Quality Review Organization, DMAHS

Event	Date	Time
Bidder's Electronic Question Due Date (Refer to RFP Section 1.3.1 for more information.)	September 30, 2010	5:00 PM
Mandatory/Optional Pre-Bid Conference	N/A	N/A
Mandatory/Optional Site Visit	N/A	N/A
Bid Submission Due Date (Refer to RFP Section 1.3.2 for more information.)	November 23, 2010	2:00 PM

Dates are subject to change. All changes will be reflected in addenda to the RFP posted on the Division of Purchase and Property website.

	Status	Category
Small Business Set-Aside	<input type="checkbox"/> Not Applicable	<input type="checkbox"/> I
	<input type="checkbox"/> Entire Contract	<input type="checkbox"/> II
	<input type="checkbox"/> Partial Contract	<input type="checkbox"/> III
	<input checked="" type="checkbox"/> Subcontracting Only	

RFP Issued By

State of New Jersey
Department of the Treasury
Division of Purchase and Property
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey
Department of Human Services
Division of Medical Assistance and Health Services
Trenton, New Jersey 08625

Date: September 10, 2010

Table of Contents

1.0 INFORMATION FOR BIDDERS	5
1.1 PURPOSE AND INTENT	5
1.2 BACKGROUND	5
1.3 KEY EVENTS	6
1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD	6
1.3.2 SUBMISSION OF BID PROPOSAL	6
1.3.3 ELECTRONIC BIDDING (EBID)	7
1.3.4 MANDATORY/OPTIONAL SITE VISIT	8
1.3.5 MANDATORY/OPTIONAL PRE-BID CONFERENCE	8
1.3.6 DOCUMENT REVIEW	8
1.4 ADDITIONAL INFORMATION	8
1.4.1 ADDENDA: REVISIONS TO THIS RFP	8
1.4.2 BIDDER RESPONSIBILITY	8
1.4.3 COST LIABILITY	8
1.4.4 CONTENTS OF BID PROPOSAL	8
1.4.5 BID OPENING	9
1.4.6 PRICE ALTERATION	9
1.4.7 BID ERRORS	9
1.4.8 JOINT VENTURE	10
2.0 DEFINITIONS	11
2.1 GENERAL DEFINITIONS.....	11
2.2 CONTRACT-SPECIFIC DEFINITIONS	12
3.0 SCOPE OF WORK	16
3.1 BASIC REQUIREMENTS	16
3.1.1 LOCATION	16
3.1.2 OPERATIONS	16
3.1.3 REPORTS AND DOCUMENTATION	16
3.1.4 COMPATIBILITY	17
3.1.5 REPORTS AND INFORMATION CRITERIA	17
3.1.6 FEDERAL COMPLIANCE	17
3.1.7 STATE NOTIFICATION	18
3.2 CONTRACT TASKS/DELIVERABLES	18
3.2.1 ENTRANCE CONFERENCE	18
3.2.2 ANNUAL WORK PLAN	18
3.2.3 ANNUAL ASSESSMENT OF HMO OPERATIONS	20
3.2.4 VALIDATION OF THE HMO'S PERFORMANCE MEASURES	22
3.2.5 EVALUATION OF THE HMO'S QUALITY IMPROVEMENT PROJECTS (QIP)	23
3.2.6 QUALITY TECHNICAL REPORT	23
3.2.7 MANAGED CARE PROGRAM QUALITY REPORT	24
3.2.8 FOCUSED QUALITY STUDIES	25
3.2.9 CARE MANAGEMENT AND LEAD CASE MANAGEMENT AUDIT	26
3.2.10 INDIVIDUAL CASE REVIEWS	26
3.2.11 VALIDATION OF ENCOUNTER DATA	26
3.2.12 SAMPLE SELECTION METHODOLOGY	26
3.3 SECURITY CLEARANCE	27
3.4 HIPAA	28
4.0 BID PROPOSAL PREPARATION AND SUBMISSION	29
4.1 GENERAL	29
4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION	29
4.3 EBID AND NON-EBID SUBMISSION INSTRUCTION	29
4.3.1 NUMBER OF BID PROPOSAL COPIES (HARD COPIES)	29
4.3.2 EBID SUBMISSION OF BID PROPOSAL	29
4.4 BID PROPOSAL CONTENT	30
4.4.1 FORMS REQUIRED WITH BID PROPOSAL	30

4.4.2 FORMS REQUIRED BEFORE CONTRACT AWARD THAT SHOULD BE SUBMITTED WITH THE BID PROPOSAL	31
4.4.3 TECHNICAL PROPOSAL	32
4.4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE	33
4.4.5 PRICE SCHEDULE	35
5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS	36
5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS	36
5.2 CONTRACT TERM AND EXTENSION OPTION	36
5.3 CONTRACT TRANSITION	36
5.4 CONTRACT AMENDMENT	36
5.5 CONTRACTOR RESPONSIBILITIES	36
5.6 SUBSTITUTION OF STAFF	37
5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)	37
5.8 OWNERSHIP OF MATERIAL	38
5.9 DATA CONFIDENTIALITY	38
5.10 NEWS RELEASES	39
5.11 ADVERTISING	39
5.12 LICENSES AND PERMITS	40
5.13 CLAIMS AND REMEDIES	40
5.13.1 CLAIMS	40
5.13.2 REMEDIES	40
5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS	40
5.14 LATE DELIVERY	40
5.15 RETAINAGE	40
5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK	40
5.17 SUSPENSION OF WORK	41
5.18 CHANGE IN LAW	41
5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)	41
5.20 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENT	41
5.21 ADDITIONAL WORK AND/OR SPECIAL PROJECTS	41
5.22 FORM OF COMPENSATION AND PAYMENT	42
5.22.1 PAYMENT TO CONTRACTOR – OPTIONAL METHOD	42
5.23 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05/13/10	42
5.23.1 PATENT AND COPYRIGHT INDEMNITY	42
5.23.2 INDEMNIFICATION	43
5.23.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE	44
5.24 CONTRACT ACTIVITY REPORT	44
6.0 PROPOSAL EVALUATION	45
6.1 RIGHT TO WAIVE	45
6.2 PROPOSAL EVALUATION COMMITTEE	45
6.3 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL	45
6.4 EVALUATION CRITERIA	45
6.4.1 TECHNICAL EVALUATION CRITERIA	46
6.4.2 BIDDER'S PRICE SCHEDULE	46
6.4.3 TOTAL PROPOSAL SCORE	46
6.4.4 BID DISCREPANCIES	46
6.4.5 EVALUATION OF BID PROPOSALS	47
6.5 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)	47
7.0 CONTRACT AWARD	48
7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD	48
7.1.1 REQUIREMENTS OF PUBLIC LAW 2005, CHAPTER 51, N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134) AND EXECUTIVE ORDER 117 (2008)	48
7.1.2 SOURCE DISCLOSURE CERTIFICATION	50
7.1.3 AFFIRMATIVE ACTION	51
7.1.4 BUSINESS REGISTRATION	51
7.2 FINAL CONTRACT AWARD	51
7.3 INSURANCE CERTIFICATES	51
7.4 PERFORMANCE BOND	51

8.0 CONTRACT ADMINISTRATION.....	52
8.1 CONTRACT MANAGER	52
8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES.....	52
8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER	52
PRICE SCHEDULE	53

1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS). The purpose of this RFP is to solicit bid proposals to engage a contractor, known as an External Quality Review Organization (EQRO), to design and conduct annual quality assurance reviews of Health Maintenance Organizations (HMOs) that have contracts with DHS to manage the healthcare of NJ FamilyCare/Medicaid clients.

The intent of this RFP is to award a contract to that responsible bidder whose bid proposal conforming to this RFP is most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual requirements that are the subject of the contract during the contract term when deemed by the Director to be in the State's best interest.

The NJ Standard Terms and Conditions version 05/13/10 will apply to all contracts or purchase agreements made with the State. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

1.2 BACKGROUND

This is a reprocurement of the Medical Consulting: External Quality Review Organization, DMAHS term contract, due to expire on December 19, 2011. The present contractor will perform external quality review functions through the period ending December 31, 2010, and the new contractor will perform external quality review functions beginning with calendar year 2011 beginning January 1, 2011. Bidders interested in the current contract specifications and pricing information may review the current contract, T-1619, at

http://www.state.nj.us/treasury/purchase/noa/contracts/t1619_07-x-38991.shtml

DMAHS administers State and federally funded health insurance programs for select groups of children and adults with low and moderate income. As of February 2010, there was a total of 1,240,374 individuals (clients) enrolled in Medicaid who were eligible to receive services through DMAHS; about seventy-nine percent (79%) of this total eligible population, was enrolled in managed care.

MEDICAID ELIGIBLE (INCLUDES NON-FEDERALLY MATCHED ELIGIBLE CLIENTS) - FEBRUARY, 2010			
ELIGIBILITY CATEGORY	CHILDREN	ADULTS	TOTAL
NJ FAMILYCARE/MEDICAID	629,297	263,083	892,380
AGED, BLIND, AND DISABLED			
AGED	--	80,017	80,017
BLIND	41	792	833
DISABLED	30,899	154,322	185,221
GENERAL ASSISTANCE	--	53,301	53,301
CHILDREN'S SERVICES	28,622	--	28,622
TOTAL	688,859	551,515	1,240,374

All health care services are provided through either HMOs or traditional Fee for Service (FFS) programs. DMAHS has mandated that most eligible NJ FamilyCare/Medicaid clients, with the exception of dual eligibles, i.e., those clients eligible for Medicare and Medicaid, enroll in an HMO.

Four (4) HMOs participate in the NJ FamilyCare/Medicaid program. The following lists the participating HMO plans and their respective enrollment as of June, 2010.

1. Horizon NJ Health	469,349
2. AmeriChoice of New Jersey, Inc.	350,261
3. AMERIGROUP New Jersey, Inc.	143,042
4. Healthfirst Health Plan of New Jersey	18,007
Total	980,659

Quality assurance reviews are mandated by the Code of Federal Regulations, Title 42: Public Health, Part 438 - Managed Care, Subpart E - External Quality Review found at: <http://ecfr.gpoaccess.gov>.

1.3 KEY EVENTS

1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Purchase Bureau will electronically accept questions and inquiries from all potential bidders via the web at <http://ebid.nj.gov/QA.aspx>.

Questions should be directly tied to the RFP and asked in consecutive order following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders must not contact DMAHS directly, in person, by phone, or by e-mail, regarding this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date. See RFP Section 1.4.1 for further information.

1.3.2 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME ARE INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

Bid Receiving Room, 9th Floor
Purchase Bureau
Division of Purchase and Property
Department of the Treasury
P.O. BOX 230
33 West State Street
Trenton, NJ 08625-0230

Directions to the Purchase Bureau are available on the web at <http://www.state.nj.us/treasury/purchase/directions.shtml>.

Bidders using U.S. Postal Service regular or express mail services should allow additional time since the U.S. Postal Service does not deliver directly to the Purchase Bureau.

Procedural inquiries concerning this RFP may be directed to RFP.procedures@treas.state.nj.us. The State will not respond to substantive questions related to the RFP or any other contract via this e-mail address.

1.3.3 ELECTRONIC BIDDING (EBID)

The Division announces an electronic procurement modernization process that provides the bidder the opportunity to electronically submit its bid proposal. A new electronic bidding – “eBid” – application is available to bidders to promote an easier, more efficient method to submit bid proposals.

Instructor-led and online training sessions are available, as explained below. In the next several months, the Division will be moving to eBid-only submissions, i.e., paper proposals will no longer be accepted by the Division. It is strongly recommended that all bidders attend an instructor-led training session prior to the scheduled bid opening date and at least once before attempting to submit an eBid. It will be the bidder’s responsibility to ensure that the eBid has been properly submitted.

Bidders who wish to submit an eBid must be pre-registered for a Business Registration Certificate from the NJ Division of Revenue. The bidder is required to have the Contractor’s Certification number located on the Division of Revenue certificate in order to electronically submit a bid. This certificate may be obtained by visiting the following website:

<http://www.state.nj.us/treasury/revenue/busregcert.htm>.

Instructor-Led Training Sessions

The Division conducts instructor-led eBid training sessions, the purpose of which is to provide an opportunity to explain the electronic bid process. Division staff are available to provide a step-by-step demonstration during the training session on how to navigate in the new eBid website. The bidder is strongly encouraged to attend an instructor-led training session.

Instructor-led eBid training sessions are held every Wednesday, 10:30 AM ET, at the following location:

Department of the Treasury
Division of Purchase and Property
Purchase Bureau
33 West State Street
9th Floor Bid Room
Trenton, NJ 08625-0230

Directions to the Division are available at <http://www.state.nj.us/treasury/purchase/directions.shtml>.

On-line Training Sessions

If the bidder cannot attend an instructor-led training session, online training for the eBid process is available on the web at <http://www.state.nj.us/treasury/purchase/index.shtml>.

1.3.4 MANDATORY/OPTIONAL SITE VISIT

Not applicable to this procurement.

1.3.5 MANDATORY/OPTIONAL PRE-BID CONFERENCE

Not applicable to this procurement.

1.3.6 DOCUMENT REVIEW

Not applicable to this procurement.

1.4 ADDITIONAL INFORMATION

1.4.1 ADDENDA: REVISIONS TO THIS RFP

If it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, THE BIDDER MUST SELECT THE BID NUMBER ON THE WEB PAGE AT <http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml>.

There are no designated dates for release of addenda. Interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

1.4.2 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

1.4.4 CONTENTS OF BID PROPOSAL

A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.** In the event of any challenge to the bidder's designation of confidential/proprietary materials, the bidder shall be solely responsible for defending its designation and the State shall have no responsibility therefor.

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

1.4.5 BID OPENING

On the date and time bid proposals are due under the RFP, all information concerning the bid proposals submitted may be publicly announced, and those bid proposals, except for information appropriately designated as confidential, shall be available for inspection and copying. In those cases where negotiation is contemplated, only the names and addresses of the bidders submitting bid proposals will be announced, and the contents of the bid proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.

1.4.6 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change, including white-outs on hard copies, must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

1.4.7 BID ERRORS

In accordance with N.J.A.C. 17:12-1.11, "Bid Errors," a bidder may withdraw its bid as described below.

A bidder may request that its bid be withdrawn prior to bid opening. Such request must be made, in writing, to the Supervisor of the Business Unit. If the request is granted, the bidder may submit a revised bid as long as the bid is received prior to the announced date and time for bid opening and at the place specified.

If, after bid opening but before contract award, a bidder discovers an error in its proposal, the bidder may make a written request to the Supervisor of the Bid Review Unit for authorization to withdraw its proposal from consideration for award. Evidence of the bidder's good faith in making this request shall be used in making the determination. The factors that will be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. A PB-36 complaint form may be filed and forwarded to the Division's Contract Compliance and Audit Unit for handling. A record of the complaint will be maintained in the Division's contractor performance file for evaluation of future bids submitted.

All bid withdrawal requests must include the bid identification number and the final bid opening date and be sent to the following address:

Department of the Treasury
Purchase Bureau
PO Box 230
33 West State Street
9th Floor
Trenton, New Jersey 08625-0230
Attention: Supervisor, Bid Review Unit

If during a bid evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the bidder. The bidder will have five (5) days after receipt of the notice to confirm its pricing. If the vendor fails to respond, its bid shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and extended price and the bidder's intention is not readily discernible from other parts of the bid proposal, the Director may seek clarification from the bidder to ascertain the true intent of the bid.

1.4.8 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action Employee Information Report, and MacBride Principles Certification must be supplied for each party to a joint venture. Each party comprising the joint venture must also possess a valid Business Registration Certificate issued by the Department of Treasury, Division of Revenue prior to the award of a contract. Refer to Section 4.4.2.2 of this RFP.

2.0 DEFINITIONS

2.1 GENERAL DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

Addendum – Written clarification or revision to this RFP issued by the Purchase Bureau.

All-Inclusive Hourly Rate – A rate comprised of all direct and indirect costs including, but not limited to overhead, fee or profit, clerical support, travel expenses, safety equipment, materials, supplies, managerial support, and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Amendment – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder – An individual or business entity submitting a bid proposal in response to this RFP.

Contract – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

Contractor – The bidder awarded a contract resulting from this RFP.

Director – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division – The Division of Purchase and Property.

Evaluation Committee – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

Firm, Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction, and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

Joint Venture – A business undertaking by two or more entities to share risk and responsibility for a specific project.

May – Denotes that which is permissible, not mandatory.

Project – The undertaking or services that are the subject of this RFP.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

Should – Denotes that which is recommended, not mandatory.

State Contract Manager – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks, or other work elements in the Scope of Work, as set forth in Section 8.0.

Subtasks – Detailed activities that comprise the actual performance of a task.

State – State of New Jersey.

Subcontractor – An entity having an arrangement with a State contractor, whereby the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract while retaining full responsibility for the performance of all the State contractor's obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

Task – A discrete unit of work to be performed.

Using Agency(ies) – The entity(ies) for which the Division has issued this RFP and will enter into a contract.

2.2 CONTRACT-SPECIFIC DEFINITIONS

ABD – The Aged, Blind, or Disabled population of the NJ FamilyCare/Medicaid Program.

AFDC or AFDC-Related NJ FamilyCare/Medicaid – The Aid to Families with Dependent Children is a joint federal/State program that provides medical services to families. It is administered by counties under State supervision. Medicaid regulations are found in N.J.A.C. 10:69.

Annual Work Plan (AWP) – A formal description that outlines the annual activities to be completed as part of the EQR contract. The Annual Work Plan is used to organize and manage the activities.

Annual Assessment of HMO Operations – An annual review to determine HMO compliance with State and federal Medicaid managed care regulations, including adherence to, and effectiveness of, individual QAPs.

Audit – An official examination and verification of accounts and records.

Business day – The part of a day during which most businesses are operating, usually from 9 AM to 5 PM, Monday through Friday.

Calendar day – A day reckoned from midnight to midnight (12:00 AM to 11:59 PM).

Client: – A person eligible for assistance in accordance with the State Plan(s) under Title XIX and Title XXI of the Social Security Act and/or other State medical assistance programs.

Centers for Medicare and Medicaid Services (CMS) – The agency of the federal Department of Health and Human Services that is responsible for the administration of the Medicare and Medicaid programs in the United States.

DHS – Department of Human Services.

DMAHS – Division of Medical Assistance and Health Services within the Department of Human Services.

Dual Eligible – A person who is entitled to Medicare (Parts A and/or B) and who is also eligible for Medicaid.

Early Periodic Screening, Diagnostic and Treatment (EPSDT) Program – A Title XIX mandated program that covers screening and diagnostic services to determine physical and mental defects in enrollees under the age of twenty-one (21), and health care, treatment, and other measures to correct or ameliorate any defects and chronic conditions discovered, pursuant to Federal Regulations found in Title XIX of the Social Security Act.

Encounter Data – A record of the number and types of services rendered to patients during a specific time period.

External Quality Review (EQR) – The analysis and evaluation of aggregated information on quality, timeliness, and utilization of the health care services that an HMO or its contractors furnish to NJ FamilyCare/Medicaid clients.

External Quality Review Organization (EQRO) – An organization with which the State contracts to evaluate the care provided to Medicaid managed eligibles. It may conduct focused medical record reviews or broader analyses on quality. The organization must meet the competence and independence requirements set forth in 42 CFR 438.354 and perform external quality review or other EQRO-related activities as set forth in 42 CFR 438.358.

Fee for Service (FFS) – A method of reimbursement based on payment for specific services rendered to an enrollee.

Focused Quality Studies – Detailed reviews and assessments of aspects of healthcare for defined clinical and non-clinical areas with the intent to improve quality of care and outcomes.

Full-time equivalent employment (FTE) – The number of full-time equivalent jobs defined as total hours worked divided by the average annual number of hours worked in full-time jobs.

General Assistance (GA) – A component of the Work First New Jersey (WFNJ) program that offers cash and medical assistance to single individuals or childless couples to transition to jobs and take the first step toward self-sufficiency. WFNJ/GA provides temporary cash and medical assistance under essentially the same guidelines as WFNJ/TANF. Benefits for the GA program are State funded. Eligible applicants may also apply for the Food Stamp Program.

Health Insurance Portability and Accountability Act of 1996 (HIPAA) – Requires that all protected patient information be safeguarded in specific ways to prevent accidental or purposeful disclosure, loss, or misuse.

Health Maintenance Organization (HMO) – Any entity that contracts with providers and furnishes at least basic comprehensive health care services on a prepaid basis to enrollees in a designated geographic area pursuant to N.J.S.A. 26:2J-1 et seq. and is either a federally qualified HMO or meets the State's definition of an HMO, which includes, at a minimum, the following requirements:

- It is organized primarily for the purpose of providing health care services,
- it makes the services it provides to its Medicaid enrollees as accessible to them (in terms of timeliness, amount, duration, and scope) as the services are to non-enrolled Medicaid eligible individuals within the area served by the HMO,
- It makes provision, satisfactory to DMAHS and the Department of Banking and Insurance, against the risk of insolvency, and assures that Medicaid enrollees will not be liable for any of the HMO's debts if it does become insolvent, and

- It has a Certificate of Authority granted by the State to operate in all or selected counties within the State.

Healthcare Effectiveness Data and Information Set (HEDIS) – A set of standardized performance measures designed to ensure that purchasers and consumers have the information they need to reliably compare the performance of managed health care plans. It is developed and maintained by the National Committee for Quality Assurance, a not for profit organization.

Individual Case Review – A review of medical records, HMO encounter data, fee-for-service claims data, and any other accessory informational sources to determine the reason for an incident, remedial action taken, and steps that may be taken to prevent such an occurrence in the future.

Managed Care (MC) – A comprehensive approach to the provision of healthcare which combines clinical preventive, restorative, and emergency services and administrative procedures within an integrated, coordinated system to provide timely access to primary care and other medically necessary health care services in a cost effective manner.

Managed Care Organization (MCO) – An entity that has, or is seeking to qualify for, a comprehensive risk contract, and that is:

- A federally qualified HMO that meets the advance directives requirements of 42 CFR 489 Subpart I or
- Any public or private entity that meets the advance directives requirements and is determined to also meet the following conditions:
 - Makes the services it provides to its Medicaid enrollees as accessible (in terms of timeliness, amount, duration, and scope) as those services are to other Medicaid recipients within the area served by the entity, and
 - Meets the solvency standards of 42 CFR 438.116.

Managed Care Program Quality Report – An HMO performance report to give policymakers information concerning the quality of services provided by participating HMOs and the performance standards to which HMOs are held, as well as the initiatives that are in place to effect improvement.

Managed Care Services Administrator (MCSA) – An entity in a non-risk based financial arrangement that contracts to provide a designated set of services for an administrative fee. Services provided may include, but are not limited to, medical management, claims processing, and provider network maintenance.

Mandatory Enrollment – The process whereby an individual eligible for NJ FamilyCare/Medicaid is required to enroll in an HMO, unless otherwise exempted or excluded, to receive the services described in the standard benefits package as approved by DMAHS through necessary federal approval.

Medical Review Plan (MRP) – A detailed plan that includes an overview of general review criteria used to evaluate provided healthcare services.

Medicare – The federal health insurance program for people sixty-five (65) years of age or older, individuals disabled for twenty-four (24) months, and people with end-stage renal disease (permanent kidney failure with dialysis or a transplant).

N.J.A.C. – New Jersey Administrative Code.

National Committee for Quality Assurance (NCQA) – An independent, non-profit organization whose mission is to improve health care quality everywhere.

NJ FamilyCare/Medicaid – A program that provides comprehensive health care coverage to low and middle-income uninsured children and adults, jointly funded in most cases by the State and federal governments.

Open Public Records Act (OPRA) – A law that allows US citizens to obtain public documents and public records from State and local governments.

Primary Care Provider (PCP) – A licensed medical doctor (MD), doctor of osteopathy (DO), or certain other licensed medical practitioner who, within the scope of practice and in accordance with State certification/licensure requirements, standards, and practices, is responsible for providing all required primary care services to enrollees, including periodic examinations, preventive health care and counseling, immunizations, diagnosis and treatment of illness or injury, coordination of overall medical care, record maintenance, initiation of referrals to specialty providers described in this contract and the Benefits Package, and maintaining continuity of patient care. A PCP shall include general/family practitioner, pediatrician, internist, and may include specialist physicians, physician assistant (PA), certified nurse-midwife (CNM), certified nurse practitioner (CNP), or clinical nurse specialist (CNS), provided that the practitioner is able and willing to carry out all PCP responsibilities in accordance with these contract provisions and licensure requirements.

Quality Assurance Program (QAP) – A program based on CMS guidelines that provides for healthcare that is medically necessary with an emphasis on the promotion of good health in an effective and efficient manner; assesses the appropriateness and timeliness of the care provided; evaluates and improves, as necessary, access to care and quality of care with a focus on improving member outcomes; and focuses on the clinical quality of medical care rendered to enrollees.

Quality Assessment and Performance Improvement (QAPI) – An active plan based on CMS guidelines to monitor and evaluate the quality of clinical care and non-clinical services through quality of care studies and related activities that pursues opportunities for improvement on an ongoing basis.

Quality Improvement Project (QIP) – Measurable improvement projects conducted by HMOs that are defined annually by the State.

Quality Technical Report – A comprehensive analysis and review of the State's Medicaid managed care program that examines both strengths and weaknesses with respect to quality, utilization and timeliness of services. This report follows the CMS guidelines for Annual Technical Reports.

Temporary Assistance for Needy Families (TANF) – A cash assistance program that replaced the federal AFDC program.

Utilization – The rate patterns of service usage or types of service occurring within a specified time.

Work First New Jersey (WFNJ) Program – The single public assistance program established pursuant to P.L. 1997, c. 13, c. 14, c. 37, and c. 38, which provides assistance to single adults, couples without dependent children, and families with dependent children.

3.0 SCOPE OF WORK

3.1 BASIC REQUIREMENTS

3.1.1 LOCATION

The contractor's project office shall be located within ten (10) miles of the DMAHS office in Mercerville, New Jersey.

3.1.2 OPERATIONS

All contractor activities to be performed under the contract shall be conducted in consultation with and the approval of the State Contract Manager. All written and oral communication to the HMOs or any other non-State entity must have prior approval by the State Contract Manager.

The contractor shall:

- A. Inform the State Contract Manager of all activities.
- B. Be available for approximately two (2) meetings a month with the State Contract Manager. Some meetings may be conducted via conference call or video conference with the approval of the State Contract Manager.
- C. Provide electronic progress reports of all activities to the State Contract Manager within ten (10) working days of the close of each month.
- D. Maintain and submit, in accordance with 45 CFR Part 74, detailed documentation, including research, raw data, sources, study results and analyses, to the State Contract Manager as required by the tasks in this RFP and tasks subsequently developed as a consequence of reviews, problems, and opportunities as they arise.
- E. Submit all design specifications, criteria for evaluation, and source information to the State Contract Manager for approval.
- F. Provide an agenda and prepare minutes of scheduled quarterly status meetings with the State Contract Manager. Additional meetings shall be scheduled at the discretion of the State on an as-needed basis. Minutes shall be submitted to the State Contract Manager within five (5) working days of each meeting.

3.1.3 REPORTS AND DOCUMENTATION

All reports, documentation and recommendations shall be prepared in accordance with nationally recognized standards of care, submitted in accordance with 42 CFR 438.364, and include, but not be limited to, the following:

- A. Executive summary
- B. Objectives
- C. Assessment of each HMO's strengths and weaknesses
- D. Comparative information about all HMOs
- E. Safeguards of patient identity
- F. Assessment of the degree to which each HMO has effectively addressed the recommendations for quality improvement made by the contractor and/or the State during the previous year's review
- G. Design specifications

- H. Evaluation of review criteria
- I. Research methodologies
- J. Statistical data and methodologies
- K. Utilization data and methodologies
- L. Demographic data and sources
- M. Study analyses and methodology of data collection
- N. Raw data and description of data obtained
- O. Source documents
- P. Conclusions
- Q. Recommendations for the study, including those for improving the quality of health care services furnished by each HMO, where applicable
- R. References

3.1.4 COMPATIBILITY

The contractor shall assure that all reports and analyses interface with all reports or systems in use by DMAHS at all times. This interface shall include the ability to import and export appropriate data to/from all State IT systems in use over the course of the contract.

3.1.5 REPORTS AND INFORMATION CRITERIA

In all reports produced by the contractor, the contractor shall include an accurate description of the care delivered to NJ FamilyCare/Medicaid clients. Reviews of care shall be conducted in accordance with generally accepted principles of research design, statistical analysis, and other appropriate validation techniques in order to produce valid and reliable analyses.

All information shall clearly identify instances in which care can be improved and provide a baseline for future assessments to determine whether care actually has improved. Reviews shall measure care delivered against objective measures of healthcare agreed upon by the State, the contractor, and the HMOs. Final authority for the selection of these measures remains with the State Contract Manager.

Each review shall give priority attention to clinical conditions and/or access to healthcare issues

- A. That have highest prevalence or incidence, and
- B. For which the provision of appropriate care has the greatest potential for improving health outcomes.

Reports of data analysis and results shall be submitted in draft form for approval by the State Contract Manager. Subsequent to draft approval, all final reports shall be provided on a "read only" CD-ROM in a format compatible with State systems.

The delivery dates for each deliverable shall be set forth in each Annual Work Plan and agreed to by the State Contract Manager.

3.1.6 FEDERAL COMPLIANCE

As directed and instructed by the State Contract Manager, the contractor shall, at all times and in all activities, comply with the requirements of HIPAA, Balanced Budget Act of 1997, federal Department of Health and Human Services, and/or CMS.

3.1.7 STATE NOTIFICATION

The contractor shall notify the State Contract Manager within forty-eight (48) hours by telephone and e-mail of any problem that may affect the execution of the contract and/or impact the contractor's operations.

3.2 CONTRACT TASKS/DELIVERABLES

3.2.1 ENTRANCE CONFERENCE

Upon award of the contract, the contractor shall schedule and attend a meeting within five (5) business days with the State Contract Manager to discuss all pertinent items relative to the contract. In subsequent years of the contract the entrance conference and initiation of the AWP process shall occur two (2) months prior to the start of the new contract year.

3.2.2 ANNUAL WORK PLAN

The contractor shall prepare and submit a proposed Annual Work Plan (AWP) within five (5) business days of the entrance conference. The AWP shall include, at a minimum:

- A. The contractor's approach to performing the scope of work, with emphasis on techniques to be used for collecting and analyzing data
- B. Methods to be used in managing the project
- C. The anticipated time for each task to be completed
- D. Specific review criteria to be used in the review of healthcare services provided in all settings
- E. A written plan containing a process that addresses situations in which medical records are not forthcoming from the providers of service. This shall be included along with the review criteria.

The contractor shall meet with the State Contract Manager within ten (10) business days from the date of submission of its proposed AWP to review it. The contractor shall have ten (10) business days from that meeting to revise and resubmit its proposed AWP that includes the State Contract Manager's comments and recommendations. Upon approval of the proposed AWP, the contractor will have ten (10) business days to prepare and submit to the State Contract Manager, a detailed, time-staged AWP. This detailed, time-staged AWP must be approved by the State Contract Manager before it becomes final.

The AWP shall be a fluid plan modified as circumstances warrant or at the request of the State Contract Manager with the agreement of the contractor. The State Contract Manager shall have final approval of any modification.

Deliverable 1: Preparation of a detailed time-staged AWP that includes each task outlined in the scope of work shall be provided in accordance with the timeframes above. The AWP shall specify the number and types of full-time equivalents (FTEs) of personnel required to complete each task and the dates that each task will be completed. This shall be approved by the State Contract Manager before implementation.

3.2.2.1 MEDICAL REVIEW PLAN (MRP)

In the AWP, the contractor shall provide a detailed MRP, including an overview of general review criteria. Criteria appropriate to the specific setting, i.e., physician's office, hospital, or home health agency, shall be used in the review of healthcare services provided.

The plan must include a complete description of how the contractor conducts medical reviews of focused studies, individual case reviews, ad hoc reviews, quality assurance, monitoring, and data analyses and prepares findings. The description must discuss the approach, principles, and conceptual framework used in performing a quality assessment for the various activities in the scope of work.

The MRP shall consist of a retrospective quality review of the medical care provided to NJ FamilyCare/ Medicaid clients primarily enrolled, for a twelve (12) month period in DHS-contracted HMOs and Managed Care Services Administrators (MCSAs). The MRP shall also include the specific demographic groups and medical and social conditions that may be targeted for review. All care is defined as care in any healthcare setting, whether at a physician's office, hospital, or home health agency. A Medical Director with a current New Jersey license must actively oversee implementation of all aspects of the MRP.

The objectives of the review activities are to:

- A. Provide an independent assessment of the quality of delivered health care.
- B. Identify problems and opportunities.
- C. Make recommendations that are measurable, relevant, based on research for resolution of identified problems, and for the improvement of healthcare service delivery.
- D. Identify substandard as well as superior performance and best practices by the HMOs and Managed Care Services Administrators.

If any practice patterns that could potentially result in adverse health outcomes among NJ FamilyCare/ Medicaid clients are identified during the course of any review, the contractor shall provide oral and hard copy reports to the State Contract Manager within one (1) business day.

Specific review criteria shall be used in the review of healthcare services provided in all settings. These criteria shall be included as a part of the Annual Work Plan.

3.2.2.2 MEDICAL RECORD AND DATA COLLECTION

In the AWP, the contractor shall provide to the State Contract Manager a proposal that enables the contractor to collect at least ninety percent (90%) of medical records/data needed for each focus study or case review. The plan shall include the methodology for collecting medical records/data, over-sampling, the methodology for advance notification to HMOs and providers concerning audits, and remedies to alleviate barriers when records are not forthcoming.

From the time a sample is generated, the contractor shall have ninety (90) calendar days to collect all medical records/data. No extensions of time will be granted beyond ninety (90) calendar days for this process.

The contractor shall retrieve medical records from providers' offices for the focused studies using a dynamic process that adjusts based on each individual circumstance and allows for ongoing communication between the HMOs and DMAHS. The contractor shall work with the HMO liaisons identified by DMAHS to address issues that arise during the retrieval process. The State Contract Manager shall be notified of all requests for assistance with the HMOs.

The contractor shall provide status updates to the HMOs and DMAHS on an ongoing basis regarding all requested records. If, after two (2) unsuccessful attempts by the contractor to collect records and after requesting the assistance of the HMO, the process has not produced sufficient medical records/data for a study, the contractor shall notify the State Contract Manager in writing within forty-eight (48) hours. This notification shall include a revised proposal by the contractor for collecting the needed records within the ninety (90) day period.

3.2.3 ANNUAL ASSESSMENT OF HMO OPERATIONS

The contractor shall conduct a comprehensive Annual Assessment of HMO Operations at intervals no greater than twelve (12) months as designated and approved by the State Contract Manager. The contractor shall evaluate each of the HMO's structures, processes, and outcomes of operations and monitor for adherence to, and effectiveness of, individual HMO Quality Assurance Programs, including but not limited to:

- A. Delivery of preventive care
- B. Specific activities and performance of activities focusing on health outcomes
- C. Accessibility of specialists and ancillary services
- D. Accessibility to emergency services
- E. Member services
- F. Provider network and services
- G. Complaint/grievance process
- H. Client outreach and follow-up
- I. Appropriateness of care management and case management activities
- J. Effectiveness of care management and case management programs
- K. Follow-up of emergency room care, specialist consultations, and hospitalizations
- L. Utilization management program
- M. Involvement of providers in developing and implementing quality management
- N. Application of principles of continuous quality improvement
- O. Evaluation and revision of medical policies and standards of care in order to improve quality
- P. Provider satisfaction surveys
- Q. Provider profiling
- R. Member and provider complaint and appeal/grievance mechanisms
- S. Methods to assure continuity of care and effective teamwork among providers
- T. Effectiveness of health education efforts
- U. Efforts to identify and remedy problems of underutilization and over-utilization
- V. Assurance that providers are not penalized for utilization rates that reflect appropriate care
- W. Cultural and linguistic competence
- X. Telephone availability of PCPs
- Y. Waiting time for appointments
- Z. Record keeping
- AA. Ensuring that credentialing and re-credentialing of providers follow CMS guidelines as modified by the NJ FamilyCare/Medicaid Managed Care contract
- BB. Ensuring that providers suspended by CMS or a State agency are terminated or suspended by the HMOs
- CC. Administration/organization
- DD. Delegation and monitoring activities
- EE. Enrollee rights
- FF. Client satisfaction surveys
- GG. After hour availability of PCPs
- HH. Fraud and abuse
- II. Information system capabilities

The contractor shall include the elements of the Annual Assessment in its AWP. The AWP shall include plans for review and coordination of activities for the assessment. HMOs demonstrating contractual compliance performance at or above eighty-five percent (85%) receive a partial review every other year of only those elements that are "Not Met" or "N/A" during the comprehensive review. Comprehensive reviews of all requirements include documentation submission along with an onsite visit and file review.

The contractor shall meet with the State Contract Manager and DMAHS staff to discuss the elements for review and coordinate activities for the assessment no less than 180 calendar days prior to the Annual Assessment. Within thirty (30) calendar days of the meeting, the contractor shall provide to the State Contract Manager for approval a written plan for the assessment and a list of contractor staff, who will conduct the survey, along with their qualifications. Within sixty (60) calendar days of the meeting, the contractor shall provide all confirmed assessment dates, worksheets, and survey documents for State approval.

Subsequent to the above evaluation and within thirty (30) calendar days, the contractor shall provide a written review and analysis of the findings and report problems and opportunities including recommendations for change(s) to determine whether:

- A. Quality of care and services provided to NJ FamilyCare/Medicaid clients meet professionally recognized standards
- B. Services are rendered in the appropriate setting and are accessible and timely
- C. Services are appropriate for individual patient needs
- D. Services are provided in accordance with HMO contract medical and administrative requirements
- E. There is a potential for under or over-treatment and/or under or over-utilization of services
- F. There are disparities in the delivery of healthcare services

The Annual Assessment of HMO Operations shall be designed to show trends, comparisons across HMOs, best practices, deficiencies, other areas of concern, and opportunities covering all areas of the assessment. All information and analyses shall include, at a minimum, the following:

- A. An accurate and reliable description of the care delivered to NJ FamilyCare/Medicaid clients. Review of care shall be conducted in accordance with generally accepted principles of research design, statistical analysis, and other appropriate validation techniques in order to produce valid, reliable, and summarized information.
- B. A clear identification of instances in which care can be improved and a baseline for future assessment to determine whether care has been improved. The review shall measure care delivered against objective measures of healthcare that have been agreed upon, to the extent possible, by the State Contract Manager, the contractor, and the HMOs.
- C. Priority attention to clinical conditions and health services delivery issues that have the
 - 1) Highest prevalence and incidence
 - 2) Greatest potential for improving health outcomes
 - 3) Largest possible impact on care

Deliverable 2: A report of the findings of each HMO's Annual Assessment of HMO Operations that includes all the criteria listed above shall be submitted electronically and in hard copy. Each HMO's report is due to the State Contract Manager within thirty (30) calendar days of the Annual Assessment.

3.2.3.1 EVALUATION OF THE HMO'S INTERNAL QUALITY ASSURANCE PROGRAM (QAP)

As part of the Annual Assessment of HMO Operations, the contractor shall monitor each HMO's adherence to its internal QAP. This evaluation shall ensure that the internal QAP:

- A. Complies with the standards for internal QAPs, which are specified in Section 4.6 of NJ FamilyCare/Medicaid contract found at: <http://www.state.nj.us/humanservices/dmahs/hmo-vol1.pdf>
- B. Consists of systematic activities to monitor and evaluate the care delivered to its enrollees according to predetermined objective standards
- C. Results in improvement in access, quality, and utilization of care

- D. Provides for review by appropriate health professionals of the process followed in delivering health services

The review topics to be included in the QAP monitoring shall include, but are not limited to, the following:

- A. Provider network/access to covered services
- B. Provider-to-member ratios for the following providers: PCPs, specialty physicians, and non-physician providers
- C. Capacity measures
- D. Geographic access standards
- E. Accessibility measures
- F. Quality of services
- G. Member services
- H. Credentialing process
- I. Provider profiling
- J. Complaint/grievance procedures
- K. Record keeping
- L. Utilization management review

The contractor shall include its evaluation of the HMOs adherence to its internal QAP and the activities that comprise its QAP as part of the Annual Assessment of HMO Operations (Deliverable 2).

3.2.4 VALIDATION OF THE HMO'S PERFORMANCE MEASURES

As an additional part of the evaluation of the HMO's internal QAP, the contractor shall validate the HMO's HEDIS performance measures. The measures to be validated shall be selected by DMAHS, as specified in the NJ FamilyCare/Medicaid Contract, and include the following:

- A. Childhood immunization status
- B. Well-child visits in the first fifteen (15) months of life
- C. Well-child visits in the 3rd, 4th, 5th, and 6th year of life
- D. Adolescent well-care visits
- E. Prenatal and postpartum care
- F. Breast cancer screening
- G. Cervical cancer screening
- H. Use of appropriate medications for people with asthma
- I. Comprehensive diabetes care
- J. Lead screening in children

The contractor shall include a summary of its assessment of the HMO's HEDIS Performance Measures as part of the Annual Assessment of HMO Operations Report (Deliverable 2). Complete validation findings shall be provided in Deliverable 3.

Deliverable 3: A report of the validation findings of HMO Performance Measures Methodology shall be submitted electronically and in hard copy. Each HMO's report is due to the State Contract Manager within forty-five (45) calendar days of receipt of the HMO's HEDIS data.

3.2.5 EVALUATION OF THE HMO'S QUALITY IMPROVEMENT PROJECTS (QIP)

QIPs are defined annually by the State. They include measurable improvement goals and the specific measures and strategies for achieving each of the QIP objectives. QIPs shall be designed to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical and non-clinical care areas that are expected to have a favorable effect on health outcomes and enrollee satisfaction.

The contractor shall evaluate and validate QIPs in the areas identified below. Changes in required QIPs shall be defined by DMAHS.

- A. Well-child care (Early Periodic Screening, Diagnostic, and Treatment (EPSDT) Program) – The QIP for well-child care shall focus upon achieving compliance with the EPSDT periodicity schedule in the following priority areas: age-appropriate comprehensive exams, immunizations, annual dental visits, and lead screens.
- B. Prenatal care and birth outcomes – The QIP for prenatal care and birth outcomes shall focus upon improving birth outcomes and health status of children.

Deliverable 4: In June of each contract year, the contractor shall receive, review, and analyze each HMO's progress report for each current QIP project to ensure that any changes to the project are appropriately implemented and interim data analyses are completed. The contractor shall monitor and advise on the implementation and evaluation of the QIP through the development of a formal training to be attended by all HMOs regarding the aggregate findings. This training shall be held in July of each contract year.

Deliverable 5: In mid-September of each contract year, the contractor shall receive, review, and analyze each HMO's progress report for each current QIP project to ensure that any changes to the project are appropriately implemented and updated data analyses are completed. The contractor shall monitor and advise on the implementation and evaluation of the QIP and submit an electronic and hard copy report of the validation findings and recommendations to the State Contract Manager within forth-five (45) calendar days of receipt of the QIP progress report from DHS, DMAHS.

Deliverable 6: As necessary, in early September of each contract year, the contractor shall receive, review, and analyze each HMO's final report that is to be prepared when the project achieves the stated performance goal, exhibits sustainability, and has evidence of being operational within the organization. The contractor shall advise on the implementation and evaluation of the QIP and submit an electronic and hard copy report of the validation findings and recommendations to the State Contract Manager within forty-five (45) calendar days of receipt of the QIP final report from DHS, DMAHS.

3.2.6 QUALITY TECHNICAL REPORT

The contractor shall aggregate the information on all CMS required activities (review of HMO compliance with State-specific standards for quality program operations, validation of state-required performance measures, and validation of State-required performance improvement projects) to complete an analysis for the State and submit one (1) technical report. Critical cases identified for special review, including a summation of confirmed quality issues by severity level, and the results of focused quality health care studies and any other audits shall also be included in this technical report. The information included from all the above noted activities shall address the quality issues identified and their impact on care along with any other data relevant to the evaluation of the HMO.

The contractor shall review and analyze the quality of care provided to DMAHS clients. Problems, opportunities, and recommendations for change(s) shall be identified in the following review of:

- A. Medical/administrative data to determine patterns of care
- B. Individual cases in specific situations to determine the appropriateness of care
- C. Follow-up of findings of previous patterns of care studies and individual cases
- D. Substandard and superior performance by the HMOs, including best practices. Reports shall be detailed to be HMO-specific for comparison across plans.
- E. An independent assessment of the quality of health care delivered to NJ FamilyCare/Medicaid clients

The contractor shall use information previously provided in medical records, administrative data, HMO encounter data, and FFS claim data as well as other applicable data to ensure that:

- A. Quality of care and services provided to NJ FamilyCare/Medicaid clients meet professionally recognized standards
- B. Services are delivered in the appropriate setting and are accessible and timely in accordance with accepted standards of care
- C. Services are appropriate for individual patient needs
- D. Services are provided in accordance with DHS-HMO contract medical and administrative requirements
- E. Under or over-utilization of services or treatment is addressed
- F. Any other disparity or opportunity that may influence the review is addressed

The technical report shall summarize the EQR process, identify the major findings and conclusions with regard to timeliness, utilization and quality of care concerns, and highlight best practices along with recommendations for the HMOs for each review activity.

Deliverable 7: An HMO-specific report shall include the information noted above and shall be submitted electronically and in hard copy to the State Contract Manager within thirty (30) calendar days from the receipt of the contract year's last deliverable, unless otherwise authorized by the State Contract Manager.

3.2.7 MANAGED CARE PROGRAM QUALITY REPORT

The contractor shall create and produce a Managed Care Program Quality Report. This report shall include, but not be limited to, the following topics:

- A. EPSDT
 - 1) Well child and adolescent visits
 - 2) Childhood and adolescent immunizations
 - 3) Lead screening
 - 4) Pediatric dental care utilization
 - 5) EPSDT trends
- B. Quality of care for children with special health care needs
- C. Comparison of the managed care program to other programs
- D. Comprehensive diabetes care
- E. Women's health and pregnancy-related care
- F. Appropriate use of asthma medications
- G. Any other quality initiatives, as defined by the State

The Managed Care Program Quality Report shall be a maximum of twenty-five (25) pages (two (2)-sided) and shall be provided in hard copy and CD-ROM formats. This report shall be approved by the State Contract Manager at agreed-upon stages of its development, with a publication date of forty-five (45) business days from the end of the previous calendar year.

Deliverable 8: The above described annual Managed Care Program Quality Report is due to the State Contract Manager within forty-five (45) business days from the end of the previous calendar year.

3.2.8 FOCUSED QUALITY STUDIES

The contractor shall conduct at least four (4) focused studies, and any other ad hoc studies requested, in accordance with the AWP. The topics shall be determined by the State, based upon State, federal, and waiver program requirements and goals.

The specific focus of each study will be determined by the State. The following represent health services delivery areas to be reviewed for the studies:

- A. Utilization and quality of health and dental services
- B. Continuity and outcome of care
- C. Health education
- D. Member and provider compliance
- E. Barriers to care
- F. Emergency services
- G. Discriminatory practices in providing or not providing care
- H. Special attention to vulnerable populations
- I. Access to care for clients with disabilities
- J. Utilization of pharmaceutical services and prescription drug abuse
- K. Care and case management services
- L. Disparities in the delivery of health care services
- M. Adherence to evidence based guidelines

As defined in the final AWP, written protocols to conduct each of the studies shall be submitted electronically and in hard copy by the contractor for the State Contract Manager's approval. The written protocols shall be based on HEDIS criteria and national standards where applicable, including any suggested modifications appropriate for the NJ FamilyCare/Medicaid program. For the focused quality studies, the contractor shall provide HMOs with a ninety (90) calendar day notice of the audit process so that the HMOs can provide advance notice to providers and plan for resource allocation.

The contractor shall produce and provide the report of the studies to the State Contract Manager within forty-five (45) calendar days after the record acquisition phase is complete.

After the State Contract Manager provides an evaluation of the contractor's report, the contractor shall have fifteen (15) calendar days to make revisions, produce a final report, and provide it to the State Contract Manager.

Deliverable 9: A complete statistical analysis of each of at least four (4) focused quality studies, and any other ad hoc studies, in the timeline identified in the contractor's approved AWP shall be submitted electronically and in hard copy to the State Contract Manager.

3.2.9 CARE MANAGEMENT AND LEAD CASE MANAGEMENT AUDIT

The contractor shall evaluate the effectiveness of each HMO's contractually-required care management and lead case management programs. The annual audit shall include a statistically valid sample of enrollees that is generated by the contractor. Specific populations to be audited and specific audit activities will be determined by the State Contract Manager and may include the following evaluations:

- A. Implementation of care/case management services
- B. Outcomes of care/case management services
- C. Information systems used to determine who is placed in care/case management
- D. Members' satisfaction with care/case management services

Detailed reports of audit findings and compliance rate scoring shall be submitted to the State Contract Manager.

Deliverable 10: Final audit reports shall be submitted to the State Contract Manager within forty-five (45) calendar days of completion of the on-site audits.

3.2.10 INDIVIDUAL CASE REVIEWS

The contractor shall conduct approximately 150 individual case reviews annually, as specified by the State Contract Manager, and report incidents that may include problems in accessing or coordinating care, patterns of care, and/or type of care provided.

The contractor shall review the medical records, HMO encounter data, and any other accessory informational sources to determine the reason for the incident, remedial action taken, if any, and steps that may be taken to prevent such an occurrence in the future. The contractor shall also report the implications of this occurrence for the HMO's quality assurance program.

Deliverable 11: A detailed analysis of findings and written recommendations for actions to be taken by the HMO to improve care provided to NJ FamilyCare/Medicaid program clients and to resolve detected problems shall be submitted to the State Contract Manager within thirty (30) calendar days of the Individual Case Review.

3.2.11 VALIDATION OF ENCOUNTER DATA

The contractor shall develop and implement procedures based upon State established standards that determine encounter data validity. The contractor shall assess each HMO's information system, analyze electronic encounter data for accuracy and completeness, including analysis of data reasonableness, and review medical records for additional confirmation of findings.

Deliverable 12: An annual, detailed analysis of the completeness and accuracy of encounter data shall be submitted to the State Contract Manager within forty-five (45) calendar days of completion of the assessment.

3.2.12 SAMPLE SELECTION METHODOLOGY

A proposal for sample selection shall be presented to the State Contract Manager for review and approval. The sample size to be reviewed for each HMO shall be statistically valid at the ninety-five percent (95%) confidence level for each contract year. When the sample size is too small, use of other appropriate measurement techniques may be applied with prior approval from the State Contract Manager.

The approximate number of reviews shall be based on the current enrollment data (see RFP [Section 1.2 Background](#)) and the projected enrollment below.

Projected Enrollment – NJ FamilyCare/Medicaid MC and FFS 2010-2012							
	AGED	BLIND	DISABLED	CHILDREN'S SERVICES	NJ FAMILYCARE	GENERAL ASSISTANCE	TOTAL
FY 2010 AVERAGE	80,867	849	185,076	28,833	880,590	52,946	1,229,161
FY 2010 YEAR-END	81,714	848	187,719	28,886	934,335	55,839	1,289,341
FY 2011 AVERAGE	82,733	846	190,850	29,005	997,736	59,169	1,360,338
FY 2011 YEAR-END	83,616	844	193,507	29,075	1,051,711	62,000	1,420,752
FY 2012 AVERAGE	84,645	842	196,640	29,155	1,115,371	65,365	1,492,018
FY 2012 YEAR-END	85,516	840	199,293	29,227	1,169,227	68,208	1,552,312
<p>All projections are a linear trend using actual eligible figures from October 2008 through September 2009. Recent increasing trends in NJ FamilyCare and General Assistance have been substantial, in part due to economic conditions. The linear trends do not account for any future slowing of enrollment as would most likely happen as economic conditions improve.</p> <p>Source: Monthly Public Stats Reports of DMAHS Office of Research</p>							

Deliverable 13: Sample selection methodology shall be submitted to the State Contract Manager for approval as part of each AWP.

3.3 SECURITY CLEARANCE

As a condition of performing work for NJ DHS DMAHS and for purposes of determining staffing qualifications as contracted personnel, the contractor shall undertake a criminal history record background check for its employees. This shall pertain to anyone providing services under this contract. The contractor shall undertake a criminal background check for all network providers, sub-contractors, and sub-contractor employees assigned to do work for DHS DMAHS pursuant to regulations promulgated under N.J.A.C. 13:59-1.1 et seq.

The contractor shall request and authorize the New Jersey State Police to conduct a fingerprint based New Jersey Criminal History Background Check through Sagem Morpho, Inc., a private company under contract with the State of New Jersey. "Form D" (Form No. NJAPS2, Version 3.0) shall be submitted along with the applicable fee. Information concerning this procedure and the required form may be found at www.nj.sp.org/about/servchrc.html#nccr. The contractor shall not permit any newly hired, re-hired, or transferred personnel to provide services under this contract until the results of that criminal history background check are provided to the contractor. The contractor in consultation with the State Contract Manager shall review the results of that criminal history record background check prior to assigning personnel.

The contractor shall retain the results of an individual's criminal history background check as long as any individual is assigned to do work for DHS DMAHS. The results of the criminal history background check shall be made available to the State Contract Manager upon request. Performance of such background checks with immigration law compliance shall be subject to periodic audits by State auditors.

If the contractor has had a State Police background, criminal, and fingerprinting check performed for the employee that meets the exact criteria specified above, the check may be accepted by the State Contract Manager at the State's sole discretion. Any such reference check must have been during the period of this contract or no later than six (6) months prior to the contract start date

3.4 HIPAA

The contractor shall maintain the confidentiality of beneficiary information. The contractor shall limit access to beneficiary information to the contractor and its subcontractors. The contractor shall prudently safeguard and protect unauthorized disclosure of the confidential information in its possession.

The contractor shall comply with all federal and State laws and regulations with regard to handling, processing, and using health care data. This includes, but is not limited to, the Federal Health Insurance Portability and Accessibility Act of 1996 (HIPAA) and authorizing regulations. These regulations are evolving and are therefore of a dynamic nature. The contractor must keep abreast of the regulations and reach full compliance within the specified timeframes. Since HIPAA is federal law and its enacting regulations apply to all health care information, the contractor must comply with HIPAA regulations at no cost to the State.

The contractor shall be required to sign a HIPAA Business Associate Agreement. This Agreement sets forth the responsibilities of the contractor as a covered entity with DHS, DMAHS in relationship to protected health information, as this term is defined and regulated by HIPAA, and the regulations adopted thereunder by the Secretary of the United States Department of Health and Human Services, with the intent that the covered entity shall at all times be in compliance with HIPAA and the underlying regulations.

The contractor shall possess internal policies that ensure compliance with federal and State laws and regulations regarding confidentiality. In no event may the contractor provide, grant, allow, or otherwise give access to confidential information to anyone without written permission of the State Contract Manager. The contractor shall assume all liabilities under federal and State law in the event that the information is disclosed in any manner.

Upon the contractor's receipt of any requests for confidential information from any individual, entity, corporation, partnership, or otherwise, the contractor shall notify the State Contract Manager as well as the DMAHS Privacy Officer within twenty-four (24) hours. The contractor shall ensure that there will be no disclosure of the data except through DMAHS. DMAHS shall treat such requests in accordance with DMAHS policies. In cases where the information requested by outside sources is releasable under the Open Public Records Act, as determined by DMAHS, the contractor shall provide support for copying and invoicing such documents at the contractor's expense.

Any use, sale, or offering of utilization data in any form by the contractor, his/her employees, or assignees shall be considered in violation of this contract and will cause the infraction to be reported to the Attorney General for possible prosecution or other legal action. Violations of such guarantees shall include, but are not limited to, the cancellation of the contract and/or legal action with damages paid to the State.

4.0 BID PROPOSAL PREPARATION AND SUBMISSION

4.1 GENERAL

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's Signatory Page, in preparing and submitting its bid proposal.

Bid proposals shall not contain URLs (uniform resource locators, i.e., the global address of documents and other resources on the world wide web) or web addresses. Inasmuch as the web contains dynamically changing content, inclusion of a URL or web address in a bid response is indicative of potentially changing information. Inclusion of a URL or web address in a bid response implies that the bid's content changes as the referenced web pages change.

The forms discussed herein and required for submission of a bid proposal in response to this RFP are available on the web at <http://www.state.nj.us/treasury/purchase/bid/summary/10-X-21361.shtml> unless noted otherwise.

4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP Signatory Page accompanying this RFP. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are ineligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

4.3 EBID AND NON-EBID SUBMISSION INSTRUCTION

Bid proposals submitted in response to this RFP shall be submitted as hard copies (Section 4.3.1) and via the eBid system (Section 4.3.2).

4.3.1 NUMBER OF BID PROPOSAL COPIES (HARD COPIES)

The bidder must submit the following bid proposal copies:

- **One (1) complete ORIGINAL bid proposal** clearly marked as the "ORIGINAL" bid proposal.
- **Ten (10) complete and exact copies** clearly marked "COPY".
- **One (1) unbound, complete and exact copy of the original** clearly marked "COPY".

Copies are necessary in the evaluation of the bid proposal and for record retention purposes. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. The bidder should make and retain a copy of its bid proposal.

4.3.2 EBID SUBMISSION OF BID PROPOSAL

Instructions to enroll and submit eBids are located at <http://ebid.nj.gov>.

The eBid proposal will prevail in the event of a discrepancy between the electronic and paper versions.

4.4 BID PROPOSAL CONTENT

The bid proposal should be submitted in two (2) volumes with the content of each volume as indicated below.

Volume 1

- Section 1 - Forms (Sections 4.4.1 and 4.4.2)
- Section 2 - Technical Proposal (Section 4.4.3) **This section of the bidder's submission should be limited to twenty-five (25) pages typed in no smaller than a twelve (12) point font.**
- Section 3 - Organizational Support and Experience (Section 4.4.4)

Volume 2

- Section 4 - Price Schedule (Section 4.4.5)

4.4.1 FORMS REQUIRED WITH BID PROPOSAL

4.4.1.1 SIGNATORY PAGE

The bidder shall complete, including signature of an authorized representative of the bidder, and submit the Signatory Page accompanying this RFP. If the bidder is a limited partnership, the Signatory Page must be signed by a general partner. If the bidder is a joint venture, the Signatory Page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

4.4.1.2 OWNERSHIP DISCLOSURE FORM

Whether the bidder is a corporation, partnership, or sole proprietorship, the bidder must complete an Ownership Disclosure Form. A current, completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

4.4.1.3 DISCLOSURE OF INVESTIGATIONS AND ACTIONS INVOLVING BIDDER

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints, or other administrative proceedings involving any public sector clients during the past five (5) years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form for this purpose.

4.4.1.4 SET-ASIDE CONTRACTS

4.4.1.4.1 Small Business Subcontracting Set-Aside Contracts

This is a contract with set-aside subcontracting goals for New Jersey Small Business Enterprises.

4.4.1.5 SUBCONTRACTOR SET-ASIDE FORMS

All bidders shall complete the Notice of Intent to Subcontract Form to advise the State as to whether a subcontractor will be used to provide any goods or services under the contract. If this is a small business subcontracting set-aside contract, per Section 4.4.1.4.1, the bidder must comply with the Procedures for Small Business Participation as Subcontractors set forth in the Subcontractor Set-Aside Forms. If the bidder intends to use a subcontractor, the Subcontractor Utilization Plan must be completed and submitted with the bid proposal. Bidders seeking eligible small businesses should contact the Division of Minority and Women Business Development at (609) 292-2146.

Should the bidder propose to use a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s') (a) performance, (b) compliance with all of the terms and conditions of the contract, and (c) compliance with the requirements of all applicable laws.

N.J.A.C. 17:13-4 mandates that if the bidder proposes to use a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, Division of Minority and Women Business Development registered small businesses, with a minimum of five (5) percent awarded to each of the three (3) categories set forth below and the balance of ten (10) percent spread across the three (3) annual gross revenue categories: Category I – \$1 to \$500,000, Category II – \$500,001 to \$5,000,000, Category III – \$5,000,001 to \$12,000,000 or the applicable federal revenue standards established at 13 CFR 121.201, whichever is higher.

Should the bidder choose to use a subcontractor(s) and fail to meet the small business subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its bid proposal or within seven (7) business days upon request.

4.4.1.6 BID BOND

Not applicable to this procurement.

4.4.2 FORMS REQUIRED BEFORE CONTRACT AWARD THAT SHOULD BE SUBMITTED WITH THE BID PROPOSAL

4.4.2.1 MACBRIDE PRINCIPLES CERTIFICATION

The bidder is required to complete a MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract.

4.4.2.2 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44.1(b) (revised by L. 2009, c. 315, January 18, 2010), a bidder and its named subcontractor(s) must have a valid Business Registration Certificate (BRC) issued by the Department of Treasury, Division of Revenue prior to the award of a contract. To facilitate the bid proposal evaluation and contract award process, the bidder should submit a copy of its valid BRC and those of any named subcontractors with its bid proposal.

Any bidder, inclusive of any named subcontractor(s), that does not have a valid business registration at the time of bid opening or whose BRC was revoked prior to the submission of the bid proposal should immediately register its business or seek re-instatement of a revoked BRC. Bidders are cautioned that it may require a significant amount of time to secure the re-instatement

of a revoked BRC. The process can require actions by the Division of Revenue and the Division of Taxation. For this reason, a bidder's early attention to this requirement is highly recommended. The bidder and its named subcontractor(s) may register with the Division of Revenue, obtain a copy of an existing BRC, or obtain information necessary to seek re-instatement of a revoked BRC online at <http://www.state.nj.us/treasury/revenue/busregcert.htm>.

A bidder otherwise identified by the Purchase Bureau as a responsive and responsible bidder, inclusive of any named subcontractor(s), but that was not business registered at the time of submission of its bid proposal must be so registered and in possession of a valid BRC by a deadline to be specified in writing by the Purchase Bureau. A bidder's failure to comply with this requirement by the deadline specified by the Purchase Bureau will be deemed ineligible for contract award. Under any circumstance, the Purchase Bureau will rely upon information available from computerized systems maintained by the State as a basis to verify independently compliance with the requirement for business registration.

A bidder receiving a contract award as a result of this procurement and any subcontractors named by that bidder will be required to maintain a valid business registration with the Division of Revenue for the duration of the executed contract, inclusive of any contract extensions.

4.4.2.3 SOURCE DISCLOSURE CERTIFICATION FORM

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed Source Disclosure Form. Refer to RFP Section 7.1.2 Source Disclosure Certification for further explanatory information concerning this requirement.

4.4.3 TECHNICAL PROPOSAL

In this section, the bidder shall describe its approach and plans for accomplishing the work outlined in RFP Section 3.0 Scope of Work. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract.

This section of the bid proposal should minimally contain the information identified below.

4.4.3.1 MANAGEMENT OVERVIEW

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable, and appropriate and that the bidder's bid proposal will lead to successful contract completion.

4.4.3.2 CONTRACT MANAGEMENT

The bidder should describe its specific plans to manage, control, and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings and status reports.

4.4.3.3 CONTRACT SCHEDULE

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. The schedule should identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT, or other charts is at the option of the bidder.

4.4.3.4 MOBILIZATION AND IMPLEMENTATION PLAN

Not applicable to this procurement.

4.4.3.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

4.4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder must include information relating to its organization, personnel, and experience, including, but not limited to, references with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP. This section of the bid proposal must minimally contain the information identified below.

In accordance with 42 CFR 438.354, the bidder, at a minimum, must meet the following requirements:

- A. A staff with demonstrated experience and knowledge of:
 - 1) Medicaid recipients, policies, data systems, and processes,
 - 2) Managed care delivery systems, organization, and financing,
 - 3) Quality assessments and improvement methods, and
 - 4) Research design and methodology, including statistical analysis.
- B. The physical, technological, and financial resources to conduct the EQR or EQR-related activities required under this contract.
- C. A project team that includes a medical director, who is responsible for overseeing all activities, and the additional clinical and non-clinical skills necessary to carry out EQR or EQR-related activities required.

The following should also be included:

- A. Draft Medical Review Plan (MRP) (RFP Section 3.2.2.1)
- B. Sample Focused Study (EPSDT) (RFP Section 3.2.2.2)

4.4.4.1 LOCATION

The bidder should include the address of the bidder's office where responsibility for managing the contract will take place (RFP Section 3.1.2). The bidder should include the telephone number and name of the individual to contact.

4.4.4.2 ORGANIZATION CHARTS

- A. Contract-Specific Chart - The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including subcontractor management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.
- B. Chart for Entire Firm - The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

4.4.4.3 RESUMES

Detailed resumes should be submitted for all management, supervisory, and key personnel to be assigned to the contract. Resumes should emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

- A. The individual's previous experience in completing work under an EQRO contract.
- B. Beginning and ending dates for each EQRO contract.
- C. A description of the contract demonstrating how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the EQRO services required by this RFP.
- D. With respect to each similar contract, the name and address of each reference together with a person to contact for a reference check and a telephone number.

The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability, and experience relevant to that part of the work which the subcontractor is designated to perform.

4.4.4.4 BACKUP STAFF

The bidder should include a list of backup staff who may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory, and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

4.4.4.5 EXPERIENCE WITH CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two (2) names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal. The bidder must provide a detailed description of services to be provided by each subcontractor.

4.4.4.6 FINANCIAL CAPABILITY OF THE BIDDER

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement, statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of and for the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the bid proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

4.4.5 PRICE SCHEDULE

The bidder must submit its pricing using the format set forth in the Price Schedule accompanying this RFP. Failure to submit all information required will result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

The Price Schedule comprises parts A and B and a total of three (3) pages.

The estimated quantity per year provided on the Price Schedule part A is an estimate for bidding purposes only. There is no guaranteed minimum or maximum quantity.

The contractor will be paid upon completion and acceptance of deliverables and submission of invoice to the State Contract Manager.

5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS

5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS

The contract awarded as a result of this RFP shall consist of this RFP, addenda to this RFP, the contractor's bid proposal, any best and final offer, and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 05/13/10 accompanying this RFP.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 05/13/10, and any addendum to this RFP, the addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any addendum to this RFP, and the bidder's bid proposal, the RFP and/or the addendum shall govern.

5.2 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of four (4) years. The anticipated "Contract Effective Date" is provided on the Signatory Page accompanying this RFP. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for two (2) additional periods of up to one (1) year each, by mutual written consent of the contractor and the Director at the same terms, conditions, and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

5.3 CONTRACT TRANSITION

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the expiration date of the contract.

5.4 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

5.5 CONTRACTOR RESPONSIBILITIES

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy, and timely completion and submission of all deliverables, services, or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

5.6 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory, or key personnel, the contractor shall identify the substitute personnel and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not supersede Section 3.11 of the NJ Standard Terms and Conditions version 05/13/10 accompanying this RFP.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor, or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

5.8 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State and shall be delivered to the State upon thirty (30) days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this contract, the contractor or subcontractor hereby assigns to the State all right, title, and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations, and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal, otherwise the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the contract.

5.9 DATA CONFIDENTIALITY

All financial, statistical, personnel, customer, and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale, or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

Secure Protection and Handling of Data

1. **Network Security:** The contractor shall maintain network security that, at a minimum, includes network firewall provisioning, intrusion detection, and regular third party penetration testing. The contractor shall maintain network security that conforms to one (1) of the following:
 - A. Those standards that the State applies to its own network, as found at: http://www.state.nj.us/it/ps/it_architecture.pdf.
 - B. Current standards set forth and maintained by the National Institute of Standards and Technology, including those at <http://www.checklists.nist.gov/repository/>.
 - C. Any generally recognized comparable standard that the contractor then applies to its own network.

2. **Data Security:** The contractor shall protect and maintain the security of data with protection that is at least as good as or better than the protection maintained by the State. These security measures include maintaining secure environments that are patched and up to date with all appropriate security updates as designated, for example, by Microsoft notification.
3. **Data Transmission:** The contractor agrees that any and all transmission or exchange of system application data with the State and/or any other parties expressly designated by the State shall take place via secure means, e.g., HTTPS or FTPS.
4. **Data Storage:** All State provided data must be stored, processed, and maintained solely on designated target servers and no State data will be processed on or transferred to any portable or laptop computing device or any portable storage medium unless that storage medium is in use as part of the contractor's designated backup and recovery processes.
5. **Data Encryption:** The contractor shall store all State provided backup data as part of its designated backup and recovery processes in encrypted form, using no less than 128 bit encryption.
6. **Data Re-Use:** All State provided data shall be used expressly and solely for the purposes enumerated in this RFP. Data shall not be distributed, repurposed, or shared across other applications, environments, or business units of the contractor. No State data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by the State Contract Manager.
7. **End of Agreement Data Handling:** Upon termination of this contract the contractor shall erase, destroy, and render unreadable all contractor copies of State data according to the standards enumerated in D.O.D. 5015.2 and certify in writing that these actions have been complete within thirty (30) days of the termination of this contract or within seven (7) days of the request of an agent of the State, whichever shall come first.
8. **Unauthorized Release Notification:** The contractor shall comply with all applicable State and federal laws that require the notification of individuals in the event of unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of the contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the contractor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless, and defend the State and its trustees, officers, and employees from and against any claims, damages, or other harm related to such Notification Event.

5.10 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

5.11 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.12 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits, and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits, and authorizations must be considered by the bidder in its bid proposal.

5.13 CLAIMS AND REMEDIES

5.13.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

5.14 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

5.15 RETAINAGE

Not applicable to this procurement.

5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

5.17 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.18 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)

Not applicable to this procurement.

5.20 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENT

Not applicable to this procurement.

5.21 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs, or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. The firm, fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward it to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State Office of Management and Budget and Office of Information and Technology.

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

5.22 FORM OF COMPENSATION AND PAYMENT

This section supplements Section 4.5 of the NJ Standard Terms and Conditions version 05/13/10 accompanying this RFP. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide on a monthly and cumulative basis an accounting in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This accounting shall be sent to the Purchase Bureau representative assigned to this contract.

Invoices must be submitted for any special projects, additional work, or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

The State Contract Manager or designee shall monitor and approve the hours of work and the work accomplished by contractor hourly labor and shall document both the work and the approval. Payment shall not be made without such documentation. For contracts awarded on a time and material or hourly basis, the State Contract Manager or designee shall monitor and approve the hours of work accomplished by contractor hourly labor and shall document both the work and the approval. Payment shall not be made without such documentation. A form of timekeeping record that should be adapted as appropriate for the Scope of Work being performed can be found at: http://www.nj.gov/treasury/purchase/forms/Vendor_Timesheet.xls.

5.22.1 PAYMENT TO CONTRACTOR – OPTIONAL METHOD

Not applicable to this procurement.

5.23 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05/13/10

5.23.1 PATENT AND COPYRIGHT INDEMNITY

Section 2.1 of the NJ Standard Terms and Conditions version 05/13/10 is deleted and replaced with the following:

2.1 Patent and Copyright Indemnity

a) The contractor shall hold and save the State, its officers, agents, servants, and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopied composition, secret process, patented or unpatented invention, article, or appliance furnished or used in the performance of the contract.

b) The State agrees (1) to promptly notify the contractor in writing of such claim or suit, (2) that the contractor shall have control of the defense of settlement of such claim or suit, and (3) to cooperate with the contractor in the defense of such claim or suit, to the extent that the interests of the contractor and the State are consistent.

c) In the event of such claim or suit, the contractor, at its option, may (1) procure for the State the legal right to continue the use of the product, (2) replace or modify the product to provide a non-infringing product that is the functional equivalent, or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

5.23.2 INDEMNIFICATION

Section 2.2 of the NJ Standard Terms and Conditions version 05/13/10 is deleted and replaced with the following:

2.2 Indemnification

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 100 % of the value of the contract, except that such limitation of liability shall not apply to the following:

- a. The contractor's obligation to indemnify the State and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor,
- b. The contractor's breach of its obligations of confidentiality, and
- c. The contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 05/13/10.

The contractor shall not be liable for special, consequential, or incidental damages.

5.23.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 2.3 of the NJ Standard Terms and Conditions version 05/13/10 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d. Professional Liability Insurance - The contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the contractor from any liability arising out of the professional obligations performed pursuant to the requirements of the contract. The insurance shall be in the amount of not less than \$1,000,000 and in such policy forms as shall be approved by the State. If the contractor has claims-made coverage and subsequently changes carriers during the term of the contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

5.24 CONTRACT ACTIVITY REPORT

Not applicable to this procurement.

6.0 PROPOSAL EVALUATION

6.1 RIGHT TO WAIVE

The Director reserves the right to waive minor irregularities. The Director also reserves the right to waive a mandatory requirement provided that:

- A. The requirement is not mandated by law,
- B. All the otherwise responsive proposals failed to meet the mandatory requirement, or
- C. In the sole discretion of the Director, the failure to comply with the mandatory requirement does not materially affect the procurement or the State's interests associated with the procurement.

6.2 PROPOSAL EVALUATION COMMITTEE

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with a representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of an outside consultant in an advisory role.

6.3 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL

After the submission of bid proposals, unless requested by the State as noted below, contractor contact with the State is still not permitted.

After reviewing bid proposals, the Procurement Specialist or the Evaluation Committee (generically, the "evaluation committee") may ask one (1), some, or all the bidders to clarify certain aspects of their proposals. A request for clarification may be made in order to resolve minor ambiguities, irregularities, informalities, or clerical errors. Clarifications cannot correct any deficiencies or material omissions or revise or modify a proposal except to the extent that correction of apparent clerical mistakes results in a modification.

The bidder may be required to give an oral presentation to the State concerning its bid proposal.

Bidders may not attend the oral presentations of their competitors.

It is within the State's discretion whether to require the bidder to give an oral presentation or require the bidder to submit written responses to questions regarding its bid proposal. Action by the State in this regard should not be construed to imply acceptance or rejection of a bid proposal. The Purchase Bureau Procurement Specialist will be the sole point of contact regarding any request for an oral presentation or clarification.

6.4 EVALUATION CRITERIA

The following evaluation criteria, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria may be used to develop more detailed evaluation criteria to be used in the evaluation process. Each responsive bid proposal will receive a technical point score.

6.4.1 TECHNICAL EVALUATION CRITERIA

- A. The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- B. The qualifications and experience of the bidder's management, supervisory or key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required. Evaluation will be on submitted resumes and how well they meet the required skill and education levels as well as on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.
- C. The overall ability of the bidder to undertake and successfully complete the contract in a cost efficient yet timely manner. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory, and other staff proposed by the bidder to complete the contract; the availability and commitment to the contract of the bidder's management, supervisory, and other staff proposed; and the bidder's contract management plan, including the bidder's contract organizational chart.

6.4.2 BIDDER'S PRICE SCHEDULE

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet accompanying this RFP.

For evaluation purposes, bidders will be ranked according to the formula:

$$\text{Price Proposal Points} = \text{Predetermined Points} \times (\text{Lowest Price Proposal} / \text{Evaluating Price Proposal})$$

The proposal with the highest number of points will be ranked the highest.

The price proposal ranked will be the lowest acceptable price proposal between the original price proposal and the best and final offer proposal submitted by each bidder.

6.4.3 TOTAL PROPOSAL SCORE

Each evaluated proposal will receive a Total Proposal Score based on the following formula:

$$\text{Technical Evaluation Score} + \text{Price Proposal Points} = \text{Total Proposal Score.}$$

The bidder receiving the highest Total Proposal Score will be recommended for contract award. In the event of a tie, the proposal with the highest technical score among the tied proposals will be recommended for contract award.

6.4.4 BID DISCREPANCIES

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

6.4.5 EVALUATION OF BID PROPOSALS

After the Evaluation Committee completes its evaluation, it recommends to the Director for award the responsible bidder whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process and makes a recommendation to the Director. The Director may accept, reject, or modify the recommendation of the Evaluation Committee. Whether there has been a negotiation process as outlined in Section 6.5, the Director reserves the right to negotiate price reductions with the selected bidder.

6.5 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

After evaluating bid proposals, the Purchase Bureau may enter into negotiations with one (1) bidder or multiple bidders. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one (1) bidder or multiple bidders. Negotiations will be structured by the Purchase Bureau to safeguard information and ensure that all bidders are treated fairly.

Similarly, the Purchase Bureau may invite one (1) bidder or multiple bidders to submit a best and final offer (BAFO). The invitation will establish the time and place for submission of the BAFO. Any BAFO that is not equal to or lower in price than the pricing offered in the bidder's original proposal will be rejected as non-responsive, and the State will revert to consideration and evaluation of the bidder's original pricing.

If required, after review of the BAFO(s), clarification may be sought from the bidder(s). The Purchase Bureau may conduct more than one (1) round of negotiation and/or BAFO in order to attain the best value for the State.

After evaluation of bid proposals and, as applicable, negotiation(s) and/or BAFO(s), the Purchase Bureau will recommend to the Director the responsible bidder whose bid proposal, conforming to the RFP, is most advantageous to the State, price and other factors considered. The Director may accept, reject, or modify the recommendation of the Purchase Bureau. The Director may initiate additional negotiation or BAFO procedures with the selected bidder(s).

Negotiations will be conducted only in those circumstances where they are deemed by the Purchase Bureau or Director to be in the State's best interests and to maximize the State's ability to obtain the best value. Therefore, the bidder is advised to submit its best technical and price proposal in response to this RFP since the State may, after evaluation, make a contract award based on the content of the initial submission without further negotiation and/or BAFO with any bidder.

All contacts, records of initial evaluations, correspondence with bidders related to request for clarification, negotiation or BAFO, revised technical and/or price proposals, the Evaluation Committee Report, and the Award Recommendation will remain confidential until a Notice of Intent to Award a contract is issued.

Bid prices will not be publicly read at bid opening. Only the name and address of each bidder will be publicly announced at bid opening.

7.0 CONTRACT AWARD

7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD

7.1.1 REQUIREMENTS OF PUBLIC LAW 2005, CHAPTER 51, N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134) AND EXECUTIVE ORDER 117 (2008)

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, then-Governor James E. McGreevey issued Executive Order 134 on September 22, 2004. To this end, Executive Order 134 prohibited State departments, agencies and authorities from entering into contracts exceeding \$17,500 with individuals or entities that made certain political contributions. Executive Order 134 was superseded by Public Law 2005, c. 51, which was signed into law on March 22, 2005 ("Chapter 51").

On September 24, 2008, then-Governor Jon S. Corzine issued Executive Order No. 117 ("E.O. 117") was issued to enhance New Jersey's efforts to protect the integrity of procurement decisions and increase the public's confidence in government. The Executive Order builds upon the provisions of Chapter 51.

Pursuant to the requirements of this legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP.

7.1.1.1 DEFINITIONS

For the purpose of this section, the following shall be defined as follows:

a) Reportable Contributions - Contributions, including in-kind contributions, in excess of \$300.00 in the aggregate per election made to or received by a candidate committee, joint candidates committee, or political committee; or per calendar year made to or received by a political party committee, legislative leadership committee, or continuing political committee.

b) Business Entity – A natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association, or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition also includes (i) if a business entity is a for-profit corporation, any officer of the corporation and any other person or business entity that owns or controls ten percent (10%) or more of the stock of the corporation, (ii) if a business entity is a professional corporation, any shareholder or officer, (iii) if a business entity is a general partnership, limited partnership or limited liability partnership, any partner, (iv) if a business entity is a sole proprietorship, the proprietor, (v) if the business entity is any other form of entity organized under the laws of New Jersey or any other state or foreign jurisdiction, any principal, officer or partner thereof, (vi) any subsidiaries directly or indirectly controlled by the business entity, (vii) any political organization organized under 26 U.S.C.A. § 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, and (viii) with respect to an individual who is included within the definition of "business entity," that individual's spouse or civil union partner and any child residing with that person.¹

¹ Contributions made by a spouse, civil union partner or resident child to a candidate for whom the contributor is eligible to vote or to a political party committee within whose jurisdiction the contributor resides are permitted.

c) Officer - A president, vice-president with senior management responsibility, secretary, treasurer, chief executive officer, or chief financial officer of a corporation or any person routinely performing such functions for a corporation. Officers of non-profit entities are excluded from this definition.

d) Partner -- One (1) of two (2) or more natural persons or other entities, including a corporation, who or which are joint owners of and carry on a business for profit, and which business is organized under the laws of this State or any other state or foreign jurisdiction, as a general partnership, limited partnership, limited liability partnership, limited liability company, limited partnership association, or other such form of business organization.

7.1.1.2 BREACH OF TERMS OF THE LEGISLATION

It shall be a breach of the terms of the contract for the business entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received, (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution, (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or to any State or county party committee, (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation, (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees, (vii) engage in any exchange of contributions to circumvent the intent of the Legislation, or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS

a) The State shall not enter into a contract to procure from any business entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500 if that business entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, to any State, county, municipal political party committee, or to any legislative leadership committee during certain specified time periods.

b) Prior to awarding any contract or agreement to any business entity, the business entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure Form, certifying that no contributions prohibited by either Chapter 51 or Executive Order 117 have been made by the business entity and reporting all contributions the business entity made during the preceding four (4) years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Procurement Specialist, the Certification and Disclosure(s) within five (5) business days of the State's request. Failure to submit the required forms will preclude award of a contract under this RFP as well as future contract opportunities.

c) The contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

7.1.1.4 STATE TREASURER REVIEW

The State Treasurer or designee shall review the disclosures submitted pursuant to this section as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee prior to award or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the business entity from award of such contract.

7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271

The contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, Section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor's responsibility to determine whether filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

7.1.2 SOURCE DISCLOSURE CERTIFICATION

7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

7.1.2.2 SOURCE DISCLOSURE CERTIFICATION REQUIREMENTS

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification Form accompanies this RFP.

FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 05/13/10 of the RFP, unless previously approved by the Director and the Treasurer.

7.1.3 AFFIRMATIVE ACTION

The intended awardee must submit a copy of a New Jersey Certificate of Employee Information Report or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. Intended awardee(s) not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval must complete the Affirmative Action Employee Information Report (AA-302) located on the web at http://www.nj.gov/treasury/purchase/forms/AA_%20Supplement.pdf.

7.1.4 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44.1(b) (revised by L. 2009, c. 315, January 18, 2010), a bidder and its named subcontractor(s) must have a valid Business Registration Certificate issued by the Department of Treasury, Division of Revenue prior to the award of a contract. RFP Section 4.4.2.2 Business Registration contains for further information.

7.2 FINAL CONTRACT AWARD

A contract award shall be made with reasonable promptness by written notice to that responsible bidder, whose bid proposal, conforming to this RFP, is most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

7.3 INSURANCE CERTIFICATES

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

7.4 PERFORMANCE BOND

Not applicable to this procurement.

8.0 CONTRACT ADMINISTRATION

8.1 CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax number, and e-mail address.

8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES

For an agency contract where only one (1) State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that purchase orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables, and approving payment vouchers. The State Contract Manager is the person whom the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER

A contract user unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor cannot resolve a dispute with contract users.

PRICE SCHEDULE
Medical Consulting: External Quality Review Organization, DMAHS
Bid Number 11-X-21361

Part A - Page 1 of 3

Bidder's Name: _____

Refer to RFP Section 3.0 (Scope of Work) for task requirements and deliverables, Section 2.1 for definitions of "All Inclusive Unit Price" and "Firm Fixed Price", and Section 4.4.6 (Price Schedule) for additional information regarding the Estimated Quantity.

		Contract Year 1			Contract Year 2		
Line Item	Deliverable (RFP Section)	Estimated Quantity (a)	All-Inclusive Unit Price (b)	Sub-Total (a)(b)	Estimated Quantity (a)	All-Inclusive Unit Price (b)	Sub-Total (a)(b)
1	Annual Work Plan (3.2.2)	1	\$	\$	1	\$	\$
2	Annual Assessment of HMO Operations (3.2.3)	8	\$	\$	8	\$	\$
3	Validation of the HMO's Performance Measures (3.2.4)	8	\$	\$	8	\$	\$
4	June Evaluation of the HMO's QIP Progress (3.2.5)	8	\$	\$	8	\$	\$
5	September Evaluation of the HMO's QIP Progress (3.2.5)	8	\$	\$	8	\$	\$
6	September Evaluation of the HMO's QIP Final Report (3.2.5)	8	\$	\$	8	\$	\$
7	Quality Technical Report (3.2.6)	1	\$	\$	1	\$	\$
8	Managed Care Program Quality Report (3.2.7)	1	\$	\$	1	\$	\$
9	Focused Quality Studies (3.2.8)	25	\$	\$	25	\$	\$
10	Care Management and Lead Case Management Audit (3.2.9)	8	\$	\$	8	\$	\$
11	Individual Case Reviews (3.2.10)	300	\$	\$	300	\$	\$
12	Validation of Encounter Data (3.2.11)	1	\$	\$	1	\$	\$
13	Sample Selection Methodology (3.2.12)	1	\$	\$	1	\$	\$
Total by Contract Year				\$			\$

PRICE SCHEDULE
Medical Consulting: External Quality Review Organization, DMAHS
Bid Number 11-X-21361

Part A - Page 2 of 3

Bidder's Name: _____

		Contract Year 3			Contract Year 4		
Line Item	Deliverable (RFP Section)	Maximum Quantity (a)	All-Inclusive Unit Price (b)	Sub-Total (a)(b)	Estimated Quantity (a)	All-Inclusive Unit Price (b)	Sub-Total (a)(b)
1	Annual Work Plan (3.2.2)	1	\$	\$	1	\$	\$
2	Annual Assessment of HMO Operations (3.2.3)	8	\$	\$	8	\$	\$
3	Validation of the HMO's Performance Measures (3.2.4)	8	\$	\$	8	\$	\$
4	June Evaluation of the HMO's QIP Progress (3.2.5)	8	\$	\$	8	\$	\$
5	September Evaluation of the HMO's QIP Progress (3.2.5)	8	\$	\$	8	\$	\$
6	September Evaluation of the HMO's QIP Final Report (3.2.5)	8	\$	\$	8	\$	\$
7	Quality Technical Report (3.2.6)	1	\$	\$	1	\$	\$
8	Managed Care Program Quality Report (3.2.7)	1	\$	\$	1	\$	\$
9	Focused Quality Studies (3.2.8)	25	\$	\$	25	\$	\$
10	Care Management and Lead Case Management Audit (3.2.9)	8	\$	\$	8	\$	\$
11	Individual Case Reviews (3.2.10)	300	\$	\$	300	\$	\$
12	Validation of Encounter Data (3.2.11)	1	\$	\$	1	\$	\$
13	Sample Selection Methodology (3.2.12)	1	\$	\$	1	\$	\$
Total by Contract Year				\$			\$
Total of Four (4) Contract Years (Total Bid Price*)			\$				

* Price used to rank bids.

PRICE SCHEDULE
Medical Consulting: External Quality Review Organization, DMAHS
Bid Number 11-X-21361

Part B - Page 3 of 3

Bidder's Name: _____

Refer to RFP Section 3.0 Scope of Work for requirements and deliverables, Section 2.0 Definitions for definitions of "All-Inclusive Hourly Rate" and "Firm, Fixed Price", and Section 4.4.5 Price Schedule for additional information regarding this Price Schedule.

All-Inclusive Average Hourly Rates for Staff by Year

Labor Category	Functional Title*	Year 1	Year 2	Year 3	Year 4
Senior Manager		\$	\$	\$	\$
Middle Manager		\$	\$	\$	\$
Manager		\$	\$	\$	\$
Staff		\$	\$	\$	\$
Clerical		\$	\$	\$	\$

* Common job titles, such as "Director of Marketing" or "Research Analyst". Additional titles within a given labor category may be added as necessary.