

STATE OF UTAH

**SOLICITATION NO. DR10038**

Medicaid Pre-Pay Editing Software

RESPONSES ARE DUE PRIOR TO:

Apr 8, 2010 3:00:00 PM MDT

RESPONSES MAY BE SUBMITTED ELECTRONICALLY TO:www.bidsync.comRESPONSES MAY BE MAILED OR DELIVERED TO:

State of Utah
Division of Purchasing
3150 State Office Building, Capitol Hill
Salt Lake City, Utah 84114-1061

Bid DR10038

Medicaid Pre-Pay Editing Software

Bid Number DR10038
Bid Title Medicaid Pre-Pay Editing Software

Bid Start Date Feb 4, 2010 9:53:21 AM MST
Bid End Date Apr 8, 2010 3:00:00 PM MDT
Question & Answer End Date Mar 25, 2010 12:00:00 PM MDT

Bid Contact Dan Reisner
Purchasing Manager
State Purchasing
dreisner@utah.gov

Contract Duration 3 years
Contract Renewal 2 annual renewals
Prices Good for 3 years

Bid Comments Contractors must respond to 13.4 requirement of the Business Associate Agreement by February 5, 2010.

Questions concerning this solicitation MUST be submitted via the BidSync electronic system.

If you have any questions related to the system, trouble submitting your response or attaching documents in the BidSync site, please contact Vendor Customer Support at 801-765-9245 or 800-990-9339.

Contractors must respond to all pricing requirements in specifications including Attachment C.
Added on Feb 4, 2010:
Contractors must respond to 13.4 requirement of the Business Associate Agreement by February 25, 2010.
Added on Feb 4, 2010:
The official title of the RFP should read: Medicare Pre-Pay Editing Software
Added on Feb 4, 2010:
Official RFP changed to read:
Medicaid Pre-Pay Editing Software
Added on Feb 8, 2010:
The Business Associate Agreement (BAA) must be completed as an original document, i.e show the company name on the front page, completed, signed and forwarded to the State Division of Purchasing prior to the close of business on February 25, 2010. This will begin the process as defined in 13.4 of the RFP.
Added on Feb 9, 2010:
New Business Associate Agreement (BAA) has been added as an attachment. This replaces the BAA included in the RFP specifications.
Contractors must be sure to fill in the two blanks on page 1 as well as the last page. The signed original must still be returned to Dan Reisner at State Purchasing.
The BAA due date has been changed to the close of business on March 4, 2010.
Added on Mar 4, 2010:
Bid ending date is changed to April 8, 2010.

Changes made on Feb 4, 2010 10:05:53 AM MST

Changes made on Feb 4, 2010 10:30:23 AM MST

Changes made on Feb 4, 2010 10:31:40 AM MST

Previous Title	Medicare Pre-Pay Editing Software	New Title	Medicade Pre-Pay Editing Software
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Changes were made to the following items:

[Medicaid Pre-Pay Editing Software](#)

Changes made on Feb 4, 2010 11:53:09 AM MST

Previous Title	Medicade Pre-Pay Editing Software	New Title	Medicaid Pre-Pay Editing Software
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Changes were made to the following items:

[Medicaid Pre-Pay Editing Software](#)

Changes made on Feb 8, 2010 11:37:02 AM MST

Changes made on Feb 9, 2010 12:14:19 PM MST

New Documents	DR10038 BAA.1.doc
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Changes made on Mar 4, 2010 11:46:08 AM MST

Previous End Date	Apr 1, 2010 3:00:00 PM MDT	New End Date	Apr 8, 2010 3:00:00 PM MDT
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Item Response Form

Item DR10038-1-01 - Medicaid Pre-Pay Editing Software

Quantity 1 n/a

Prices are not requested for this item.

Delivery Location State of Utah

[No Location Specified](#)

Qty 1

Description
Software

Changes made on Feb 4, 2010 10:31:40 AM MST

Previous Title	Medicare Pre-Pay Editing Software	New Title	Medicade Pre-Pay Editing Software
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Changes made on Feb 4, 2010 11:53:09 AM MST

Previous Title	Medicade Pre-Pay Editing Software	New Title	Medicaid Pre-Pay Editing Software
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State of Utah

Request for Proposal

Legal Company Name (include d/b/a if applicable) 		Federal Tax Identification Number		State of Utah Sales Tax ID Number 	
Ordering Address 		City 	State 	Zip Code 	
Remittance Address (if different from ordering address) 		City 	State 	Zip Code 	
Type ☐ Corporation ☐ Partnership ☐ ☐ Proprietorship Government		Company Contact Person 			
Telephone Number (include Area Code) 		Fax Number (include area code) 			
Company=s Internet Web Address 		Email Address 			
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered)		Days Required for Delivery After Receipt of Order (see attached for any required minimums) 			
The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes ☐ No ☐ . If no, enter where produced, etc. 					
Offeror=s Authorized Representatives=s Signature 		Date 			

Type or Print Name

Position or Title

NOTICE

When submitting a response (proposal, quote or bid) electronically through BidSync, it is the sole responsibility of the supplier to ensure that the response is received by BidSync prior to the closing date and time. Each of the following steps in BidSync MUST be completed in order to place an offer:

- A. Login to www.bidsync.com;
- B. Locate the bid (solicitation) to which you are responding;
 - a. Click the "Search" tab on the top left of the page;
 - b. Enter keyword or bid (solicitation) number and click "Search";
- C. Click on the "Bid title/description" to open the Bid (solicitation) Information Page;
- D. "View and Accept" all documents in the document section;
- E. Select "Place Offer" found at the bottom of the page;
- F. Enter your pricing, notes, other required information and upload attachments to this page;
- G. Click "Submit" at the bottom of the page;
- H. Review Offer(s); and
- I. Enter your password and click "Confirm".

Note that the final step in submitting a response involves the supplier's acknowledgement that the information and documents entered into the BidSync system are accurate and represent the supplier's actual proposal, quote or bid. This acknowledgement is registered in BidSync when the supplier clicks "Confirm". BidSync will post a notice that the offer has been received. This notice from BidSync MUST be recorded prior to the closing date and time or the response will be considered late and will not be accepted.

Be aware that entering information and uploading documents into BidSync may take considerable time. Please allow sufficient time to complete the online forms and upload documents. Suppliers should not wait until the last minute to submit a response. It is recommended that suppliers submit responses a minimum of 24 hours prior to the closing deadline. The deadline for submitting information and documents will end at the closing time indicated in the solicitation. All information and documents must be fully entered, uploaded, acknowledged (Confirm) and recorded into BidSync before the closing time or the system will stop the process and the response will be considered late and will not be accepted.

Responses submitted in BidSync are completely secure. No one (including state purchasing staff) can see responses until after the deadline. Suppliers may modify or change their response at any time prior to the closing deadline. However, all modifications or changes must be completed and acknowledged (Confirm) in the BidSync system prior to the deadline. BidSync will post a notice that the modification/change (new offer) has been received. This notice from BidSync MUST be recorded prior to the closing date and time or the response will be considered late and will not be accepted.

Utah Code 46-4-402(2) Unless otherwise agreed between a sender (supplier) and the recipient (State Purchasing), an electronic record is received when: (a) it enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record; and (b) it is in a form capable of being processed by that system.

REQUEST FOR PROPOSAL - INSTRUCTIONS AND GENERAL PROVISIONS

- 1. SUBMITTING THE PROPOSAL:** (a) The Utah Division of Purchasing and General Services

(DIVISION) prefers that proposals be submitted electronically. Electronic proposals may be submitted through a secure mailbox at BidSync (formerly RFP Depot, LLC) (www.bidsync.com) until the date and time as indicated in this document. It is the sole responsibility of the supplier to ensure their proposal reaches BidSync before the closing date and time. There is no cost to the supplier to submit Utah's electronic proposals via BidSync. (b) Electronic proposals may require the uploading of electronic attachments. The submission of attachments containing embedded documents is prohibited. All documents should be attached as separate files. (c) If the supplier chooses to submit the proposal directly to the DIVISION in writing: The proposal must be signed in ink, sealed, and delivered to the Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061 by the "Due Date and Time." The "Solicitation Number" and "Due Date" must appear on the outside of the envelope. All prices and notations must be in ink or typewritten. Each item must be priced separately. Unit price shall be shown and a total price shall be entered for each item offered. Errors may be crossed out and corrections printed in ink or typewritten adjacent and must be initialed in ink by person signing offer. Unit price will govern, if there is an error in the extension. Written offers will be considered only if it is submitted on the forms provided by the DIVISION. (d) Proposals, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section R33-3-209. (e) Facsimile transmission of proposals to DIVISION will not be considered.

2. PROPOSAL PREPARATION: (a) Delivery time of products and services is critical and must be adhered to as specified. (b) Wherever in this document an item is defined by using a trade name of a manufacturer and/or model number, it is intended that the words, "or equivalent" apply. "Or equivalent" means any other brand that is equal in use, quality, economy and performance to the brand listed as determined by the DIVISION. If the supplier lists a trade name and/or catalog number in the offer, the DIVISION will assume the item meets the specifications unless the offer clearly states it is an alternate, and describes specifically how it differs from the item specified. All offers must include complete manufacturer=s descriptive literature if quoting an equivalent product. All products are to be of new, unused condition, unless otherwise requested in this solicitation. (c) Incomplete proposals may be rejected. (d) Where applicable, all proposals must include complete manufacturer=s descriptive literature. (e) By submitting the proposal the offeror certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices offered are correct. (f) This proposal may not be withdrawn for a period of 60 days from the due date.

3. FREIGHT COST: (a) Where "Freight Cost" is listed as a separate line item, suppliers are to provide product line item pricing FOB Origin Less Freight. On the line item for "Freight Cost" suppliers are to indicate the total freight cost FOB Destination Freight Prepaid, and complete the "Freight Information" document. The DIVISION will analyze freight charges separately from the item cost and determine how the shipment will be routed (either by the supplier, or by the State's carrier). (b) Where there is not a line item for "Freight Cost", suppliers are to provide line item pricing FOB Destination Freight Prepaid. Unless otherwise indicated on the contract/purchase order, shipping terms will be FOB Destination Freight Prepaid.

4. SOLICITATION AMENDMENTS: All changes to this solicitation will be made through written addendum only. Answers to questions submitted through BidSync shall be considered addenda to the solicitation documents. Bidders are cautioned not to consider verbal modifications.

5. PROTECTED INFORMATION: Suppliers are required to mark any specific information contained in their offer which they are claiming as protected and not to be disclosed to the public or used for purposes other than the evaluation of the offer. Each request for non-disclosure must be made by completing the "Confidentiality Claim Form" located at: <http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc> with a specific justification explaining why the information is to be protected. Pricing and service elements of any proposal will not be considered proprietary. All material becomes the property of the DIVISION and may be returned only at the DIVISION's option.

6. BEST AND FINAL OFFERS: Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of assuring full understanding of, and responsiveness to, solicitation requirements. Prior to award, these offerors may be asked to submit best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by a competing offeror.

7. SAMPLES: Samples of item(s) specified in this offer, brochures, etc., when required by the DIVISION, must be furnished free of expense to the DIVISION. Any item not destroyed by tests may, upon request made at the time the sample is furnished, be returned at the offeror's expense.

8. AWARD OF CONTRACT: (a) The contract will be awarded with reasonable promptness, by written notice, to the responsible offeror whose proposal is determined to be the most advantageous to the DIVISION, taking into consideration price and evaluation factors set forth in the RFP. No other factors or criteria will be used in the evaluation. The contract file shall contain the basis on which the award is made. Refer to Utah Code Annotated 65-56-408. (b) The DIVISION may accept any item or group of items, or overall best offer. The DIVISION can reject any or all proposals, and it can waive any informality, or technicality in any proposal received, if the DIVISION believes it would serve the best interests of the DIVISION. (c) Before, or after, the award of a contract the DIVISION has the right to inspect the offeror's premises and all business records to determine the offeror's ability to meet contract requirements. (d) The DIVISION will open proposals publicly, identifying only the names of the offerors. During the evaluation process, proposals will be seen only by authorized DIVISION staff and those selected by DIVISION to evaluate the proposals. Following the award decision, all proposals become public information except for protected information (see number 5 above). A register of proposals and contract awards are posted at <http://purchasing.utah.gov/vendor/bidtab.html>. (e) Estimated quantities are for bidding purposes only, and not to be interpreted as a guarantee to purchase any amount. (f) Utah has a reciprocal preference law which will be applied against offerors offering products or services produced in states which discriminate against Utah products. For details see Section 63G-6-404 and 63G-6-405, Utah Code Annotated. (g) Multiple contracts may be awarded if the DIVISION determines it would be in its best interest.

9. DIVISION APPROVAL: Contracts written with the State of Utah, as a result of this proposal, will not be legally binding without the written approval of the Director of the DIVISION.

10. DEBARMENT: The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the DIVISION.

11. ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

12. GOVERNING LAWS AND REGULATIONS: All State purchases are subject to the Utah Procurement Code, Title 63, Chapter 56 Utah Code Annotated 1953, as amended, and the Procurement Rules as adopted by the Utah State Procurement Policy Board (Utah Administrative Code Section R33). These are available on the Internet at www.purchasing.utah.gov.

13. SALES TAX ID NUMBER: Utah Code Annotated (UCA) 59-12-106 requires anyone filing a bid with the state for the sale of tangible personal property or any other taxable transaction under UCA 59-12-103(1) to include their Utah sales tax license number with their bid. For information regarding a Utah sales tax license see the Utah State Tax Commission's website at www.tax.utah.gov/sales. The Tax Commission is located at 210 North 1950 West, Salt Lake City, UT 84134, and can be reached by phone at (801) 297-2200.

(Revision Date: 3 Nov. 2009 - RFP Instructions)

ATTACHMENT A: STATE OF UTAH STANDARD TERMS AND CONDITIONS

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases for the State.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction furnished under this contract will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The Contractor shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records shall be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and State Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM":** The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to Invitation for Bids nor to the Multi-Step Process.

5.1 Status Verification System

1. Each offeror and each person signing on behalf of any offeror certifies as to its own entity, under penalty of perjury, that the named Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of the contractor's new employees that are employed in the State of Utah in accordance with UCA Section 63G-11-103.
2. The Contractor shall require that the following provision be placed in each subcontract at every tier: "The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with Section 63G-11-103 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."
3. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section.
4. Manually or electronically signing the Proposal is deemed the Contractor's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including UCA Section 63G-11-103.

5.2 Indemnity Clause for Status Verification System

1. Contractor (includes, but is not limited to any Contractor, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (a) Contractor; (b) Subcontractor at any tier; and/or (c) any entity or person for whom the Contractor or Subcontractor may be liable.
2. Notwithstanding Section 1. above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional's services, unless the liability claim arises from the Design Professional's negligent act, wrongful act, error or omission, or other liability imposed by law except that the design professional shall be required to indemnify the State in regard to subcontractors or subconsultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.
6. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
7. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the State. The Contractor shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the State for these contract services. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of the Contractor.
8. **INDEMNITY CLAUSE:** The Contractor agrees to indemnify, save harmless, and release the State of Utah, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the acts or negligence of the Contractor's officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
9. **EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

10. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
11. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by authorized persons of the parties hereto, and attached to the original signed copy of the contract. Automatic renewals will not apply to this contract.
12. **DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the State. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
13. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon sixty (60) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
14. **NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations and the amount due from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.
15. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is 11736850-010-STC. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
16. **WARRANTY:** The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
17. **PUBLIC INFORMATION:** Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, and may be available for distribution. Contractor gives the State express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor also agrees that the Contractor's response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.
18. **DELIVERY:** Unless otherwise specified in this contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations.
19. **ORDERING AND INVOICING:** All orders will be shipped promptly in accordance with the delivery schedule. The Contractor will promptly submit invoices (within 30 days of shipment or delivery of services) to the State. The State contract number and/or the agency purchase order number shall be listed on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices listed in the contract. The State has the right to adjust or return any invoice reflecting incorrect pricing.
20. **PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. All payments to the Contractor will be remitted by mail unless paid by the State of Utah's Purchasing Card (major credit card).

21. **PATENTS, COPYRIGHTS, ETC.:** The Contractor will release, indemnify and hold the State, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.
22. **ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.
23. **DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the State to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The State will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future solicitations.
24. **FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.
25. **PROCUREMENT ETHICS:** The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63G-6-1002, Utah Code Annotated, 1953, as amended).
26. **CONFLICT OF TERMS:** Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Atth. A: State of Utah Standard Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. State Additional Terms and Conditions; 4. Contractor Terms and Conditions.
27. **ENTIRE AGREEMENT:** This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

(Revision date: 3 Nov. 2009)

ATTACHMENT D

UTAH DEPARTMENT OF TECHNOLOGY SERVICES (DTS)

DEPARTMENT STANDARD TERMS AND CONDITIONS

1. **NOTICE:** Wherever under this contract one party is required to give formal notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case a signed receipt shall be obtained), or three days after date sent if sent by registered or certified mail, return receipt requested. Formal Notices to the Contractor and to the State shall be addressed as follows:

Contractor:	State of Utah:
Contact Person and Contractor Address as	(State Purchasing)
Indicated on Signed FI-84 State of Utah	1 State Office Building, 3rd Floor
Contract (Cover) Page of this Contract	Salt Lake City, Utah 84114

2. **WAIVER:** The waiver by either party of any provision, term, covenant or condition of this Contract shall not be deemed to be a waiver of any other provision, term, covenant or condition of this Contract nor any subsequent breach of the same or any other provision, term, covenant or condition of this Contract.

3. **REDUCTION OF FUNDS:** Clause deleted for this acquisition.

4. **SUSPENSION OF WORK:** Should circumstances arise which would cause the State the need to suspend the work, but not terminate the contract, this will be done by written NOTICE, which meets the NOTICE requirements of this contract. The work may be reinstated upon advance written NOTCIE from the State, to recommence as mutually agreed between the parties. The State understands any such suspension of the work may affect both the time of performance and price to complete the work when reinstated.

5. **WORKERS' COMPENSATION:** The Contractor shall take out, furnish proof, and maintain during the life of this contract workers' compensation insurance for all its employees employed at the site of the project in Utah, and in the event any work is subcontracted, the Contractor agrees to require any of its Subcontractors to similarly provide and furnish proof of workers' compensation insurance for all the latter's employees employed on any site of the project in Utah.

6. **CONFLICT OF INTEREST WITH STATE EMPLOYEES:** In addition to the provisions of State T&C Clause 6, the Contractor certifies, through the execution of the contract, that no person in the State's employment, directly or through subcontract, will receive any private financial interest, direct or indirect, in the contract. The CONTRACTOR will not hire or subcontract with any person having such conflicting interest.

7. **THIRD PARTY CLAIMS INDEMNIFICATION:** Contractor agrees to indemnify the State against third party claims for infringement for materials created and furnished by Contractor, for claims for death, bodily injury, or tangible property damage.

8. **INVOICES:** Each invoice must contain a unique invoice number and a customer account number, detail of work completed (e.g. time x rate) on the contract. The State reserves the right to correct invoices not in accordance with this Contract.

9. **PAYMENT BY THE STATE / INTEREST ON LATE PAYMENTS:** Payments to the Contractor shall generally be made within thirty (30) days of receipt by the State of an accurate invoice and receipt in Finance of the

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responsible State Project Manager's certification of acceptable completion of work, presuming receipt by the State of a correct, detailed invoice from the Contractor. Utah's Prompt Payment Act, UCA §15-6-2 requires payment within 60 days after receipt of the invoice covering the delivered items or services. If the State's payment is more than 60 days late, interest shall accrue and be charged on payments overdue starting on the 61st day that the State's payment may be overdue, until paid, unless this is a disputed payment. UCA §15-6-3 allows late payment interest at 2% above the rate paid by the IRS on refund claims.

The State's payment of invoices shall be sent via mail, or may be paid electronically at the discretion of the State.

10. EMPLOYMENT PRACTICES OF CONTRACTOR: In addition to Employment Practices Clause requirements stated in State T&C Clause 9, the following equal opportunity provisions apply to this contract. The Contractor agrees to abide by the provisions of:

Section 188 of the Workforce Investment Act of 1998 (WIA) (29 USC 2938), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against discrimination to beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I-financially assisted program or activity; and

Title IX of the Education Amendments of 1972 (20 USC 1681 et seq.), as amended, which prohibits discrimination on the basis of sex in education programs.

11. COPYRIGHT: The contractor agrees that any and all Deliverables prepared for the Department, to the extent to which it is eligible under copyright law in any country, shall be deemed a work made for hire, such that all rights, title and interest in the work and Deliverables reside with the Department. The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal or State Government purposes, such software, modifications and documentation. To the extent any work or Deliverable is deemed not to be, for any reason whatsoever, work made for hire, Contractor agrees to assign and hereby assigns all right title and interest, including but not limited to copyright patent, trademark and trade secret, to such work and Deliverables, and all extensions and renewals thereof, to Department. Contractor further agrees to provide all assistance reasonably requested by Department in the establishment, preservation, and enforcement of its rights in such work and Deliverables, without any additional compensation to Contractor. Contractor agrees to and hereby, to the extent permissible, waives all legal and equitable rights relating to the work and Deliverables, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

12. LIABILITY INSURANCE: The Contractor agrees to provide and to maintain during the performance of the contract, at its sole expense, a policy of liability insurance. The limits of the policy shall be no less than \$500,000.00 for each occurrence and \$1,000,000.00 aggregate. The Contractor further agrees to provide the Contracts Manager for the Department of Technology Services with proof of adequate insurance coverage, in accordance with the NOTICE provisions of this contract.

It shall be the responsibility of the Contractor to require any of their Subcontractor(s) to secure the same insurance coverage as prescribed herein for the Contractor. Evidence of the subcontractor's insurance coverage shall also be provided to the Contracts Manager for the Department of Technology Services, also in compliance with the NOTICE provisions of this contract.

13. CITING DEPARTMENT IN ADVERTISING / PUBLICITY: The Contractor agrees to give credit to the Department of Technology Services (DTS) and the Utah Department of Workforce Services for funding in all written and verbal advertising or discussion of this program such as brochures, flyers, informational materials, talk shows, etc. All formal advertising or public information programs will be coordinated with the DTS Public

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Information Officer. Any publicity given to the project or services provided herein shall identify the Department of Technology Services as sponsoring agency and shall not be released without prior written approval by the DTS Project Manager.

14. STATE AGENCY WEB SITE BRANDING: The Contractor agrees to allow the Department of Technology Services to utilize its DTS logo, or a newer version if replaced in the future, on websites produced under terms of this contract. Contractor further agrees to allow state agencies that DTS is ultimately providing consulting services for, such as UDOT, Workforce Services, Tax Commission, etc. to also utilize their own Department web site branding and logo, if requested by that state agency.

15. DRUG-FREE WORKPLACE: The Contractor understands that the Department provides a drug-free workplace in accordance with all federal and state laws and regulations. The Contractor agrees to abide by the Department's drug-free workplace policies while on State of Utah premises and the Department of Technology Services will provide the Contractor with a copy of these written "drug-free workplace policies".

16. OVERPAYMENT / UNDERPAYMENT AUDIT EXCEPTIONS / ADJUSTMENTS / DISALLOWANCES: The Contractor agrees that if during or subsequent to the contract performance, a CPA audit, or a State agency audit determines that payments were incorrectly reported or paid, the Department may adjust the payments. In contracts, which include a cost reimbursement budget, Contractor expenditures to be eligible for reimbursement must be adequately documented. The Contractor will, upon written request, immediately refund any overpayments determined by audit and for which payment has been made to the contractor, to the Department. The Contractor further agrees that the Department shall have the right to withhold any or all-subsequent payments under this or other contracts that the Contractor may have with the State until recoupment of overpayment is made. The Department agrees to promptly notify the Contractor in the event any underpayments on this contract are discovered.

17. OWNERSHIP, PROTECTION, AND USE OF STATE OF UTAH, STATE OF UTAH CLIENT, OR STATE OF UTAH EMPLOYEE RECORDS: Except for confidential medical records held by direct care providers, the State shall own exclusive title to all information gathered, reports developed, and conclusions reached in performance of this Contract. The Contractor may not use, except in meeting its obligations under this contract, information gathered, reports developed, or conclusions reached in performance of this Contract without the express written consent of the State. The improper use or disclosure by any party of any information concerning a State of Utah client, or a State of Utah employee for any purpose not directly connected with the administration of the Department, or the Contractor's responsibilities with respect to services purchased under this agreement, is prohibited except on written consent of the state agency employee, state agency client, their attorney, or their responsible parent or guardian. The Contractor will be required to sign a Confidential Information Certification form in situations where they will be given access to confidential computerized records. The Contractor agrees to maintain the confidentiality of records it holds as agent for the State as required by GRAMA, or other applicable federal or state law. The State of Utah shall own and retain unlimited rights to use, disclose, or duplicate all information and data (copyrighted or otherwise) developed, derived, documented, stored, or furnished by the Contractor under the Contract. The Contractor, and any subcontractors under its control, expressly agrees not to use confidential client, or confidential federal, state, or local government data furnished for purposes of contract performance, without prior written permission from the Project Manager for the Department of Technology Services, and appropriate officials of the State Agency.

18. OWNERSHIP, PROTECTION, AND USE OF CONFIDENTIAL FEDERAL, STATE, OR LOCAL GOVERNMENT INTERNAL BUSINESS PROCESSES AND PROCEDURES: The improper use or disclosure by any party of protected internal Federal or State business processes, policies, procedures, or practices is prohibited. Confidential federal or state business processes, policies, procedures, or practices shall not be divulged by the Contractor, Contractor's employees, or their Subcontractors, unless prior written consent has been obtained in advance from the Project Manager for the Department of Technology Services.

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19. OWNERSHIP, PROTECTION, AND RETURN OF DOCUMENTS AND DATA UPON CONTRACT

TERMINATION OR COMPLETION: All documents and data pertaining to work required by this contract will be the property of the STATE and must be delivered to the STATE within 10 working days after termination or completion of the contract, regardless of the reason for contract termination, and without restriction or limitation to their future use. Any State data that may be returned under provisions of this clause must either be in the format as originally provided, or in a format that is readily usable by the State or that can be formatted in a way that it can be used. Costs for all of these described items will be considered as included in the basic contract compensation of the work described.

20. CODE OF CONDUCT: The Contractor agrees to follow and enforce the Department of Technology Services Code of Conduct. If Contractor is working at facilities controlled by other State agencies, Contractor agrees to follow and enforce the Code of Conduct of these other State Agencies when Contractor is providing services at these facilities under provisions of this contract. The Contractor will assure that each employee or volunteer under Contractor's supervision receives a copy of such Code of Conduct, and a signed statement to this effect must be in each Contractor or Subcontractor employee's/volunteer's file and is subject to inspection and review by the Department monitors. Department of Technology Services agrees to provide Contractor with a copy of any applicable codes of conduct. If a Contractor or Subcontractor is working at any state agency which has a Code of Conduct applicable to this Contract, the Department of Technology Services Project Manager will provide Contractor with a copy in advance of Contractor's on-site contract services performance.

21. TERMINATION UPON DEFAULT: In the event this contract is terminated as a result of a default by the Contractor, the Department may procure or otherwise obtain, upon such terms and conditions as the Department deems appropriate, services similar to those terminated, and Contractor shall be liable to the Department for any and all damages arising there from, including, but not limited to, attorneys' fees and excess costs incurred by the Department in obtaining similar services..

22. CONTRACTOR'S RESPONSIBILITIES / QUALITY OF WORK: The Department will enter into contractual agreement with the Contractor only. The Contractor shall be responsible for all services as required by the RFP/bid. Contractor warrants that all services shall be performed in a professional and workmanlike manner consistent with best industry practice and in accordance with the Statement of Work.

23. PAYMENT WITHHOLDING: The Contractor agrees that the adequate reporting, record keeping, and compliance requirements specified in this contract are a material element of performance and that if, in the opinion of the Department, the Contractor's record keeping practices, compliance, and/or reporting to the Department are not conducted in a timely and satisfactory manner, the Department may withhold part or all payments under this or any other contract until such deficiencies have been remedied. This includes, but is not limited to, Contractors failure to timely provide to the Department of Technology Services Contracts Manager the Contractor's proof of adequate insurance coverage, or Contractor's failure to provide timely invoicing, and/or other requirements described elsewhere within this contract. In the event of the payment(s) being withheld, the Department agrees to provide ten (10) day advance NOTICE to the Contractor of the deficiencies that must be corrected in order to bring about the release of withheld payment. Contractor shall have ten (10) days thereafter to correct the cited reporting or record keeping practice deficiencies.

24. CONTRACTOR ACCESS TO SECURE STATE FACILITIES / CRIMINAL CONVICTION

INFORMATION / FORMER FELONS: The Contractor shall provide (at its own expense) the Department with sufficient personal information about its agents or employees, and the agents and employees of its subcontractors (if any) who will enter upon secure premises controlled, held, leased, or occupied by the State during the course of performing this contract so as to facilitate a criminal record check, at state expense, on such personnel by the Department. "Sufficient personal information" about its agents or employees, and the agents and employees of its subcontractors (if any) means for the Contractor to provide to the State Project Manager, in advance of any on-site

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work, a list of the full names of the designated employees, including their social security number, driver license number and state of issuance, and their birth date. Thereafter, on their first site visit, each contractor employee expected to work on-site shall be fingerprinted by the State, and the State is authorized to conduct a federal criminal background check based upon those fingerprints and personal information provided. Contractor, in executing any duty or exercising any right under this contract, shall not cause or permit any of its agents or employees, and the agents and employees of its subcontractors (if any) who have been convicted of a felony and certain misdemeanors to enter upon any premises controlled, held, leased, or occupied by the Department. A felony and misdemeanor are defined by the jurisdiction of the State of Utah, regardless of where the conviction occurred.

(July 1, 2009 version)



REQUEST FOR PROPOSAL

DIVISION OF MEDICAID AND HEALTH FINANCING

PRE-PAY EDITING

SOLICITATION # DR10038

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1 INTRODUCTION

The State of Utah, Department of Health, Division of Medicaid and Health Financing (hereafter referred to as “the State” or “DMHF”) is issuing this request for proposal (RFP) to solicit competitive proposals for a pre-payment cost saving editing solution to enhance the current editing within the Medicaid Management Information System (MMIS) for the Utah Title XIX Medical Assistance Program.

The State is seeking a Pre-payment Editing Solution in response to this Request for Proposal (RFP). For purposes of this RFP and procurement, this project will be referred to as the Pre-Pay Project. Qualified Contractors are to present DMHF with a proposal for:

- Pre-payment editing software and services
- Recommendation regarding integration within the MMIS Claims Processing System or Application Service Provider(ASP)model

1.1 PURPOSE OF REQUEST FOR PROPOSAL

With this Request for Proposal (RFP), the State of Utah’s primary focus is to partner with a Contractor that can supplement our current program integrity efforts by optimizing savings, maximizing claims payment accuracy, and identifying and denying inappropriate claims prior to payment. The proposed Pre-Pay must support Medicaid fee-for-service claims. In the future, the State may want to explore how this system could be extended to managed care encounters.

Presently, program integrity support for Utah’s Medicaid Program is limited by the small number of full time equivalent staff available (1 – 2 FTEs) and overall demands on that staff. There are an additional 58 FTEs in Medicaid Operations of which 21 are responsible to provide claims resolution via phone calls, written requests, as well as review and take appropriate action on suspended claims for all provider types. Accordingly, the State is seeking a solution that can support detection of inappropriate coding, alleviating inappropriate payments with a minimum of State staff support.

2 BACKGROUND

2.1 Authority

All Contractors are charged with presumptive knowledge of all requirements of the cited authorities. The submission of a valid proposal by any Contractor will constitute admission of such knowledge on the part of the Contractor.

2.2 RFP ORGANIZATION

This RFP is organized into 14 sections.

- Section 1 – Introduction – Provides Contractors with general information on the objectives and purpose of this RFP.

- Section 2 – Background – Provides Contractors with the purpose of the RFP and summary of the services the State expects the successful Contractor to provide. It also describes the RFP organization, anticipated procurement timetable and the contract term.
- Section 3 – Procurement Procedures – Provides Contractors with information concerning the procedures that must be followed during the procurement process.
- Section 4 – Rules of Procurement – Provides Contractors with the rules regarding this procurement.
- Section 5 – Proposal Submission Requirements – Provides Contractors with the requirements regarding submission of proposals for this procurement.
- Section 6 – Acceptance of Proposals – Provides Contractors with the procedures regarding the acceptance of proposals for this procurement.
- Section 7 – Award Notice – Provides Contractors with information related to notification of award for this procurement.
- Section 8 – Utah Medicaid Program – Provides Contractors with summary background information on the Utah Medicaid Program.
- Section 9 – Scope of Work and General Requirements– Provides Contractors with a description of the tasks to be performed, delineates State staff and Contractor responsibilities, and defines deliverables.
- Section 10 – Terms and Conditions – Provides Contractors with the general provisions, requirements, rules, specifications, and standards for responding to this RFP.
- Section 11 – Technical Proposal Instructions – Provides Contractors with format and requirements regarding the submission of the technical proposal.
- Section 12 – Cost Proposal Instructions – Provides Contractors with format and other requirements regarding the submission of the cost proposal.
- Section 13 – Proposal Evaluation – Summarizes how the Utah Division of Medicaid and Health Financing will evaluate the proposals.
- Section 14 – Table of Appendices – Includes list of acronyms and organizational charts.

2.3 TERM OF CONTRACT

The State will award a contract for technical and business services for the Pre-Pay Project for a period of three (3) years with two (2) one-year renewal options for a total of 5 years. See Section 10 for Standard Contract Terms and Conditions.

Payments to the successful Contractor for the first year of the contract will be based on a contingency fee calculated based on actual savings to the State. The contingency will have a cap. The remaining two years will be a fixed cost contract.

2.4 PROCUREMENT SCHEDULE

The following table depicts the anticipated procurement schedule and timing of activities to support the Project.

Table 1. Procurement and Contract Schedule

Activity	Due Date (1)
RFP Issuance	February 4, 2010
Deadline to Submit the signed Business Associate Agreement, Attachment B	February 25, 2010
Receipt of Questions Due from Contractors	March 18, 2010
DMHF Issues Written Answers to Questions	March 25, 2010
Release of Adjudicated Claims File to Contractors with signed Business Associate Agreements	March 4,, 2010
Closing Date for Receipt of Technical and Cost Proposals	April 1, 2010
Proposal Evaluations Completed	April 29, 2010
Contract Award	May 13, 2010
Contract Signing	June 3, 2010
Project Start-up	June 7, 2010
User Testing Complete	November 4, 2010
Pre-Pay Operational	December 9, 2010

2.5 HISTORY

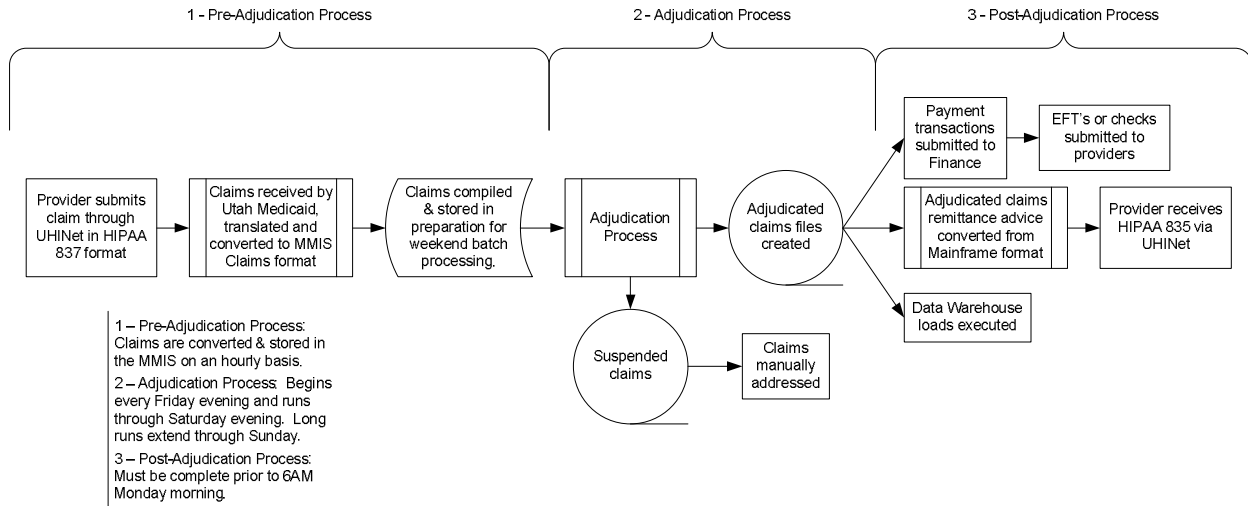
The State operates its own certified MMIS for the purposes of paying fee-for-service claims on behalf of Medicaid eligible recipients. Managed care organizations are required to submit equivalent encounter data, which is then processed through MMIS and re-priced.

The current MMIS has the capacity of nearly 1,000 edits, of which over 900 have programming to them. The edits could be classified into categories such as service limits, eligibility, provider enrollment issues, prior authorization, restrictions (age, gender, and provider) and duplicate services. In addition to the system edits, DMHF contracted with a Contractor approximately ten years ago to provide clinical claims editing, that includes mutually exclusive, incidental editing, diagnosis to procedure editing as well as the Correct Coding Initiative that was developed by CMS to promote national correct coding methodologies.

The ultimate goal of this project is to support the Division's goal of paying claims appropriately and accurately, saving benefit program dollars, applying consistent payment policies across all providers. Pre-payment editing will aid in identifying improper coding by providers that leads to inappropriate payments.

The diagram below depicts a high level overview of the State's current claims processing cycle.

Figure 1.



2.6 MONTHLY TRANSACTION VOLUMES

Average Total transactions (electronic and paper) 676,600

Average percentage by claim type

Pharmacy	51.0%
Practitioner claims	33.5%
Lab and X-Ray	1.5%
Medical Supplies	2.0%
Home Health	1.0%
Inpatient Hospital	1.0%
Outpatient Hospital	5.5%
Dental	3.5%
Crossovers	1.0%

2.7 PROVIDER ENROLLMENT NUMBERS

As of the creation of this document, Utah Medicaid has 20,481 enrolled Providers. Of those enrolled, approximately 7,000 are actively billing.

2.8 ELIGIBLES

Eligibles for November 2009

Total eligibles, including those enrolled in an MCO	264,993
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Medicaid	204,630
PCN	19,267
CHIP	41,096

3 PROCUREMENT PROCEDURES

3.1 ISSUING OFFICE AND RFP REFERENCE NUMBER

The State of Utah, Division of Purchasing, is the issuing office for this document and all subsequent addenda relating to it, on behalf of the Utah Department of Health, Division of Medicaid and Health Financing. The reference number for the transaction is Solicitation # DR10038. This number must be referred to on all proposals, correspondence, and documentation related to this RFP. The entire RFP, any addenda, and the Contractor's proposal will be considered part of the contract with the successful Contractor.

3.2 OVERVIEW OF PROCUREMENT PROCESS

The major steps of the procurement process are as follows:

- The proposal must be submitted electronically via BidSync at www.bidsync.com
- In addition to the electronic submission, one (1) original and eight (8) identical hard copies of the technical and cost proposals shall be submitted, as described in detail in Section 5.
- Proposals must be received by Division of Purchasing by the submission deadline. Proposals not meeting the submission deadline will be rejected.
- Proposals meeting the submission deadline will be screened to ensure that they meet the mandatory submission requirements.
- Technical proposals will be evaluated by a committee selected by the Division of Medicaid and Health Financing.
- Cost proposal evaluation is restricted to those Contractors who meet the minimum technical requirements
- Final scores will be compiled and a recommendation will be made to the Director of the Division of Medicaid and Health Financing.

3.3 CONTRACTING OFFICER

With the exception of oral presentations and interviews scheduled by the State, the Division of Purchasing is the sole point of contact from the date of release of this RFP until the selection of the successful Contractor.

3.4 QUESTIONS REGARDING THE RFP

All questions and requests for clarification must be submitted through BidSync System. Answers will be given via the BidSync site www.bidsync.com.

3.5 WEB SITE

The Division's home page is located at: <http://health.utah.gov/medicaid>. Contractors are encouraged to familiarize themselves with its contents.

3.6 RFP ADDENDA

The State reserves the right to modify, at its sole discretion, this RFP at any time prior to the proposal due date by issuing written addenda. This includes revisions, additions, clarifications, and/or deletions.

All written RFP addenda, as well as the State's written answers to questions, will become part of the final contract. The addenda will be made available via the BidSync system.

3.7 ORAL PRESENTATIONS

Because of the limited scope of this Pre-Pay Project, the State does not anticipate requiring oral presentations. It is the State's sole option to determine if, when, and whether oral presentations will be scheduled and the format of those presentations. Contractors will be notified in advance of the time, locations, and required content of any such presentations. Oral presentations will be made at the Contractor's expense.

If the State elects to have oral presentations, they will be limited to presentations by Contractors whose proposals are determined to be either acceptable or potentially acceptable.

3.8 PURPOSE OF ORAL PRESENTATIONS

The sole purpose of such oral presentations will be to provide Contractors an opportunity to clarify their technical proposal, provide an overview of the merits of their technical proposal, answer questions or concerns raised by the State in the course of reviewing the technical proposal, and assist the State in verifying the capabilities of the Contractors. It will also provide an opportunity for the State to question the Contractor's team about their experience, expertise and qualifications that they bring to the Project. Information gathered during oral presentations will be used in evaluating and scoring technical proposals.

3.9 QUESTIONS AND OTHER REQUIREMENTS FOR ORAL PRESENTATIONS

If oral presentations are conducted, enhancement of the original proposal cannot be permitted, nor may a Contractor modify its technical proposal. Contractors shall not attend, in whole or in part, presentations by their competitors, nor shall Contractors interfere with the oral presentations of their competitors.

Each potential Contractor shall ensure that key individuals whom it bids for the Utah Pre-Pay Project will attend all or part of its oral presentation. Specific questions will be asked and requests for clarification of the Contractor's technical proposal made as the State deems appropriate. At the oral presentations, Contractors may be asked clarifying and follow-up questions by evaluators. Contractors may be asked questions regarding individual qualifications and perceptions about how they will contribute to the Utah

project and interact with the State project team. Responses made during the oral presentations will be considered a part of the Contractor's proposal.

During the oral presentations, Contractors shall not discuss or reveal any information contained in their cost proposal. For the oral presentations, the State may, at its discretion, establish such procedures and rules of conduct as it may deem appropriate, and the State may enforce such procedures and rules of conduct.

3.10 KEY PERSONNEL INTERVIEWS

The State reserves the right to conduct interviews of the bidders key personnel proposed to work on the Utah Pre-Pay Project.

4 RULES OF PROCUREMENT

4.1 ACCEPTANCE OF TERMS AND CONDITIONS

Submission of a proposal will constitute acceptance of the terms, conditions, criteria, and requirements set forth in the RFP and will operate as a waiver of any and all objections to the contents of the RFP. Additionally, such submission will assure the State that the Contractor agrees and consents, without reservation, substitution, or limitation, to each of the following:

- Accepts as lawful and binding and abides by the proposal submission requirements and rules and the procurement procedures, processes, and specifications identified in this RFP, including any RFP addenda and all appendices of this RFP.
- Accepts as lawful and binding and consents to the State's use of the evaluation methodology and evaluation process as described in Section 13.
- Accepts as lawful and binding and consents to the State's sole, unrestricted right to reject any or all proposals submitted in response to this RFP.
- Accepts the substantive, professional, legal, procedural, and technical propriety of the Scope of Work (Section 9) in this RFP.
- Accepts the contractual language found in Section 10: Standard Terms and Conditions of this RFP, if awarded a contract as the result of the RFP.

4.2 COST OF PREPARING THE PROPOSAL

The cost of developing the proposal and any other such expenses are solely the responsibility of the Contractors and will not be reimbursed by the State.

4.3 DISPOSITION OF PROPOSALS

All project proposals will become the property of the State. If the proposal includes material that is considered by the Contractor to be confidential, the Contractor will so designate the material. It is understood that the State will be excused from any confidentiality privileges or protection provisions to the extent required by law or any court order requiring the State to disclose information. The State will give the Contractor reasonable notice of any opportunity to participate in any proceedings that may result in

such a court order. The successful proposal will be incorporated into the resulting contract and the proposal and contract will be a matter of public record. The State will have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

4.4 PROTECTED INFORMATION

The Government Records Access and Management Act (GRAMA), Utah Code Ann., Subsection 63G-2-305, provides in part that the following records are protected if properly classified by a government entity:

- Trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental entity with the information specified in Section 63G-2-309 (Business Confidentiality Claims);
- Commercial information or non-individual financial information obtained from a person if:
- Disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future;
- The person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and
- The person submitting the information has provided the governmental entity with the information specified in Section 63G-2-309;
- Records the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except that this Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental entity after bidding has closed;
- GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the Contractor must:

- Provide a written Claim of Business Confidentiality at the time the information (proposal) is provided to the state, and include a concise statement of reasons supporting the claim of business confidentiality (Subsection 63G-2-309 (1)).
- Submit an electronic “redacted” (excluding protected information) copy of your response to the proposal. Copy must clearly be marked “Redacted Version.”

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. Pricing and service elements may not be protected. An entire proposal may not be protected under a Claim of Business Confidentiality. The Claim of Business Confidentiality must be submitted with your proposal on the form which may be accessed at: <http://purchasing.utah.gov/vendor/index.html>

To ensure the information is protected, the Division of Purchasing asks the Contractor to clearly identify in the Executive Summary and in the body of the proposal any specific information for which a Contractor claims business confidentiality protection as "PROTECTED".

All materials submitted become the property of the State of Utah. Materials may be evaluated by anyone designated by the state as part of the proposal evaluation committee.

4.5 NO CONTINGENT FEES

No person or entity will be employed or retained or given anything of monetary value on a contingent fee basis to solicit or secure a contract pursuant to this RFP except bona fide employees of the Contractor (including proposed Sub-Contractors) or bona fide established commercial entities retained by the Contractor for the purpose of securing business. For breach or violation of this provision, the State will have the right to reject the proposal or terminate the contract without liability or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee, or other benefit from the selected Contractor.

4.6 INDEPENDENT PRICE DETERMINATION

A proposal will not be considered for award if the price in the proposal was not arrived at independently, without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Contractor or with any competitor. In addition, the Contractor is prohibited from submitting more than one proposal or submitting multiple proposals in a different form, for example, as a prime Contractor and as a Sub-Contractor to another prime Contractor.

The Contractor will include a statement in the transmittal letter certifying that the price was arrived at without any collusion, consultation, communication, or price agreement with any other Contractor. Should any such action stated above be detected at any time during the contract, the contract shall be deemed null and void.

4.7 REFERENCE CHECKS

Reference checks may be made to verify information contained in the technical proposal and to ascertain the quality of the services proposed. The State reserves the right to pursue any reference that may assist in completing the proposal evaluation.

4.8 SUBMISSION OF INFORMATION CONCERNING ANOTHER CONTRACTOR

Contractors are advised that the State is not interested in, nor will it consider, allegations of lack of qualification or of impropriety made by any Contractor concerning another Contractor at any time during the procurement. Inclusion of such information in a Contractor's proposal or communication of such information to Division, UDOH or DTS officials after proposal submission will be grounds for disqualification.

4.9 GIFTS AND KICKBACKS

No gifts from a Contractor or Sub-Contractor to any public employee or agent thereof involved in this procurement are permissible. No Contractor or Sub-Contractor will demand or receive kickbacks.

Any Contractor or Sub-Contractor offering a gift or kickback to a public employee will be prosecuted to the full extent of the law.

5 PROPOSAL SUBMISSION REQUIREMENTS

Each bidding Contractor must submit separate Cost and Technical Proposals electronically to the Division of Purchasing via BidSync at: www.bidsync.com. The name, title, mailing address, and telephone number of the Contractor's authorized agent holding the authority to officially respond to questions concerning the proposals must be stated in both the Technical and Cost Proposals.

In addition to the electronic submission via BidSync, the Contractor must submit one (1) Master and eight (8) identical hardcopies of the Technical Proposal and one Master and six (6) identical hardcopies of the Cost Proposal, under separate and sealed covers, to the Division of Purchasing, labeling the Technical Proposal as Part 1 and the Cost Proposal as Part 2. If discrepancies are found between two or more copies submitted, the copy marked Master will be used for resolving discrepancies. If one copy of the proposal is not clearly marked Master, the State may reject the proposal or, at its sole option, select one copy to be used as the Master immediately after bid opening.

The Technical Proposal will include technical, professional, and corporate information as well as a transmittal letter. For a full discussion on expected contents of the Technical Proposal, see Section 11 below.

The Cost Proposal will contain the cost and pricing data for the contract and the appropriate pricing schedules. Section 12 provides a full discussion of the submission requirements for the Cost Proposal and Pricing Schedules. Attachment C must be completed by Contractor and submitted with proposal.

When submitting a bid electronically through BidSync, please allow sufficient time to complete the online forms and upload documents. The solicitation will end at the closing listed in the bid. If you are in the middle of uploading your bid at the closing time, the system will stop the process and your bid will not be received by the system.

Electronic bids may require uploading of electronic attachments. BidSync's site will accept a wide variety of document types as attachments. However, submission of documents containing embedded documents (zip files), mov, wmp, and mp3 files are prohibited. All documents should be attached as separate files.

Both electronic and hard copy proposals must be received by the Division of Purchasing no later than 3:00 p.m. (Mountain Time) April 1, 2010. Proposals should be mailed or delivered to:

State of Utah, Division of Purchasing
3150 State Office Building, Capitol Hill
P.O. Box 141061
Salt Lake City, UT 84114-1061
Telephone: (801) 538-3026

All questions must be submitted through Bidsync. Questions concerning the RFP will be accepted through Noon (Mountain Time) on March 25, 2010.

The RFP Number and due date must be clearly marked on the outside of the shipping package. Upon receipt, all proposals will become and shall remain the property of the State of Utah and will not be returned to the bidding Contractors.

5.1 PROPOSAL AMENDMENTS AND RULES FOR WITHDRAWAL

Any bidding Contractor may withdraw its proposal prior to the proposal due date by submitting a written request for its withdrawal to the Division of Purchasing signed by the Contractor and mailed to the issuing officer.

5.2 STATE'S RIGHT TO REJECT

The State reserves the right, at its sole discretion, to reject any or all proposals and to cancel this procurement at any time.

6 ACCEPTANCE OF PROPOSALS

All Pre-Pay proposals properly submitted will be accepted by the State. However, the State reserves the right to request clarifications or corrections to the proposals. Requests for clarifications or corrections may be made in writing or during oral presentations. Requests for clarifications or corrections will not alter the Contractor's price contained in the cost proposal.

Contractors' responses to State requests for clarifications or corrections must be made in writing and signed by an officer authorized to commit the firm.

The State reserves the right to overlook minor variances in proposals, providing such action is in the best interest of the State. Such waiver will not, however, modify the RFP requirements or excuse the Contractor from full compliance with the RFP specifications and other contract requirements if the Contractor is awarded the contract.

7 AWARD NOTICE

Notice of intended contract award will be sent by BidSync system and by email to all bidding Contractors by the Division of Purchasing.

8 UTAH MEDICAID PROGRAM ORGANIZATION

8.1 DEPARTMENT OF HEALTH – DIVISION OF MEDICAID AND HEALTH FINANCING

The Utah Department of Health (UDOH), hereinafter referred to as the Department, is the single State agency responsible for the administration of the Utah Medicaid Program. The Department has a number of offices and divisions including:

Division of Medicaid and Health Financing

Division of Disease Control and Prevention

Division of Family Health and Preparedness

Center for Health Data

Office of Fiscal Operations

Office of Employee Support

Office of External Affairs

The Office of Internal Audit Services

DMHF has primary responsibility for the administration of the Utah Medicaid Program. The Division develops program policy, promulgates rules, processes claims, operates its certified MMIS, ensures program integrity, and administers contracts with the Department of Human Services (DHS) and the Department of Workforce Services (DWS) for Medicaid eligibility determination, and with the Office of Recovery Services (ORS) for identifying and collecting Third-Party Liability (TPL).

The Office of Internal Audit Services is responsible for the traditional program integrity (PI) processes for the Medicaid program, including provider audits, post –payment review, SURS, PERM and other PI processes. It is responsible to ensure Medicaid services are provided in compliance with state and federal requirements and in an appropriate, cost effective manner. The Office is responsible for:

- conducting utilization reviews;
- detecting and investigating aberrant billing practices;
- determining and collecting overpayments resulting from such billing errors;
- coordinating and monitoring federally mandated quality control systems, including internal and external audits;
- ensuring training is provided to error-prone providers; and
- utilization management, and post-payment reviews for fee-for-service.

The Office works closely with the State's Medicaid Fraud Control Unit, which is responsible to investigate and prosecute provider fraud. Referrals are common between the two organizations.

The State Attorney General is responsible for identifying and investigating instances of provider fraud and abuse in the Utah Medicaid programs. Pre-admission review, licensing, survey and certification functions are the responsibility of the Division of Family Health and Preparedness.

The Division Director of Medicaid and Health Financing, administers and coordinates the program responsibilities and is responsible to develop, maintain and administer the Medicaid program and SCHIP in compliance with Title XIX and Title XXI of the Social Security Act, the laws of the State of Utah and within the appropriated budget. Administrative hearings are part of this office.

Responsibilities for each bureau within DMHF are more fully described below.

8.1.1 Bureau of Medicaid Operations

The Bureau of Medicaid Operations' (BMO) main objectives are the accurate and expeditious processing of claims submitted for covered services on behalf of eligible beneficiaries and training of providers regarding allowable Medicaid expenditures and billing practices. The Bureau is responsible for:

- receipt, processing, and adjudication of medical claims;
- publishing all provider manuals;
- training providers concerning allowable Medicaid expenditures and billing practices; and
- handling telephone contacts for information about client eligibility, claims processing, and general questions about the Medicaid program.

8.1.2 Bureau of Eligibility Policy

The Bureau of Eligibility Policy (BEP) was established to administer Medicaid eligibility policy, perform disability determinations and determine eligibility for medical assistance programs for clients who request Medicaid or Utah's SCHIP programs. In July, 2007, the responsibility to perform eligibility determinations and other eligibility functions for all Medicaid and SCHIP cases was transferred under contract to DWS. DWS is also responsible for the administration of the Temporary Assistance to Needy Families (TANF), Food Stamp and other public assistance programs. DWS eligibility staff is based in traditional office settings, health clinics, hospitals, schools, nursing homes, and other low income community locations. The Department of Human Services manages all medical assistance cases for Foster Care recipients.

BEP maintains the responsibility for:

- writing policy;
- managing the contract between DWS and DOH;
- managing Medicaid eligibility quality control (MEQC) reviews; and
- performing disability determinations.

8.1.3 Bureau of Coverage and Reimbursement Policy

The Bureau of Coverage and Reimbursement Policy (CRP) is the primary policy arm of the Division. It has the primary role for most areas of program and reimbursement policies. The Bureau is responsible for:

- formulating program policy, including scope of service;
- providing policy interpretations;
- engaging in policy implementation planning;
- providing legal counseling to the Division;
- determining reimbursement policy and setting rates;
- prior authorization;
- maintaining the State plan and State rules; and
- providing short-range and long-range planning services.

8.1.4 Bureau of Managed Health Care

The Bureau of Managed Health Care (MHC) manages the physical health and mental health managed care contracts, and children-related programs (including EPSDT and the home and community based program for technology dependent children). The Bureau is responsible for:

- contracting with the capitated managed care plans, including the prepaid mental health plans;
- providing Medicaid clients with the choice of health care delivery programs, primary care physician or managed care organization (MCO) in order to enable them to make an informed choice regarding primary care providers;
- monitoring the performance of the managed care plans and prepaid mental health plans;
- overseeing a medical home project for individuals with both a developmental disability and mental illness or behavior problems; and
- operating a system to restrict a limited number of Medicaid clients to specific providers in order to monitor their utilization of medical services.

8.1.5 Bureau of Financial Services

The objectives and responsibilities of the Bureau of Financial Services include monitoring, coordinating, and facilitating the Division's efforts to operate economical and cost-effective medical assistance programs. The Bureau is responsible for:

- monitoring the Medicaid service programs, providers, and all TPL activity;
- coordinating the acquisition of hardware and software;
- budget forecasting and preparation;
- developing appropriation requests and legislative presentations;
- monitoring program and administration expenditures;
- federal reporting; and

- administering, coordinating and tracking all Division contracts.

8.1.6 Bureau of Long Term Care

General responsibilities of the Bureau of Long Term Care are to develop and coordinate long-term care policy and oversee the contracts related to home and community-based service waivers. The Bureau is responsible for:

- planning and developing policy related to long-term care programs;
- writing and amending the HCBS waiver applications;
- coordinating HCBS program implementation and maintenance with the waiver administrative agencies;
- monitoring the contracts with the service delivery arms of the HCBS programs;
- ensuring the quality and cost effectiveness of the HCBS waivers;
- preparing the federal reports for the HCBS waivers; and
- administering the Division's Medicaid Infrastructure Grant and programs related to workers with disabilities.

8.1.7 Bureau of Access

The Bureau of Access administers and coordinates program responsibilities of the SCHIP Program and the 1115 waiver programs (Primary Care Network and Utah Premium Partnership). The Bureau is responsible for:

- developing and implementing policies related to CHIP and the 1115 waivers;
- maintaining the 1115 waivers documents;
- maintaining and monitoring contracts with health plans;
- conducting outreach activities; and
- administering premium payment systems.

8.2 DEPARTMENT OF TECHNOLOGY SERVICES

The Department of Technology Services (DTS) was established in the 2005 Legislative Session to consolidate all State Government information technology (IT) services within one departmental level organization. Goals of the agency include:

- re-engineering the State's information technology architecture;
- reducing redundancy in hardware, software, data, and services;
- improving system interoperability;
- coordinating with all State agencies in creating a strategic IT plan for the executive branch of state government;
- identifying best practices and a plan for implementing them throughout the enterprise;
- establishing cost-based service rates and fees; and
- developing service level agreements with agencies.

All State IT staff report to DTS; however, those responsible for the MMIS are co-located on-site with the Medicaid administrative agency. Approximately 30 DTS employees are assigned full-time to support DMHF. These include an IT manager, application database administrators, programmers and system analysts. They provide the primary support for maintenance and enhancement of the DMHF applications hosted in the IBM Mainframe and Oracle and Teradata environments.

8.3 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Two agencies within the U.S. Department of Health and Human Services (HHS) have important roles relative to the Utah Medicaid Program.

The Centers for Medicare and Medicaid Services (CMS) is responsible for promulgating Title XIX and Title XXI regulations and determining State compliance with regulations. CMS is responsible for certifying and recertifying the states' MMIS systems

The Social Security Administration (SSA) is responsible for Supplemental Security Income (SSI) eligibility determination. SSA transmits this information via a State Data Exchange (SDX) tape to the State for updating the eligibility system. Information is also provided on Social Security and Medicare eligibility through Beneficiary Data Exchange (BENDEX) and buy-in tapes. Utah is an SSI criteria state.

8.4 UTAH MEDICAID PROGRAM STRUCTURE

8.4.1 Eligibility

The Division's contract agencies determine eligibility for persons in all eligibility categories. The Utah Medicaid 1115 programs and CHIP currently provide coverage to more than 260,000 enrollees per month.

8.4.2 Mandatory Title XIX Eligible Groups

The following individuals are covered under the mandatory eligibility category:

- Supplemental Security Income recipients who also meet all Medicaid eligibility criteria;
- Mandatory State Supplementary Assistance Payment (SSP) recipients who also meet all Medicaid eligibility criteria;
- Former SSI or SSA recipients who are ineligible for SSI or SSA due to widow/widower Social Security benefits and who do not have Medicare Part A benefits;
- Disabled adult children ineligible for SSI or SSA due to the receipt of Child's Insurance benefits from Social Security. These are children over the age of 18 who are receiving benefits under their parents' Social Security coverage;
- Former SSI recipients who receive Social Security benefits but who would continue to be eligible for SSI if all cost-of-living increases received since the SSI was terminated were backed out of the Social Security benefits ("Pickle people");
- Persons ineligible for the Family Employment Program (FEP) or SSI because of requirements that do not apply to Medicaid (SSI-related individuals must meet all other SSI and Medicaid criteria);

- AFDC-related (as of 16 July 1996) individuals must meet the AFDC (as of 16 July 1996) income and resource criteria as well as all other AFDC (as of 16 July 1996) and Medicaid criteria);
- Qualified Medicare Beneficiaries (QMB) - payment of Medicare premiums, deductible and coinsurance only;
- Qualified Individuals (QI1) -payment of Medicare Part B premium only;
- Special low-income Medicare Beneficiaries (SLMB) - payment of Medicare Part B premium;
- 1931 groups;
- Transitional Medicaid for up to 12 months for former 1931 recipients who lost eligibility due to income exceeding the limit as long as the household has at least \$1.00 of earned income and income does not exceed 185 percent of the FPL;
- Extended Medicaid for four months for former 1931 recipients who became ineligible due to receipt of child or spousal support who have no or limited earned income in the household;
- Newborn children of mothers receiving Medicaid coverage for the month of birth, until reaching one year of age;
- Postpartum eligibility for pregnant women (eligibility continues for 60 days following delivery);
- Individuals eligible under Section 1619A or 1619B of the Social Security Act;
- Foster care under Title IV-E;
- QWDPs (payment of Medicaid Part A premium);
- Pregnant women and infants less than one year of age whose family income does not exceed 133 percent of the FPL;
- Children through age five whose family income does not exceed 133 percent of the FPL;
- Children ages 6 through 18 born after 30 September 1983, whose family income does not exceed 100 percent of the FPL;
- Continuous eligibility for pregnant women whose income at the time of initial eligibility does not exceed 133 percent of the FPL. Once eligibility is established, it continues throughout the pregnancy and for 60 days postpartum, regardless of change in income; and
- Emergency medical assistance for persons not meeting U.S. citizenship or residency requirements.

8.4.3 Optional Title XIX Eligible Groups

Utah Medicaid elects to extend its services to individuals in the following categories:

- Individuals who meet AFDC or SSI non-financial criteria and the Medicaid resource limits, who reside in a medical institution, and whose medical needs exceed their income, and who spend down their income to the medically needy level;
- Those eligible for SSI, SSA, or Family Employment Program (FEP) except for residency in a medical institution;

- Waiver Groups, including persons living at home who would be eligible for Title XIX in a medical institution. A more detailed description of each waiver can be obtained at <http://www.health.utah.gov/ltc/>. There are 6 home and community-based services (HCBS) waivers:
 - o Waiver for Individuals Age 65 or Older
 - o Acquired Brain Injury Waiver
 - o Community Supports Waiver for Individuals with Intellectual Disabilities or Other Related Conditions
 - o Physical Disabilities Waiver
 - o New Choices Waiver
 - o Waiver for Technically Dependent Children
- Needy persons in a psychiatric facility under age 22 or age 65 and over;
- Aged, blind or disabled individuals whose income does not exceed 100 percent of the FPL;
- Pregnant women with presumptive Medicaid eligibility. Authorized providers determine limited eligibility based on countable income not exceeding 133 percent of the FPL;
- Children ages 6 to 18 born on or before 30 September 1983, whose family income does not exceed 100 percent of the FPL (empty set);
- Medically Needy Program including AFDC/SSI-related groups who meet the Medicaid resource levels and all eligibility requirements of the cash assistance programs except income and who spend down their income to the medically needy income level (Note: spenddown can be met by payment to the state or by utilizing incurred expenses; the system edits against the incurred expenses when utilized to meet eligibility requirements);
- TB infected individuals not otherwise eligible for Medicaid whose income does not exceed the SSI income limits;
- A second year of transitional medical expenses (the initial year is provided through utilizing 1902(r)(2) provisions leading to a second year of transitional assistance); and
- Uninsured women with breast or cervical cancer.

8.4.4 1115 Demonstration Programs

Utah currently covers these individuals under its 1115 Demonstration Programs:

- Uninsured adults under 150 percent of the FPL who are not otherwise eligible for Medicaid; and
- Uninsured adults and children meeting income guidelines when an adult is employed at a job where health insurance is offered.

8.4.5 Children's Health Insurance Program

CHIP was funded by the Balanced Budget Act of 1997. In Utah, the program provides access to medical care for children under age 19 in families with incomes that do not exceed 200 percent of FPL and who do not otherwise qualify for Medicaid.

8.4.6 Providers

The Utah Medicaid Program provides direct reimbursement to enrolled providers who have rendered services to eligible recipients. This payment is used under both fee-for-service and one IPO arrangement. Providers may be reimbursed for covered services following application, enrollment, and completion of a provider agreement. (QMB-only and out-of-state providers are enrolled upon receipt of claims without application.)

The following provider types are currently recognized by the Utah Medicaid Program under its State plan or through waivers:

- General Hospital
- Mental Hospital
- Chronic Disease Hospital
- Institution for Mental Disease
- Nursing Home, General
- State Developmental Center
- Physician (MD)
- Osteopath (DO)
- Oral Surgeon
- QMB-Only Provider
- Social Service Worker (SSW)
- Psychologist (PhD)
- Certified Social Worker (CSW)
- Podiatrist (DPM)
- Optometrist
- Speech Pathologist
- Occupational Therapist (OT)
- Audiologist
- Physical Therapist (PT, RPT)
- Free-Standing Birthing Center
- Certified Nurse Midwife (CNM)
- Nurse Anesthetist (CRNA)
- Registered Nurse (RN)
- Dentist (DDS, DMD)
- Clinical Social Worker (LCSW)
- Health Educator (Childbirth Education) (CBED)
- Dietitian
- Marriage/Family Therapist
- Group Practice

- Agency
- Nurse Practitioner (NP)
- Licensed Practical Nurse (LPN)
- PT/OT Rehabilitation Center
- Alcohol and Drug Center
- Public Health Department
- Federally Qualified Health Center (FQHC)
- Dialysis Center
- Licensed Home Health Service
- Free-Standing Ambulatory Surgical Center
- Mental Health Center
- Rural Health Clinic
- Home Health Agency
- Hospice
- Pharmacy
- Medical Supplier (includes Durable Medical Equipment and Non-durable Medical Equipment)
- Optical Supplier
- Adult Day Care
- Emergency Response System
- Non-Medical Transportation
- Home-Delivered Meals
- Personal Waiver Service Agent
- Mobile Ultrasound
- Diabetes Self management Educator
- Chiropractor (DC)
- Independent Lab and/or X-Ray
- Licensed Residential Treatment Facility
- Licensed Day Treatment Facility
- Support Coordination Agency
- ICF/MR day treatment
- Ambulance
- Servicar/Ambucar
- Fixed-Wing Aircraft
- Helicopter
- Taxi
- School District (also used for 'fluoride rinse program')
- Early Intervention Provider

- Managed Care Organization ,under both risk and non-risk contracts
- Contract Services Providers
- Indian Health Service

8.4.7 Services Covered

The Utah Medicaid Program covers all federally mandated services as well as a number of optional services. For a more detailed description of services, see the Utah State plan on the UDOH website. The following is a high level list of those services currently covered under the program:

- Inpatient Hospital, General
- Inpatient Hospital, Mental Aged
- Inpatient Hospital, Mental Youth
- Outpatient Hospital
- ICF/MR
- Utah Developmental Center (IMR)
- ICF Skilled Nursing Facility
- Super Skilled Nursing Facility/Home Health Services/Hospice
- Personal Care Services
- Alcohol and Drugs
- Lab and Radiology
- Ambulatory Surgical Services
- Contracted Mental Health Services
- Mental Health Services
- Rural Health Services
- Kidney Dialysis
- Pharmacy
- Specialized Wheelchairs
- Medical Supplies
- Occupational Therapy
- Medical Transportation
- Specialized Nursing Service
- Private Duty Nursing
- Well Child Care/Child Health Evaluation and Care/Early Periodic Screening
- Diagnosis and Treatment (CHEC/EPSTD)
- Rehabilitative Services
- Physician Services
- Federally Qualified Health Center
- Ambulatory Prenatal Care During a Presumptive Eligibility Period

- Dental Services
- Pediatric/Family Nurse Practitioner
- Psychologist Services
- Physical Therapy
- Speech and Hearing
- Podiatrist
- Vision Care
- Optical Supplies
- Osteopathic Services
- Crossover Services (dual eligible's for Medicare and Medicaid)
- Qualified Medicare Beneficiary (QMB) Only Services
- Home/Community-Based Waiver Services
- Contract Physician
- HCBS Waiver Services
- Adult Companion Services
- Adult Day Care
- Adult Day Health Services
- Adult Residential Services
- Assistive Technology Devices
- Attendant Care
- Behavioral Consultation
- Caregiver Training
- Case Management
- Chore Services
- Community Living Supports
- Companion Services
- Consumer Preparation Services
- Day Supports
- Emergency Response Systems
- Environmental Accessibility Adaptations
- Extended Living Supports
- Family Assistance and Support
- Family/Individual Training and Preparation
- Financial Management Services
- Habilitation Services
- Home Delivered Meals
- Homemaker Services

- Institutional Transition Services
- Living Start-up Costs
- Local Area Support Coordination Liaison
- Massage Therapy
- Medication Assistance Services
- Non-medical Transportation
- Personal Attendant Program Training
- Personal Attendant Services
- Personal Budget Assistance
- Residential Habilitation
- Respite Care
- Specialized Behavioral Health Services
- Specialized Medical Equipment
- Supported Employment
- Supported Living
- Supportive Maintenance
- Waiver Support Coordination
- HMO - Home
- Targeted Case Management AIDS
- Chiropractic Services
- Targeted Case Management
- Perinatal Care Coordination
- Group Pre/Postnatal Education
- Pre/Postnatal Psychosocial Counseling
- Nutritional Assessment/Counseling
- Pre/Postnatal Home Visits
- HMO-IHC Access
- Case Management/PCP
- HMO - Molina
- Poison Control Center
- Skills Development (also Fluoride Rinse Program)
- Early Intervention
- Respiratory Care Services
- HMO - Healthy U
- HMO - Molina plus

8.4.8 Medicare Crossover/Buy-in Program

The Division purchases Medicare Part B coverage for Medicaid recipients who are also eligible for Medicare benefits. The Division maintains a contract with ORS to manage the Buy-In Program. The buy-in system is a two-way exchange of information between the Division and the CMS Division of Third Party Billing. The Division creates a file containing recipient eligibility data to send to CMS; CMS, after processing the information, returns a file to the Division that contains records of all the transactions for the eligible Utah recipients during the month. The information received from CMS is used to update the eligibility system files to cross reference with the Health Insurance Claim (HIC) number.

8.4.9 Child Health Evaluation and Care (CHEC)

The Division provides Early Periodic Screening, Diagnosis and Treatment (EPSDT) services for Medicaid recipients under the age of 21 under the program name CHEC. The services consist of outreach, screening, and treatment. The Division, in conjunction with the Bureau of Maternal and Child Health within the Division of Family Health and Preparedness, identifies potential CHEC recipients by reviewing the eligibility and history files according to the parameters defined by the Division and sends notification letters to the clients.

Providers perform well-child exams based on recommendations from the American Academy of Pediatrics. These may be specialized physical examinations to determine the existence of abnormal conditions and treatment or referral to a specialist for treatment. Providers then bill the Division for the services rendered. Managed care organizations are required to submit equivalent encounter data.

8.4.10 Provider Reimbursement

The basis of payment for services rendered by providers participating in the Utah Medicaid Program varies according to provider type, location, or special contracts and depends on provider eligibility to participate in the Medicaid program.

Institutional providers are reimbursed both prospectively and retrospectively. Reimbursement is based on reasonable and proper costs of operation, with suitable retroactive adjustments based on submission of fiscal and statistical reports by the provider. The retroactive adjustment represents the difference between the amount received by the provider during the year for covered services and the amount determined in accordance with an accepted method of cost apportionment to be the actual cost of services rendered to medical assistance recipients. Hospital in-patient payments are based on diagnosis-related groups (DRG). Nursing home payments are based on a modified resource utilization group (RUG) system for nursing, a fair rental value system for property and a flat rate for other components. Annual quality incentive payments are also paid to nursing facilities.

Non-institutional providers are reimbursed on the basis of a fixed fee for a given service. If product cost is involved in addition to service, reimbursement is based on the provider's actual acquisition cost of the product or the product cost is included as part of the fee. Increases in fixed fees are made periodically.

8.4.11 Specific Provider Categories and Basis of Reimbursement

Institution	Basis of Reimbursement
Inpatient Hospital, General Urban	Diagnosis-Related Group (DRG)
Inpatient Hospital, General Rural	Percent of Charges
Inpatient Hospital, Mental Aged	Daily Rate (Retroactive Cost- Settled)
Inpatient Hospital, Mental Youth	Daily Rate (Retroactive Cost- Settled)
Outpatient Hospital, General	Percent of Charges
Outpatient Hospital Lab and X-Ray	Fee Schedule
Outpatient Hospital Lithotripsy	Fixed Fee (Revenue Codes)
ICF/MR1	Daily Rate
ICF/MR2	Daily Rate
ICF/MR3	Daily Rate
USTS IMR-1	Daily Rate (Retroactive Cost Settled)
USTS IMR-2	Daily Rate (Retroactive Cost Settled)
USTS IMR-3	Daily Rate (Retroactive Cost Settled)
ICF-1	Daily Rate
ICF-2	Daily Rate
SNF-1	Daily Rate
Home Health Services/Hospice	Fee Schedule
Personal Care Services	Fee Schedule
Alcohol and Drugs	Fee Schedule
Lab and Radiology	Fee Schedule
Ambulatory Surgical Services	Percent of Charges note: changing to Fee Schedule
Contracted Mental Health Services	Capitated Monthly Rate
Mental Health Services (Crossovers)	Fee Schedule minus prior payment Medicare or other payor
Rural Health Services	Prospective Payment
Kidney Dialysis	Fee Schedule
Pharmacy	Drug Cost (MAC or AWP minus 15) plus dispensing Fee
Specialized Wheelchairs	Fee Schedule
Medical Supplies	Fee Schedule
Occupational Therapy	Fee Schedule
Medical Transportation	Capitated payment to broker
Specialized Nursing Service	Fee Schedule
Private-Duty Nursing	Fee Schedule
Well Child Care (CHEC/EPSTDT)	Fee Schedule
Physician Services	Fee Schedule (RBRVS)
Federally Qualified Health Center	Fee Schedule or Prospective Payment (Retro Cost-Settled)
Dental Services	Fee Schedule

Institution	Basis of Reimbursement
Pediatric/Family Nurse Practitioner	Fee Schedule
Psychologist Services	Fee Schedule
Physical Therapy	Fee Schedule
Speech and Hearing	Fee Schedule
Podiatrist	Fee Schedule
Vision Care	Fee Schedule
Optical Supplies	Fee Schedule
Osteopathic Services	Fee Schedule
QMB Only Services	Medicare Co-Insurance and Deductible or Fee Schedule
Home/Community Based Waivers	Fee Schedule
Contract Physician	Fee Schedule
Aging Waiver Services	Fee Schedule
Targeted Case Management (AIDS)	Fee Schedule
Chiropractic Services	Fee Schedule
Targeted Case Management	Fee Schedule
Perinatal Care Coordination	Fee Schedule
Group Pre/postnatal Education	Fee Schedule
Pre/postnatal Psychosocial Counseling	Fee Schedule
Nutritional Assessment/Counseling	Fee Schedule
Pre/postnatal Home Visits	Fee Schedule
Poison Control Center	Fee Schedule
Skills Development	Fee Schedule (Retro Cost-Settled)
Early Intervention	Fee Schedule

The Utah Medicaid Program pays the allowed Medicaid payment rate less any amounts paid by Medicare or other payor for fee-for-services covered by Title XVIII (Medicare) of the Social Security Act. The program also pays the monthly premium for supplemental medical insurance (Medicare Part B) for most assistance recipients aged 65 or older and for certain blind or disabled persons. Additionally, the Medicare Part A premium will be covered for recipients who qualify under the QMB Program.

The Buy-Out Program enables the Division to purchase cost-effective group insurance under Section 4741 of the Balanced Budget Act of 1997 for Medicaid recipients who have a significant medical need and available group insurance (including COBRA) that would cover the cost of that need.

8.4.12 Co-Payments

Co-payments are applicable to services provided to all recipients, with the exception of the following:

- Services provided to Medicaid recipients under age 18;
- Family planning services;
- Services provided to recipients in an SNF, an ICF, or a residential care facility;
- Services provided to pregnant women;
- Services provided to those who have incomes below the TANF grant level; and
- Emergency services (as determined by the Division).

8.4.13 Managed Care Providers Reimbursement

Managed care organizations recruit and enroll member providers independently from the Utah Medicaid Operations. Each organization has a different contractual relationship with the Division. One organization leases its provider network to the Division. The claims are processed and paid by the Division according to fee-for-service policy. The non-risk plan reimburses the providers' services and submits encounters to the Division. The Division pays the plan after editing the encounters/claims for eligibility, duplication, service coverage and limits. All encounters from the non-risk contract are re-priced by the Division to ensure the upper payment limit is not exceeded. The third plan is full risk and submits encounters for statistical purposes only.

8.5 SUMMARY OF PROGRAM OPERATION

8.5.1 Eligibility

Medicaid eligibility is determined by contract agencies. The MMIS Recipient system extracts data generated by the eligibility case management system to process claims. Identification cards are mailed to eligible recipients.

8.5.2 Provider Enrollment

The Division performs all of the administrative functions related to fee-for-service provider enrollment. These functions include obtaining written provider agreements for all providers enrolling in the program and screening providers to ensure that State licensing and certifications requirements are met.

8.5.3 Provider Relations and Communications

The Division provides training and assistance to all participating providers. Such assistance includes dissemination of State policy, training about submission of claims, and the resolution of claims problems. Publications include provider manuals and quarterly Medicaid Information Bulletins. Training is given by means of group seminars, individually in the provider's or Medicaid office, and by telephone. Customer Service staff respond to telephone and written inquiries about scope of service, claim status and billing procedures. The purpose of the service is to facilitate client access to medical services by encouraging provider participation and by prompt and accurate payment of claims.

8.5.4 Prior Authorization for Medical Services

Prior authorization is required for some specific services before payment is allowed for those services. Medical review staff issue written prior authorization upon receipt of a request from the recipient's attending physician or other provider of care. The request may be made over the phone or in writing and contains the diagnosis, prognosis, and sufficient clinical data to demonstrate medical necessity.

Approved requests are posted prior authorization file, which is used to edit incoming claims for an approved authorization. The Division uses licensed software tools from to help support the prior authorization process.

8.5.5 Prior Authorization for Pharmacy Services

Prior authorization requests for pharmacy claims, including overrides of the preferred drug list, may be made over the phone or in writing. Not all prescriptions require authorization. Approved requests are posted on-line to the automated prior authorization file, which is used to edit incoming claims for an approved authorization.

8.5.6 Surveillance and Utilization Review

The Office of Internal Audit Services is responsible for program integrity functions including the Surveillance and Utilization Review Subsystem (SURS). The office specifies the parameters and criteria used to develop exception, profile, and informational reports of providers. The reports are reviewed to identify instances of inappropriate level and quality of care given by providers or to determine over-utilization of services received by recipients. Cases of suspected fraud are referred to the Medicaid Fraud Unit which is located within the Utah Office of the Attorney General.

8.5.7 Recipient Communication

The Division maintains and operates local and toll-free telephone lines on which members/recipients can call with any questions regarding Medicaid eligibility, selection of health care provider, benefits, etc. The Division sends special mailings as needed, and offers client-oriented selections on the Medicaid Internet site.

8.5.8 Recipient Explanation of Medical Benefits

A Recipient Explanation of Medical Benefits (REOMB) is sent quarterly to a statistically valid sample of members who received Medicaid benefits. The Office of Internal Audit Services selects a random sample of recipients using a state-approved sampling methodology and mails out the REOMB to the case head. The REOMB lists all the Medicaid services the recipient received the previous quarter, including date of service, provider, description of service, and amount paid. It instructs the case head to inform the Division if any services listed were not received and describe any problems. If it is determined that a problem exists, a review case is opened and appropriate action taken to resolve the problem.

8.5.9 Third Party Liability

The Division is required to take reasonable measures to identify legally liable third parties, to treat verified TPL as a resource of the Medicaid applicant or recipient, and to have procedures for securing reimbursement from liable third parties. Claims submitted by providers indicating the service could have been paid for by a third party but do not reflect third-party payment are denied or paid and subsequently reconciled. All third-party liability functions are performed by the Office of Recovery Services (ORS), including “pay and chase” and review of claims with trauma indications. ORS uses its case management system ORSIS to keep track of recoveries, receive payments, and produce reports on recovery activities.

8.5.10 Medicaid Eligibility Quality Control and Payment Error Rate Measurement

The Medicaid eligibility quality control (MEQC) program is a Federal requirement designed to monitor and improve the administration of the Medicaid program. MEQC activities include eligibility reviews and claims payment reviews and are done on a sample basis. Utah has a quality control waiver, allowing it to perform targeted review of various programs’ components at regular intervals.

Payment Error Rate Measurement (PERM) was implemented by CMS to measure improper payments in the Medicaid program and SCHIP as a result of the Improper Payments information Act of 2002. A CMS contractor performs statistical calculations, medical records collection and review of Medicaid and SCHIP fee-for-service and managed care claims.

8.5.11 Recipient Restriction Program

The Division administers a restriction program for recipients who over-utilized Medicaid services by obtaining medical services or drugs that are not medically necessary. These recipients are issued special Medicaid identification cards that contain the names of the providers with whom they are “locked in.” Services are not covered for these patients when delivered by other providers except under emergency conditions or referral from their designated lock-in provider.

8.5.12 1115 Demonstration Project

Utah administers one 1115 demonstration project that modifies the traditional Medicaid program in several ways. It provides a slightly scaled down benefit package to TANF related adults. It expands eligibility to provide a very limited primary care package of services to adults under 150% of the FPL who would otherwise not qualify for Medicaid (childless adults and parents over the categorical income levels). The Demonstration Project provides premium assistance to some uninsured working adults and families.

8.5.13 Home and Community-Based Services Waivers

Utah administers six federally approved Section 1915(c) waivers, providing an array of specialized, home and community-based services and supports for many who, but for the provision of waiver services, would require care in medical institutions. Utah's home and community-based waivers serve the following target groups: elderly, developmentally

disabled/mentally retarded, technology dependent/medically fragile children, physically disabled individuals, adult nursing facility residents, and brain injured adults. Waiver services vary according to the target group served.

8.5.14 Medically Needy Program

The Utah Medically Needy Program is somewhat unusual. The eligible individual or family is responsible for a portion of their medical expenses referred to as “spenddown.” The Division’s eligibility contractors determine the spenddown obligation for these recipients. In Utah, after income deductions the spenddown can be met either by making a payment to the State or utilizing incurred medical expenses.

Information regarding the incurred medical expenses used to meet spenddown is captured by the eligibility case management system. This information is then used with the MMIS History File for duplicate checking against submitted claims. For “split claims” the system also determines the portion of the claim that is payable to Title XIX (i.e., the portion of the charges not used to meet the spend-down obligation).

8.5.15 Managed Care Program

Utah has operated the Choice of Health Care Delivery Program since 1982 under a 1915(b) freedom of choice waiver. Under this program, Medicaid clients living in the urban counties of Weber, Davis, Salt Lake, and Utah must select one of Utah’s MCOs. In rural areas, the recipient must choose either fee-for-service, a primary care provider under the Primary Care Program, or an MCO, when available.

At the time of initial eligibility for the Medicaid program, Health Program Representatives (HPRs) employed by the Division provide general information about Medicaid and specific information about the MCOs and enroll the clients into the plan of their choice. In rural areas of the State, the Division contracts with local health departments to perform these functions.

Utah has approximately 100,000 Medicaid clients in all aid categories, i.e., TANF, TANF-related, aged, disabled, and medically needy, enrolled in three managed care organizations (MCO). Each organization has a different contractual relationship with the Division. One leases its provider network to the Division. One plan is non-risk plan. With the non-risk plan the Division re-prices the claims to verify service limits and upper payment limits are met. The third plan is at full risk.

8.5.16 Prepaid Mental Health Plan (PMHP)

The PMHP is a capitated program that covers inpatient and outpatient mental health services, except for children in foster care, where it covers only inpatient services (outpatient services are paid on a fee-for-service basis). Children in the subsidized adoption program can also opt out of the program. The Division contracts with community mental health centers (urban and rural) to provide mental health services for Medicaid clients in their catchment areas. PMHP enrollment differs from MCO enrollment in that all Medicaid clients in a PMHP catchment area are automatically enrolled, while Medicaid

clients have a choice of MCOs serving their area. Medicaid clients in all aid categories are enrolled, including those residing in a nursing facility. Residents of State institutions are not covered under the PMHP program.

8.5.17 Office of Health Care Statistics

The Division contracts with the Office of Healthcare Statistics in the DOH to perform health studies and surveys.

8.5.18 McKesson

McKesson is under contract to provide evidence-based criteria for integration into the Division's environment for support of policy, utilization review and hearing support.

8.5.19 First Data Bank

First Data Bank provides the Division with a current and accurate Drug Data Pricing File and Drug Utilization Criteria data.

8.5.20 Inovis

Inovis (formally HARBINGER) provides Electronic Data Interchange (EDI) Translator software, Trusted Link Enterprise that supports the Division's HIPAA transactions.

8.5.21 Relay Health

Relay Health is one of two organizations that manage and administer the electronic transfer of Medicaid's drug transactions from subscribing Medicaid pharmacy providers to the Division.

8.5.22 Emdeon Corporation

Emdeon Corporation is one of two organizations that manage and administer the electronic transfer of Medicaid's drug transactions from subscribing Medicaid pharmacy providers to the Division.

8.6 CURRENT SYSTEM ENVIRONMENT

8.6.1 Legacy MMIS

As previously mentioned in the background section, the legacy MMIS, including its pharmacy POS and Prospective Drug Utilization Review (ProDUR) claims processing functions, operates in an IBM mainframe environment. The legacy MMIS is primarily a COBOL/VSAM/CICS system based on a Consultec design transferred to Utah during the 1980's. The IBM mainframe is located at the State's central computer site in Salt Lake City, and is managed by the Department of Technology Services, Division of Enterprise Technology. (Refer to Figure 1 in section 3.1 for diagram of current process)

The Utah MMIS is currently running on an IBM 9672 CMOS mainframe. Remote job entry is supported through a JES2 simulating PC and software connected to the Salt Lake City facility via the statewide area network. The on-line functions of the MMIS are supported by

Novell-based local area networks as well as a statewide area network, Internet, and Intranet.

Automated MMIS support functions provided include a telephone and electronic eligibility verification system, which allows providers to query the recipient eligibility file and claims history, and an automated Prior Authorization system. The system includes imaging equipment to process provider enrollment documents. The majority of claims are received electronically through the UHIN.

The MMIS accesses the combination of PACMIS/eREP, ORSIS, and MMIS recipient files directly from their respective data bases to process fee-for-service claims, enroll recipients in MCOs, and report on eligibility. Through CICS screens in the MMIS system, data from the other systems can be displayed reflecting eligibility and enrollment(s). Eligibility information can be given to providers either through an automated telephone inquiry, directly through a 3270 connection with proper security or a batch transaction using the ANSI standard eligibility requests 270 and 271.

The MMIS recipient file contains components of eligibility not supported in the PACMIS/eREP system. The components are Presumptive Eligibility, Foster Care, and State-paid benefits. Information entered into the MMIS is continuously matched to PACMIS/eREP to link the eligibility that may be given later for these recipients under Medicaid.

8.6.2 MMCS

The Medicaid Managed Care System (MMCS) is a newer technology extension to the legacy MMIS supporting the Division's managed care activities. The backend OLTP Oracle 10g database it is hosted on Linux Intel servers located at the State's central computer site in Salt Lake City. Oracle 10g Application Servers, also located at the State's central computer site, provide the middle tier. The primary user interface is Internet Explorer with Oracle's JInitiator.

MMCS was developed for DMHF by Maximus and began operation in 2003. MMCS was originally developed as a 100% code generated application using the Oracle Designer 6i and is maintained using Oracle's toolset.

8.6.3 Data Warehouse/Decision Support System

The Medicaid Data Warehouse is a newer technology extension to the legacy MMIS supporting the Division's analytic and reporting activities. The backend OLAP database is hosted on NCR Teradata servers located at the State's central computer site in Salt Lake City. Hummingbird BI Query is the primary ad-hoc query tool; other tools connect to the database via ODBC. Predefined data cubes are also maintained in Cognos hosted on an Intel server located in the Cannon Health Building.

The Medicaid Data Warehouse was developed for DMHF by Bull Services and began operation in 2001.

8.6.4 Utah Health Information Network (UHN)

Utah Medicaid participates in the UHN coalition which operates as a centralized, secure network through which health care transactions, typically health care claims, remittance advice, eligibility inquiries and other administrative messages, pass in Utah. UHN currently serves all the hospitals, ambulatory surgery centers, national laboratories and approximately 90% of the medical providers in Utah. UHN members use nationally accepted transaction formats and codes that are agreed upon by the Utah health care community.

A recent addition to UHN, the Clinical Health Information Exchange (cHIE) network will enable authorized clinicians – with patient permission - to securely electronically locate, connect to and review patient information scattered across multiple health care organizations. This patient information may include previous medical events, diagnoses, tests, medications, and relevant documents. The cHIE system offers the use of an “e-lite”, which is a ‘baseline’ version of an EMR.

8.6.5 PACMIS

Utah’s current Medicaid Eligibility determination is included in its Family Assistance Management Information System FAMIS system called Public Assistance Case Management Information System (PACMIS). This system was transferred from Arizona and had Medicaid Eligibility added for Utah. It became operational in mid-1986.

PACMIS runs under CICS and uses ADABAS as the data base manager. The system was written in COBOL II with ADAMNT calls to ADABAS and ADABAS NATURAL. Eligibility workers enter information about potential Medicaid enrollees and PACMIS then determines on-line if the person is eligible. During the evening following this determination, the Medicaid eligibility elements within PACMIS are updated making the eligibility data available for MMIS processing.

8.6.6 eREP

Development of eREP, the replacement for PACMIS, is currently in the implementation phase. eREP is expected to fully replace PACMIS by July 2010.

8.6.7 ORSIS

Utah’s Office of Recovery Services Information System (ORSIS) is the repository of all Third-Party Liability (TPL) information. As information about TPL is collected during the interviews with eligibility workers or Health Program Representatives, it is entered into ORSIS interim screens and then passed to the ORSIS system in an automated fashion. This system then allows for the TPL data to be validated and subsequently entered in a TPL file in ORSIS where it is used for processing fee-for-service claims, medical ID cards, and other eligibility reporting.

9 SCOPE OF WORK and GENERAL REQUIREMENTS

9.1 Contractor Requirements

Contractor will:

- 9.1.1 Propose a Prepayment Editing Solution that will identify improper coding and decrease payments of inappropriate billings by providers.
- 9.1.2 Provide a description of the complete process if the data is required to be sent to the contractor.
- 9.1.3 Provide a description of the complete process for when the data is returned to the state.
- 9.1.4 Identify changes to the data and what those changes mean.
- 9.1.5 Propose a solution that includes pre-payment edits identified in the Program Integrity Manual (CMS Pub. 100-08, Ch.3, §§ 3.5).
- 9.1.6 Describe at what steps within the State's adjudication cycle the proposed solution will achieve optimal editing results within the confines of the State's rules and policies.
- 9.1.7 Provide a detailed process flow description for all claim types, indicating points of intervention and analysis. The description must be comprehensive to include DMHF existing processes and identifying how the proposed solution would supplement or areas where it would replace the existing processes.
- 9.1.8 Propose a solution that will interface with the Utah Claims Processing System with minimal impact on the current operations of the MMIS. (refer to Figure 1 in section 3.1 for state's current process).
- 9.1.9 Describe the recommended frequency for auditing claims.
- 9.1.10 Describe the source authorities utilized to determine the validity of the edits.
- 9.1.11 Provide secure transmission of data exchange.
- 9.1.12 Return the edited claims file within two (2) hours of receipt to ensure timely payment of claims to providers.
- 9.1.13 Provide the state access to the policy supporting each edit and rule source.
- 9.1.14 Allow the flexibility to turn on or off rules or edits.
- 9.1.15 Provide initial and ongoing expert support for correct coding principles and best practices, including suggestion of new edits or changes to existing edits and the potential savings and impact on access to services if implemented.

- 9.1.16 Propose an effective date range for all edits, maintaining history of changes/adds/deletes/turned on/turned off, etc .
- 9.1.17 Edit claims based on the date of service and the status of the edit on that processing date.
- 9.1.18 Provide a description of the proposed solution; including a high-level diagram of expected data flow.

9.2 Reports

Contractor will:

- 9.2.1 Provide a reporting tool to examine and summarize the claims that were subject to the Contractor edits and the financial impact of the Contractor's services. The tool shall, among other things, analyze the financial implications of edited claims that were resubmitted by providers following Contractor's edits. The resubmission analysis shall detail claims that were submitted and denied multiple times and claims for which coding was changed by the provider and resubmitted, thereby increasing payment to the provider following the Contractor's edit. The reporting tool shall also address outcome and financial impact of all provider appeals from Contractor's edits.
- 9.2.2 Ensure the reporting tool clearly outlines both the original claimed savings and the adjusted savings after reduction of any adjustments for resubmitted claims and provider appeals.
- 9.2.3 Provide example of reports available, ie;
 - o Claims analysis, Ranked by top error
 - o Historical claims analysis
 - o Provider specific errors
 - o Statistical reporting
 - o Custom report requests, costs associated

9.3 Software Requirements

- 9.3.1 Contractor will: Define the file layout of the information returned after processing and how the State is to link the two files back together.
- 9.3.2 Describe the files/data required to interface with proposed solution.

9.4 Hardware Requirements

- 9.4.1 Describe the server and client hardware platforms your product supports including their operating systems.
- 9.4.2 Describe the infrastructure for your product requires (Citrix, WAN, Routers, Gateways, Dedicated Lines, etc).

9.5 Licensing Requirements

- 9.5.1 Identify any licensing requirements, software or hardware acquisitions, or upgrades needed to implement the solution.
- 9.5.2 Confirm any licensing requirements are consistent with the State software licensing agreement.

9.6 Data Storage

If you are proposing an ASP solution, describe your ASP data storage environment and explain what data is retained for what purposes within your ASP environment along with its retention schedule. Who has access to each specific data element and for what purposes?

9.7 Backup/Recovery

Describe your Backup/Recovery environment including the schedule of backups and maximum recovery time following a total system failure.

9.8 Security

- 9.8.1 Explain what remote access is required, if any.
- 9.8.2 Describe how remote access is deployed and managed.
- 9.8.3 Provide a list of communication that protocols required for remote access.
- 9.8.4 Describe the audit log to track user access and activity.
- 9.8.5 Is data stored in encrypted form, how is data protected?

9.9 Bandwidth

Describe the bandwidth requirements for optimal processing of Utah's claims. What are the minimal acceptable bandwidth requirements? What is the impact of intermittent degradations in bandwidth?

9.10 Connection to Clients/Users

9.10.1 Describe the web-based application used. What does the application support?

9.10.2 Describe how user IDs and passwords are transmitted. Are they in an encrypted format?

9.10.3 After authentication, is data transmitted between client and server in an encrypted format?

9.10.4 Describe the protocols used to transmit information.

9.11 Connectivity to External Systems

Describe and diagram the connectivity between your ASP environment, the Utah MMIS environment and any other external systems. Describe your preferred connectivity protocol and along with any alternate or contingency connections.

9.12 Authorization

Describe the authorization process that controls access to customer data and system modifications.

9.13 Monitoring

Describe how you monitor your system to ensure compliance with your SLA. How would you assist the State if you believe the bottleneck is within the State infrastructure?

9.14 Disaster/Recovery Management

Describe your continuity of operations environment and guaranteed service level agreements.

9.15 Claims

Describe the pre-payment editing the proposed solution provides for each of the following Claim Types and the ability to edit across claim types?

- UB-04
 - Inpatient
 - Outpatient
- CMS 1500
- Dental
- Pharmacy

9.16 Claim Editing Accuracy

9.16.1 Describe how edits are updated and maintained and the frequency of changes.

9.16.2 Describe the staff dedicated to determine editing methodology.

9.16.3 Describe your approach to keeping edits accurate and timely.

9.16.4 What is the process for the State to request an edit be modified?

9.16.5 Describe editing in place for other State Medicaid's.

9.16.6 In addition to hard edits, does the proposed editing solution provide warnings/alerts?

9.16.7 Are the edits date of service related, not date of processing?

9.17 Data Archiving

9.17.1 Describe how transmitted data is archived and retrieved.

9.17.2 Describe the format used to transmit the data.

9.17.3 Describe how long the data is stored.

9.17.4 Describe how the data is retrieved for audits.

9.18 Manuals

Develop user and technical manuals.

9.19 Training

Provide administrative training on the content of the user and technical manuals

9.20 Interfacing

Describe how you would interface editing back to our legacy claims system.

9.21 Implementation

9.21.1 Describe the implementation services that you provide for the proposed solution.

9.21.2 Describe your implementation methodology.

9.21.3 Describe your implementation timeline and assumptions.

9.21.4 Provide references for previous implementation to legacy systems.

10 STANDARD CONTRACT TERMS AND CONDITIONS

The Contractor must comply with all the terms and conditions listed below and those in Appendix B or online at

<http://purchasing.utah.gov/contract/documents/termsandconditionsagencycontract.pdf>

Additionally the attached Utah Department of Technology Services (DTS) Department Standard Terms and Conditions will apply (Attachment D)

AUTHORITY

Provisions of this contract are pursuant to the authority set forth in Title XIX of the Social Security Act, as amended, the regulations issued under the authority thereof.

10.1 FIRM PRICES

Unless otherwise stated, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period from the date of bid/proposal opening to the end of the original contract period.

10.2 MODIFICATION OR WITHDRAWAL OF BIDS/PROPOSALS

Bids/proposals may be modified or withdrawn prior to the time set for the opening of bids/proposals. After the time set for the opening of bids/proposals, no bids/proposals may be modified, unless a request for modification is made in writing by the State.

10.3 BID/PROPOSAL PREPARATION COSTS

The State is not liable for any costs incurred by the Contractor in bid/proposal preparation.

10.4 TERM OF THE CONTRACT

The term of the initial contract for the Pre-Pay Project will be for a period of three (3) years with two (2) one-year renewal options. The State will have the sole option to exercise the one year renewal options. The State will notify the Contractor in writing of its intent to extend the contract no later than 30 days prior to the contract termination date. Failure to give timely notice will not be a basis for a cause of action against the State of Utah or its employees.

10.5 DIVERSION OF STAFF

The objective of this standard is to ensure continuity of staff and constancy of the planning process.

The personnel and commitments described in this RFP will be considered essential to the work to be performed under the contract. Prior to diverting any of the staff required by this RFP to other Contractor locations or projects or changing the level of effort of the specified individuals, the Contractor will be required to submit justification, including the proposed staff substitution, in sufficient detail to permit evaluation of the impact on the development of the Utah Medicaid program. No diversion will be made by the Contractor without prior consent of the State.

Replacement of any personnel will be with personnel of equal ability and qualifications as determined by the State.

If the Contractor diverts or transfers staff without the prior approval of the State, the Contractor will be considered out of compliance, and the State may assess liquidated damages against the Contractor.

In the case of non-compliance, liquidated damages in the amount of five hundred dollars (\$500) per working day will be assessed against the Contractor for each working day each position remains vacant.

10.6 REPLACEMENT OF KEY STAFF

The objective of this standard is to ensure that the Contractor maintains qualified key staff and uninterrupted activity in all key development areas. The Contractor must replace all key personnel within ten days after they leave the Contractor's employment. Replacement of personnel will be with personnel of equal ability or qualifications. For purposes of this standard, key personnel are defined as all managers, supervisors, and technical staff.

The State may identify a situation in which the Contractor has diverted a person from or left vacant a key personnel or staff position without the prior approval of the State. State staff will notify the Contractor, in writing, with regard to such non-compliance.

Liquidated damages in the maximum amount of ten thousand dollars (\$10,000) per occurrence, after written notification by the State, may be assessed for each key person proposed who is changed or reassigned without proper notice and approval for a reason other than death, resignation, termination, or military recall. Additional damages may be assessed in the amount of five hundred dollars (\$500) per day per vacancy for each working day after the 30th day during which the Contractor fails to replace, or demonstrate a good-faith effort to replace, a key person.

The State reserves the right to require the Contractor to reassign, or otherwise remove from the project, any Contractor employee found unacceptable by the State. The State will not arbitrarily or capriciously exercise this right.

10.7 PROJECT MANAGEMENT

The Project Director will serve as a liaison with the State. The Project Director will be available and responsible to the State for consultation and assistance. He or she will attend, upon request, meetings and hearings of Legislative committees and interested governmental bodies, agencies, and officers and will also provide timely and informed responses to operational and administrative inquiries arising in the Utah Medicaid program. The Project Director will regularly meet with the State designee and other State staff, as required by the State.

The Contractor will also designate a Deputy Project Director who will be responsible for assuming the responsibilities of the Project Director during any absence of the Director.

10.8 DATA, RECORDS, FILES, AND DOCUMENTATION

The State's data files and the data contained therein will be and will remain the State's property and will be returned to the State by the Contractor upon termination of the contract.

The State's data and records will not be utilized by the Contractor for any purpose other than that of rendering services to the State under this contract, nor will the data and records be disclosed, sold, assigned, or leased to third parties or otherwise disposed of by the Contractor without prior approval to do so by the State.

The State will have the right to access and use any data files and records retained or created by the Contractor.

10.9 OWNERSHIP OF INFORMATION AND DATA

Whereas the CONTRACTOR agrees that all work product, including but not limited to software, developed in the performance of this Contract is work made for hire as a contribution to a collective work and, as such, is the property of the DEPARTMENT; therefore, the CONTRACTOR assigns full copyright ownership to the Department, unless otherwise specified in the Special Provisions of this Contract.

The State of Utah and the United States Department of Health and Human Services will have unlimited rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data developed, derived, and documented under the contract resulting from this RFP. All computer programs developed and other documentation required as part of the contract will become the exclusive property of the State and may not be copied

or removed by the Contractor or any employee of the Contractor without the express written permission of the State.

10.10 PATENTS, COPYRIGHTS, ETC.

The Contractor, at its own expense, must defend any claim or suit that may be brought against the State of Utah for infringement of any patents, copyrights, proprietary rights, or right of privacy arising from the Contractor's or State's use of any materials or information prepared or developed in conjunction with the performance of the contract. The Contractor will, in any such suit, satisfy any final judgment for infringement. The State will give the Contractor written notice of such claim or suit and full right and opportunity to conduct the defense thereof, if approved by the Utah Attorney General, together with full information and all reasonable cooperation.

If, in the Contractor's opinion, the equipment, materials or information mentioned in the aforementioned paragraphs is likely to or does become the subject of a claim of infringement of a United States patent or copyright, then without diminishing the Contractor's obligation to satisfy any final award, the Contractor may, with the State's written consent, substitute other equally suitable equipment, materials, and information, or at the Contractor's option and expense, obtain the right for the State to continue the use of the equipment, materials, and information.

10.11 CONFLICT OF INTEREST

In the event that a conflict of interest as defined in Attachment 1 is proven, the State will terminate the contract and the Contractor will be liable for any excess costs to the State as a result of the contract default.

10.12 TERMINATION BY DEFAULT

In the event of termination by default, in full or in part, as provided by this clause, the State may procure, upon such terms and in such manner as the State may deem appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for such similar supplies or services. In addition, the Contractor will be liable to the State for administrative costs incurred by the State in procuring such similar supplies or services equivalent to those terminated, and the Contractor will be liable to the State for any excess costs for such similar supplies or services.

In the event of a termination by default, the Contractor will be paid for those deliverables which the Contractor has delivered to the State at the contract price. Payment for partially completed deliverables delivered to and accepted by the State will be in an amount determined by the State.

The rights and remedies of the State provided in the clause will not be exclusive and are in addition to any other rights and remedies provided by law or under the contract.

No failure by the State to enforce any contract provisions after any event of default will be deemed a waiver of its rights with regard to the event or any subsequent event. No express waiver of any contract event of default will be deemed a waiver of any contract provision. No failure or waiver is deemed a waiver of the right of the State to enforce each and every contract provision upon any further or other default on the part of the Contractor.

10.13 PROCEDURE FOR TERMINATION

Upon delivery of a Notice of Termination by certified mail to the Contractor from the State or to the State from the Contractor specifying the nature of the termination, the extent to which performance of work under the contract is terminated, and the date on which such termination becomes effective, the Contractor will:

- 1) Stop work under the contract on the date and to the extent specified in the Notice of Termination.
- 2) Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of any portion of the work under the contract that has not been terminated.
- 3) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.
- 4) Assign to the State in the manner and to the extent directed by the State all of the rights, title, and interest of the Contractor under the orders or subcontracts so terminated, in which case the State will have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- 5) With the approval or ratification of the State, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provision of the contract.
- 6) Transfer title to the State (to the extent that title has not already been transferred) and deliver in the same manner, at the times and to the extent directed by the State, all files, user and operation manuals, and copies of all documentation, in any form, that relate to the work terminated by the Notice of Termination.
- 7) Complete the performance of such part of the work as may not have been terminated by the Notice of Termination.
- 8) Take such action as may be necessary, or as the State may direct, for the protection and preservation of the property related to the contract that is in the possession of the Contractor and in which the State has or may acquire an interest.

The Contractor will proceed immediately with the performance of the aforementioned obligations, notwithstanding any delay in determining or adjusting the amount of any item of reimbursable cost under this clause.

10.14 TERMINATION CLAIMS

After receipt of a Notice of Termination by either the State or the Contractor, the Contractor will submit to the State any termination claim in the form and with the certification prescribed by the State. Such claim will be submitted promptly but in no event later than one month after the effective date of termination.

In the event of the failure of the Contractor and the State to agree in whole or in part as to the amounts with respect to costs to be paid to the Contractor in connection with the total or partial termination of work pursuant to this subsection, the State will determine on the basis of information available the amount, if any, due to the Contractor by reason of termination and will pay to the Contractor the amount so determined.

10.15 WARRANTY AGAINST BROKER'S FEE

The Contractor will warrant that it has not employed any company or person other than a bona fide employee working solely for the Contractor or a company regularly employed as its marketing agent to solicit or secure the Contract. The Contractor will further warrant that it has not paid or agreed to pay any company or person other than a bona fide employee working solely for the Contractor or a company regularly employed by the Contractor as its marketing agent any fee, commission, percentage, brokerage fee, gifts, or any other consideration-contingent fee.

10.16 INVOICE PROCEDURES

The Contractor will invoice the State within 30 days of the State acceptance of a payable deliverable. The invoice will exclude any applicable hold back amounts.

10.17 WAIVER

No covenant, condition, duty, obligation, or undertaking contained in or made a part of the contract will be waived except by the written agreement of the parties and, during the implementation phase covered under the Implementation Advanced Planning Document approved by CMS, with the approval of CMS. Forbearance or indulgence in any form or manner by either party, in any regard whatsoever, shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the party to which the same may apply. Notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenants, conditions, duties, obligations and undertakings, the other party shall have the right to invoke any remedy available under the agreement or under law or equity.

10.18 CONFIDENTIALITY OF INFORMATION

The Contractor will treat all information, and in particular information relating to recipients and providers, that is obtained by it through its performance under the contract as confidential information to the extent that confidential treatment is provided under 42 CFR 431, Subpart F, and under State and Federal law and will not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and securement of its rights hereunder.

All information as to personal facts and circumstances concerning clients obtained by the Contractor will be treated as privileged communications, will be held confidential, and will not be divulged without written consent of the State and the written consent of the recipient, his or her attorney, or his or her responsible parent or guardian, provided that nothing herein will prohibit the disclosure of information in summary, statistical, or other form that does not identify individual recipients.

The use or disclosure of information concerning recipients will be limited to purposes directly connected with the administration of the contract.

The Contractor will be liable for any breach of this provision by the Contractor or Sub-Contractor and will indemnify the State from all suits resulting from such a violation.

10.19 DISPUTES

It is the policy of the Utah Department of Health to resolve disputes between the Department and its Contractors or grantees at the lowest appropriate administrative level. The Department will attempt to resolve disputes informally before resorting to formal administrative or judicial review.

The Contract Dispute Resolution Process will be used when the Department believes that there is material non-performance by the Contractor and the Department wishes to either: (1) withhold payment to the Contractor, (2) modify the contract as a result of the non-performance, or (3) terminate the contract as a result of the non-performance. The resolution process is also available to review funding determinations in the event an applicant is dissatisfied with a funding decision through the Department's internal RFP process.

The State will notify the Contractor in writing of the specific non-performance and provide the Contractor/grantee an opportunity to meet with the Product Manager to attempt to resolve the dispute. The Product Manager will notify the State Director of the outcome of the meeting(s). The State Director will either approve the proposed resolution or set up a meeting with the Contractor/grantee to attempt further negotiations.

If the issues are not resolved by the State Director, the matter may be reviewed by the Utah Department of Health Executive Director.

The Product Manager or the State Director may, at any time during the process, request that the Executive Director authorize the use of resources outside the Agency, including but not limited to, State alternative dispute resolution (ADR) resources, private ADR resources, legal assistance or professional expertise.

10.20 COST OF LITIGATION

In the event that either the State or the Contractor deems it necessary to take legal action to enforce any provision of the contract, the Contractor will bear the cost of the litigation.

10.21 CONTRACT MODIFICATIONS

The State may modify any portion of the contract, provided the changes can be construed to be within the scope of the original contract. Such modifications will be approved, when necessary, by the United States Department of Health and Human Services.

10.22 SUB-CONTRACTORS

The Contractor may enter into a written subcontract(s) for performance of certain of its functions under the contract. Planned use of Sub-Contractors must be clearly explained in the Contractor's proposal. This includes, at a minimum, the name and address of and the scope of work to be performed by each Sub-Contractor and the estimated dollar amount of each subcontract. The Contractor must notify and receive approval from the State in advance of any subcontract.

Suppliers of rental equipment, maintenance agreements, and routine purchase orders for fulfilling the requirements of the contract will not be considered Sub-Contractors for purposes of this requirement.

The Contractor will be fully responsible for all work performed under the contract, whether or not Sub-Contractors are used. No subcontract into which the Contractor enters with respect to performance under the contract will, in any way, relieve the Contractor of any responsibility for performance of its duties.

Current employees of the State of Utah, consultants, and consulting affiliates of the State may not act as Sub-Contractors. All Sub-Contractors must meet the same standards, terms, and conditions for procurement as imposed on the Contractor by this RFP.

If a Sub-Contractor is used for a major portion (e.g., a subcontract for 20% or more of the bid for implementation) of the duties of the contract, a representative of the Sub-Contractor may be required to meet regularly with the State.

10.23 FAILURE TO COMPLY WITH DUTIES UPON TURNOVER

The Contractor must deliver the materials/services required in Section 9. If the Contractor fails to meet the requirements within the time period agreed to with the DMHF, liquidated damages may be assessed by the State.

For delays caused by the contractor; liquidated damages may be assessed in the amount of \$5,000 per day for each calendar, plus actual costs for staff and computing resources, caused by actions of the contractor.

10.24 DEDUCTIONS OF LIQUIDATED DAMAGES FROM PAYMENTS

Liquidated damages assessed by the State for the failure of the Contractor to perform its duties may be deducted by the State from any money payable to the Contractor pursuant to the contract.

10.25 HEALTH STANDARDS

The Contractor agrees to abide by the Utah Indoor Clean Air Act, Title 26, Chapter 38, UCA.

10.26 WAIVER

The waiver by either party of any provision, term, covenant, or condition of this Contract shall not be deemed to be a waiver of any other provision, term, covenant, or condition of this Contract, nor any subsequent breach of the same or any other provision, term, covenant, or condition of this Contract.

10.27 CONTRACT COMPOSITION AND INTERPRETATION

The terms and conditions contained in this section constitute the basis for this procurement and any contract resulting from this RFP. The RFP, as well as the Contractor's proposal, will be considered part of the contract. Any ambiguity or inconsistency among those documents will be resolved by applying the following order of precedence:

1. The contract document, including any amendments
2. The RFP, including all addenda and/or written clarifications
3. All documents included by reference in the RFP, including the Standard Terms and Conditions
4. The contractor's proposal, including any amendments and/or written clarifications.

A higher-order document will supersede a lower-order document to the extent necessary to resolve any inconsistencies between them. Silence on any matter in a higher-order document will not negate the provisions of a lower-order document as to that matter.

The contract, including the documents incorporated by reference, will contain the entire agreement between the two parties, and no statements or promises by either party that are not contained in the contract will be valid or binding.

11 TECHNICAL PROPOSAL INSTRUCTIONS

Contractors must adhere to the organization in this section when presenting their proposals. Proposals must respond to all items in the subsections of this section. Excessive use of elaborate colored charts, symbols and other marketing approaches is discouraged. The technical proposal must not contain price or cost information.

11.1 TAB 1 – TRANSMITTAL LETTER

The transmittal letter must be on official business letterhead and signed by an individual authorized to legally bind the Contractor. The person signing the transmittal letter must certify that he or she is the person in the Contractor's organization responsible for the prices contained in the proposal and that he or she has not participated and shall not participate in any action contrary to the provisions of the RFP and proposed contract, or that he or she is not the person in the Contractor's organization responsible for the prices contained in the proposal, but that he or she has been authorized in writing to act as agent for the person(s) responsible for such decision and certifies that neither himself/herself nor the person he/she is acting as an agent for has participated or will participate in any action contrary to the RFP or proposed contract. The transmittal letter must include:

- 11.1.1 A statement identifying if Sub-Contractors are included in the proposal, and if so, the name of the Sub-Contractor(s), the percentage of work to be performed by each Sub-Contractor and a description of the work to be done by each Sub-Contractor;
- 11.1.2 A statement identifying the Contractor's federal tax identification number;
- 11.1.3 A statement identifying all addenda to this RFP issued by DMHF and received by the Contractor. If no addenda have been received, a statement to that effect must be included;
- 11.1.4 A statement that no attempt has been made or will be made by the Contractor to induce any other person or firm to submit or not to submit a proposal;
- 11.1.5 A statement that no claim will be made for payment to cover costs incurred in the preparation or submission of this proposal or any other associated costs;
- 11.1.6 A statement that no relationship exists or will exist during the contract period between the potential Contractor and DMHF that interferes with fair competition or is a conflict of interest, and no relationship exists between the Contractor and another person or organization that constitutes a conflict of interest with respect to a State contract;
- 11.1.7 A statement that no contact, direct or otherwise, regarding this or related Utah RFPs or a response to this RFP has occurred between any Utah Department of Health, Division of Medicaid and Health Financing or Department of Technology Services, and any employee, subsidiary, or other component of the Contractor;
- 11.1.8 A statement that no cost or pricing information has been included in the technical proposal;
- 11.1.9 A statement that the proposal complies with all specifications and requirements of the RFP. DMHF will reject any proposal containing deviations, except that DMHF reserves the right to waive immaterial or minor variances;
- 11.1.10 A Statement that the proposed project deliverables will meet all requirements of the RFP, including CMS certification requirements;

11.1.11 A statement that the Contractor and any Sub-Contractor(s) certify that the prices quoted are fixed for the duration of the contract period, that the prices proposed have been arrived at independently, without consultation, communication or agreement with any other Contractor or with any competitor for the purpose of restricting competition as to any matter relating to such prices and unless otherwise required by law, the prices quoted have not knowingly been disclosed by the Contractor prior to award, directly or indirectly, to any other Contractor or to any competitor;

11.1.12 A statement that the Contractor understands and agrees with all the terms and conditions specified in this RFP.

11.1.13 If a Sub-Contractor(s) is proposed, a statement from each Sub-Contractor, appended to the transmittal letter and signed by an individual authorized to legally bind the Sub-Contractor, stating the scope of work to be performed by the Sub-Contractor and the Sub-Contractor's capability and willingness to perform the work indicated, abide by all employment practices outlined in this RFP, and that relating to prices, and unless otherwise required by law, their prices quoted have not been disclosed by the Sub-Contractor to any other Contractor prior to award, directly or indirectly, and that the prices quoted to the prime Contractor will be fixed for the period of the contract

Any Contractor having contact with DMHF individuals for normal operational activity, under any other contract currently in place with DMHF must request, prior to submission of a proposal in response to this RFP, a waiver to continue such contact with DMHF. The letter requesting a waiver must be sent to the Issuing Purchasing Agent at the address described in Section 5 of this RFP

11.2 TAB 2 – EXECUTIVE SUMMARY

Each proposal must include an Executive Summary, which will condense and highlight the contents of the technical proposal in such a way as to provide the proposal reviewers and evaluators with a broad understanding of the entire proposal. The executive summary should be a concise overview of the proposal, not a marketing document, and cannot exceed five (5) pages.

11.3 TAB 3 – CORPORATE BACKGROUND AND EXPERIENCE

The Corporate Background and Experience section will include, at a minimum, for the Contractor and each Sub-Contractor, details of the background of the company, its size and resources, details of corporate experience relevant to the proposed Pre-PayProject contract, and financial statements.

The Proposal must include details of the background of the corporation, its size, and its resources, including but not be limited to the following information:

- Name of Contractor or Sub-Contractor;

- Date established;
- Ownership (public company, partnership, subsidiary, etc.);
- Federal employer identifying number;
- Total number of employees;
- Number of personnel broken out by activity engaged in computer and business systems development and operations and healthcare systems development and operations, including the scope of work for this proposal.
- Overview of computer software and hardware and personnel resources available to support this contract.

The Contractor must provide financial statements for the most recent three years for the applicable legal entity that will sign the contract. These may include:

- Balance sheets;
- Statement of income;
- Statements of changes in financial position;
- Auditor's reports;
- Notes to financial statements; and
- Summary of significant accounting policies

The Contractor must describe all applicable experience that it believes qualifies the organization to implement a Pre-Pay solution and perform other duties in this RFP. Experience must be within the past ten (10) years. This information includes, at a minimum, the following items:

- Specific experience in public and private health care administration systems;
- Specific experience in program integrity and fraud and abuse tools in the private health care delivery system;
- Specific experience in Medicaid and Medicare operations and MMIS operations;
- Specific experience in program integrity and fraud and abuse systems in Medicare and Medicaid;
- Specific experience in Utah Medicaid business processes and MMIS;
- Specific experience in analyzing claims data, including claims data in private sector health care programs; and
- Specific experience in analyzing claims data, including claims data in the Medicaid market.

Corporate experience must be described on a separate page for each referenced experience or project. The Contractor shall, at a minimum, provide the following details for each experience:

- Title of the project
- Name of client's organization
- Client reference, title, and current telephone number

- Start and end dates of the contract
- Total contract value
- Number of staff assigned
- Transaction processing volumes (if applicable)
- Brief description of work

11.4 TAB 4 – PROJECT ORGANIZATION AND STAFFING

The Project Organization and Staffing section will include, at a minimum, corporate and project organization charts and descriptions, the number of full-time equivalent workers (FTEs) proposed for the project, and resumes of all proposed key personnel.

11.4.1 Corporate Organization

The Contractor must provide a corporate organization chart of the firm that is submitting the proposal. If the firm is a subsidiary of a parent company, the organization chart should be that of the subsidiary firm. The chart should display the firm's structure and the organizational placement of the Utah project. The Contractor must identify the name of the person who will be responsible for signing the contract and indicate the person's relationship with the firm

11.4.2 Project Organization and Staffing Charts

The Project Organization and Staffing section must include for each phase of the project the number of staff who will be working on the project, including organization charts of proposed personnel and their work locations. Organization charts must cover the duration of the project and must include:

- All proposed individuals for whom resumes are included, identifying their major areas of responsibility during each phase and the percent of their time to be dedicated to the Utah contract.

All Sub-Contractor personnel must be clearly indicated. Organization charts for each project phase, and separate charts for each major task, if different. These charts must include the number of qualified personnel, by full-time equivalent (FTE), for each organizational unit. the Contractor must include a narrative explanation of the various charts and of the responsibilities of key personnel.

11.4.3 Key Personnel To Be Named

The Contractor must identify the key project personnel for the Pre-Pay Project. The key (named) positions include:

- Project Director (Account Manager)
- Systems Architect Manager
- Testing and Implementation Manager

Key personnel may serve in more than one named position, as long as the jobs are not concurrent. Individual resumes must be supplied for the named positions and include, at a

minimum, employment history for all relevant and related experience (including that with the Contractor or a proposed Sub-Contractor), specific dates of employment, with names of employers for the past five years, and education and degrees from educational institutions attended. For any individual for whom a resume is submitted, the Contractor must indicate the percent of time to be dedicated to the Pre-Pay Project.

References are required for named positions, for experience within the past five (5) years. The references must be included within the resume and include the following:

- For each named person, a minimum of three professional references, including the current or most recent assignment. References should be relevant to the assigned duties of the key person in relation to the Pre-Pay Project.
- For each client project listed as a reference, the client's full name and street address, current telephone and e-mail address of the project administrator or a service official who is directly familiar with the named person's performance and who may be contacted by DMHF.

11.4.4 Contingency Personnel Planning

The Contractor must include a discussion of its contingency plan for replacement of personnel in the event of loss of named personnel or other key personnel after submission of its proposal. The Contractor must also describe its contingency plan for allocation of additional resources to the contract in the event of inability to meet any performance standard. Replacement personnel must demonstrate comparable qualifications to those of the person(s) replaced. The Contractor must replace, or document efforts for replacement of key staff within fourteen (14) calendar days of the loss of a named person.

DMHF must approve any proposed replacements for named personnel. DMHF reserves the right to interview candidates prior to appointment by the Contractor.

11.5 TAB 5 – TECHNICAL APPROACH

The Technical Approach section shall include a detailed, step-by-step discussion of the Contractor's approach to the Pre-Pay Project. The Contractor must explain in detail its approach to the nine (9) project phases discussed below. Contractors must include an outline of each requirement in Section 9. Where the RFP calls for a strategy document or plan template in place of a preliminary plan, the Contractor must include a draft of the strategy document or template in the proposal. The sections below describe the content requirements for the Contractor's description of its approach to the project phases.

11.5.1 Phase I – Project Start-up

In this phase, the Contractor must cover all tasks and activities involved in beginning the Pre-Pay Project, including facilities acquisition, hardware, software and telecommunications lines as well as preparing and gaining approval for some project plans and strategy documents. The Contractor's approach and process for analyzing the Utah MMIS system, identifying the required data and validating the initial and ongoing data

feeds for the Pre-Pay tool represent the greatest challenge in this phase of the project. There are contract deliverables for this project phase.

11.5.2 Phase II – Requirements Analysis

During this phase, the Contractor must meet with program stakeholders in facilitated sessions to determine the scope of each requirement and its application in the Pre-Pay solution Contractor must record the sessions and maintain tracking for all requirements.

11.5.3 Phase III – Design

Offers are required to describe their approach to the design work for the Pre-Pay tool.

11.5.4 Phase IV – Configuration

Configuration represents the efforts to define values for the data elements, determine and define edit capability and set user rule-based security. Contractors must define their approach to the Configuration phase and demonstrate how this phase will support the research capability of the tool.

11.5.5 Phase V – System Testing

Testing includes the verification by the Contractor of all functionality installed in the system and validation of the data exchanged between the MMIS and Pre-Pay systems. Offers must describe their approach, controls, resources and time frames for testing. Contractors must provide examples of test scenarios and test cases used for the system test and the process for error correction.

11.5.6 Phase VI – User Acceptance Testing (UAT)

This phase determines if the Pre-Pay supports the functionality requested by State users. The Contractor must describe the steps, resource commitment from State users, required training, expected scope of UAT and the process for correction of error cases. There are contract deliverables for this project phase.

11.5.7 Phase VII – Implementation

This phase includes final preparation for onset of operations of the Pre-Pay software at the Utah DTS. The Contractor must describe the steps in implementing the Pre-Pay software, approach to contingency preparation and the controls

11.5.8 Phase VIII – Transition

This phase includes the knowledge transfer to State technical staff of the maintenance requirements, file transfers and user training plan for the remaining State users.

11.5.9 Phase IX – Post Transition Support

The Contractor must describe their approach to the level of support after implementation, including troubleshooting for technical problems, training for new users, refresher training for ongoing users and managing version updates to the software.

11.6 TAB 6 – PROJECT MANAGEMENT AND OPERATIONAL CONTROL

The project management and operational control section shall, at a minimum, provide details of the method proposed by the Contractor to manage and control the Pre-Pay Project and ongoing service level agreement. The Contractor must describe its project management approach and describe how it supports the Enterprise Project Management framework adopted by DMHF and DTS. These agencies have adopted the Brigham Young University Enterprise Project Management framework. The Contractor is not required to use the DMHF methodology but must be compatible with it.

The Contractor's proposed approach must cover, at a minimum, the following topics:

- Project management and control approach;
- Organization and lines of authority;
- Project management tools;
- Deliverable management;
- Management and integration of Sub-Contractors, if any;
- Risk assessment and mitigation;
- Quality Assurance process and the organization;
- Communication with the State including problem identification and resolution; and
- Instituting a QA process that permeates the ongoing operation system and ensures compliance with the Contractor's service level agreement.

11.7 TAB 7 – WORK PLAN AND SCHEDULE

The formal Project Management Plan for the Pre-Pay Project will be maintained by the Contractor with input from DMHF, DTS, other stakeholder entities. The Contractor's responsibility is to produce a work plan, on a suitable tool, showing all Contractor tasks, all deliverables, time duration for tasks, resources, dependencies, required State interaction plus narrative description of key events, decision points and dependencies. The Contractor is required to present a draft work plan with its proposal and use to provide plan updates on a schedule directed by DMHF.

The work plan organization must follow the nine proposed project phases described in Section 11.5 and provide descriptions at the level of sub-tasks.

11.8 TAB 8 – RFP/PROPOSAL CROSS-REFERENCE

The Contractor shall prepare a cross-reference between the Contractor's proposal and the RFP requirements. The cross-reference for each requirement will be a matrix, with a row for:

- Number /letter /bullet, number of the RFP page, number of the specific requirement;
- RFP section number and title;
- Contractor's proposal section number /paragraph number and name, if different from the requirement name; and

- Proposal page number on which the RFP requirement is addressed.

The Contractor must include a searchable PDF version of the technical proposal on CD with each copy of the technical proposal. To aid in searching, DMHF prefers a single PDF file containing all sections of the technical proposal rather than separate PDFs for each chapter. The CDs must not contain the Cost Proposal

12 COST PROPOSAL

The Contractor must submit electronic and hard copy versions of its cost proposal consistent with the requirements of section 5. The cost proposal must include a corporate official's signature (one authorized to bind the corporation), the official's title and date of signature along with the pricing schedules. Attachment C must be completed and submitted with Contractor's proposal.

The proposal should be all-inclusive, containing labor, hardware, software, and any other ancillary services (including but not limited to travel and per diem) related to accomplishing the outlined tasks

12.1 YEAR 1 – CONTINGENCY PRICING

The first year contingency fee paid to the successful bidder will be based on savings to the State in excess of \$250,000 annually, multiplied by the contingency fee percentage outlined in the bidder's cost proposal. Savings to the State shall be based on the difference between:

1. what the State would have paid after MMIS adjudication of the claims, utilizing all processes including internal edits, clinical claims editor, correct coding initiative and post payment process recoveries current in place.
2. what the State did pay on the claim after Contractor edits.

The cost proposal requires a firm percentage price bid on the work products outlined in the RFP.

12.2 YEARS 2 and 3 AND OPTIONAL RENEWAL YEARS 4 and 5 – FIXED PRICE

The cost proposal requires a firm fixed price bid on the work products for years 2 through 3 and optional years 4 and 5 outlined in the RFP. The price for years 2 through 5 must be itemized separately.

13 PROPOSAL EVALUATION

DMHF will conduct an evaluation of Contractors' proposals based on the procedures described in this section. The evaluation will consist of the following steps:

- Step I – Initial evaluation of Cost Proposals;
- Step II - Evaluation of mandatory requirements for technical proposals;
- Step III - Evaluation of technical proposals;

- Step IV - Evaluation of cost proposals;
- Step V - Oral presentations (Optional);
- Step VI - Ranking of proposals; and
- Step VII - Selection and award.

The contract resulting from the procurement award becomes effective upon signature by the responsible State officials .

DMHF will appoint an Evaluation Committee (Committee) to support the evaluation process. The Committee will include State staff representing such areas as information technology (IT), MMIS operations, program integrity, finance, and Medicaid policy. The Committee will be responsible for reviewing and scoring the proposals received in response to this RFP and if required, staging oral presentations for those Contractors qualifying as finalists. The Committee will then rank Contractors based on each Contractor's combined technical and cost scores and present their findings to the DMHF Director for a recommendation to the Purchasing Officer for contract award.

Authorized State officials who are not committee members may observe the evaluation and selection processes. The State reserves the right to alter the composition of the Committee.

13.1 STEP 1 – INITIAL EVALUATION OF COST PROPOSALS

The Committee will open all cost proposals to verify Contractors have complied with RFP requirements for format and content. The Committee may disqualify a Contractor for failure to comply with cost proposal preparation requirements. The Committee scores the cost proposals after completion of the technical evaluation.

13.2 STEP II – EVALUATION OF MANDATORY REQUIREMENTS

The Committee will review all accepted proposals to verify compliance with State procurement rules and to ensure that each proposal is complete and sufficiently responsive to permit a complete evaluation. Failure to meet all mandatory requirements may result in the rejection of the proposal. DMHF reserves the right to waive minor irregularities or omissions in evaluating mandatory requirements.

13.3 STEP III – EVALUATION OF TECHNICAL PROPOSALS

The evaluation of technical proposals will involve individual review and assignment of points on a rating scale of 0-4 for each rating category for each proposal. The rating categories disperse a maximum of 700 points for each technical proposal. The categories and possible points are shown below:

Figure 2. Technical Points

Rating Category	Points
Corporate Background and Experience	180
Project Organization and Staffing	150
Technical Approach	180

Project Management and Quality Assurance	100
Work Plan and Schedule	90
Total	700

Any technical proposal that does not receive a score equal to 70% of the highest evaluated technical proposal will be disqualified.

Any technical proposal that contains pricing information will be disqualified.

The following paragraphs describe the evaluation criteria supporting each evaluation category.

13.3.1 Corporate Background and Experience (180 Points)

The State will evaluate the experience, performance, corporate resources, and corporate qualifications of the Contractor and any Sub-Contractors. The evaluation criteria for Corporate Background and Experience are:

- The extent to which the financial and corporate resources of the organization are sufficient to support the proposed Pre-Pay Project
- The relevance of experience in each of the areas described in section 11.3, including any known experience not cited by the Contractor

The proposal requirements for Corporate Background and Experience are included at Section 11.3.

13.3.2 Project Organization and Staffing (150 Points)

The project organization and staffing will include detailed criteria evaluating the Contractor's overall organization for the project, the qualifications of key personnel, the experience with the proposed technology and the past performance of the company and the proposed staff. The Committee will also determine if the Contractor's proposed staffing can reasonably be expected to perform all major tasks within the project timetable

The evaluation criteria for the Contractor's Project Organization and Staffing are:

- The extent to which the assigned management and key professional personnel are sufficient to meet the stated project management objectives and have the skills to perform the work, based on the resumes supplied;
- The extent to which the organization structure and staffing levels for all project tasks are sufficient to perform the stated work;
- The extent to which the number and experience of proposed full-time equivalent personnel by staff level are consistent with work plan loading; and
- Relevance and quality of experience in each of the areas identified in section 11.4 including known experience not cited by the Contractor.

The proposal requirements for the Project Organization and Staffing section are identified in Sections 11.4

13.3.3 Technical Approach (180 Points)

The Contractor's technical approach to the planning and execution of the project tasks should include the Contractor's System Development Life Cycle (SDLC) methodology, integration of technology and its requirements traceability approach.

The evaluation criteria for the Contractor's technical approach include:

- The extent to which the Contractor describes a realistic and proven approach, including the key tasks for the Pre-Pay Project;
- The extent to which the Contractor has demonstrated how the Pre-Pay product will integrate with the core MMIS; and
- The extent to which the Contractor's approach to requirements definition will identify the scope of requirements and promote traceability
- The Technical Approach proposal requirements are identified in Section 11.5

13.3.4 Project Management and Quality Assurance (100 Points)

This part of the evaluation assesses the Contractor's approach to project management and QA in relation to the Contractor's past experience in completing projects on schedule. It also includes the evaluation of the Contractor's service level and operational performance with other Pre-Pay clients.

The evaluation criteria for the Contractor's Project Management and QA approach include:

- The use of a project management tool to direct and control resources and schedules.
- The approach to issue management, project setbacks and communication to the State of these issues.
- Instituting a QA process that permeates the development effort.
- Instituting a QA process that permeates the ongoing operational system and ensures compliance with the Contractor's service level agreement.

The Project Management and QA proposal requirements are identified in Section 11.6

13.3.5 Work Plan and Schedule (90 Points)

The Contractor's draft work plan should include a detailed work plan with resources, schedules and contingencies. It should also contain a narrative of the project effort, deliverables and controls instituted to control the proposed work schedule.

The evaluation criteria for the Work Plan and Schedule include:

- The extent to which the deliverable schedule is realistic.
- The extent to which the resources are reasonable to meet the work plan schedule.

The Work Plan and Schedule proposal requirements are identified in Section 11.70

13.3.6 Assigning Point Values to Technical Proposals

Following the evaluation of each proposal by each Committee member, the Committee will meet and confirm the scores. The Committee or a designee will multiply the resulting criteria scores by their assigned weight to calculate the raw technical proposal score for each Contractor. The proposal receiving the highest raw score will receive 700 evaluation points. The remaining proposals will receive evaluation points using the following formula:

$$700 \text{ points} * (n/b) = z$$

Where;

b = the highest raw score of a passing technical proposal

n = the raw score of Contractor "n"

z = the assigned evaluation points.

Those proposals that do not receive 70% of the highest evaluated technical proposal will be disqualified.

13.4 STEP IV – EVALUATION OF COST PROPOSALS

The Committee will review cost proposals for all Contractors whose technical proposals were deemed to be qualified, based on the technical evaluation. The first level of cost review is to determine whether the prices quoted are consistent with the requirements of the technical proposal and whether the cost calculations are accurate. The Committee may reject any cost proposal it deems to not meet the RFP requirements in content or format. The Committee may waive minor irregularities in the Cost Proposal.

The State will supply an Adjudicated Claims File (ACF) containing MMIS claims from FFS providers. In order to receive the Adjudicated Claims file, it is mandatory to return a signed Business Associate Agreement by February 25, 2010 (Attachment B) to the State Division of Purchasing. The RFP Solicitation Number must be referenced when the document is returned. The Contractor will process this file to identify inappropriate payments. Using the Corrected Claims Spreadsheet (CCS) found in the reference library, the Contractor will return a maximum of 150 claims to be used for awarding cost proposal points. Each corrected claim should be listed once, and up to 10 correction reasons can be listed per claim. The State will analyze each claim in the CCS to accept or reject each corrected claim based on State policy and appropriateness, the State will be the sole determiner of acceptance or rejection. Proposals with CCS files containing more than 150 claims will be rejected.

Below is an example of the CCS:

Transaction Control Number	ACF Payment Amount	Contractor Correct Payment Amount	Contractor correction reason 1	Contractor correction reason 2

The cost proposals must be constructed according to the directions in Section 12. A maximum of 300 points will be allowed for the cost proposal. The contingency and fixed price parts of the bid will be scored separately as price components A and B. Each component is worth a maximum of 150 points.

Price Component A cost points will be assigned based on the Contractor's Net Savings for contract year 1 as defined below:

The Contractor's Gross Savings will be computed by subtracting the Contractor correct payment amount from the ACF Payment amount for each accepted line in the CCS. The Contractor's Contingency Percentage from the price proposal will be multiplied by their Gross Savings to compute their Total Fee. The Total Fee will be subtracted from the Gross Savings to determine their Net Savings.

The cost proposal offering the highest Net Savings will receive 150 points. Price Component A points will be awarded using the following formula:

$$150 \text{ points} * (n/s) = A$$

where

s = the highest Net Savings for cost proposal

n = the Net Savings bid by Contractor "n"

A = the assigned price component A evaluation points.

Price Component B will be assigned based on the Contractor's total fixed price for years 2 through 3. The Contractor's total fixed price for year 2 through 3 computed by summing the price for years 2 through 3. The cost proposal offering the lowest fixed price for years 2 through 3 will receive 150 points. Any proposal offering 200% or greater than the lowest qualified Contractor's total fixed cost for years 2 through 3 will receive zero Price Component B points.

The Pricing Component B points will be awarded using the following formula:

$$150 \text{ points} * (2 - o/x) = B$$

where

x = the lowest total evaluated total price for years 2 through 3

o = the total years 2 through 3 price bid by offeror "o"

B = the assigned evaluation points.

Finally, each Contractor's total cost score will be computed by summing the Contractor's A and B price points (A+B).

13.5 STEP V – ORAL PRESENTATIONS

DMHF may, at its sole discretion, requests all eligible Contractors to present their proposal to the State in a formal presentation. DMHF may include a list of issues or questions from the Committee with its invitation to each Contractor and may request responses to these issues or questions at the oral presentation. The Contractor also has the opportunity to present a demonstration of its proposed solution, within a set time frame. Contractors are not allowed to introduce new software or solutions as part of the oral presentation.

The Committee will re-evaluate the Contractors' scores based on the Oral Presentation and may change any score.

13.6 STEP VI – RANKING OF PROPOSALS

The Committee will determine ranking of proposals by combining the points awarded to the technical proposal with the points awarded to each cost proposal to arrive at the total evaluated score for each Contractor. The resulting score will determine the ranking of proposals; should two or more proposals receive identical scores, the proposal with the lowest cost will rank first.

13.7 STEP VII – SELECTION AND AWARD

The Committee submits the results of the proposal evaluation, including ranking of the Contractors and their recommendation to the DMHF Director (Director) for acceptance or rejection of the procurement results. The Director may request presentations by the Committee on its process and rationale for its scoring, and/or make use of any other technical expertise, consistent with the Utah Procurement Code, in making a decision. The Director will make a recommendation to the Division of Purchasing on award of the contract, or may recommend the Division of Purchasing cancel the procurement based on any identified technical or legal issue.

The Division of Purchasing will notify the selected Contractor and other Contractors of the selection, with protest rights.

14 APPENDICES

14.1 APPENDIX A – Acronym list

ACRONYM LIST

APD	Advanced Planning Document
ANSI	American National Standards Institute
AFDC	Aid to Families with Dependent Children
ASP	Application Service Provider
AWP	Average Wholesale Price
BENDEX	Beneficiary Data Exchange
BCRP	Bureau of Coverage and Reimbursement Policy
BEP	Bureau of Eligibility Policy
BFS	Bureau of Financial Services
BLTC	Bureau of Long Term Care
BMHC	Bureau of Managed Health Care
BMO	Bureau of Medicaid Operations
BOA	Bureau of Access
CFR	Code of Federal Regulations
CHEC	Child Health Evaluation and Care
cHIE	Clinical Health Information Exchange
CHIP	Children's Health Insurance Program
CHP	Chiropractic Health Plan
CMS	Centers for Medicare and Medicaid Services
COBRA	Consolidated Omnibus Budget Reconciliation Act
COS	Category of Service
CPT	Current Procedural Terminology

CRD	Client Registration Database
DASD	Data Access Storage Device
DBA	Database Administrator
DBMS	Database Management System
DD	Developmentally Disabled
DEA	Drug Enforcement Agency
DDI	Design, Development, Implementation
DHS	Department of Human Services
DIP	Detailed Implementation Plan
DME	Durable Medical Equipment
DMHF	Division of Medicaid and Health Financing
DOH	Utah Department of Health
DRG	Diagnosis Related Groupings
DSD	Detailed System Design
DTS	Department of Technology Services
DUR	Drug Utilization Review
DWS	Department of Workforce Services
EDI	Electronic Data Interchange
EMC	Electronic Media Claims
EPSDT	Early Periodic Screening, Diagnosis, and Treatment
ER	Emergency Room
eREP	electronic Resource & Eligibility Product
FA	Fiscal Agent
FAMIS	Family Assistance Management Information System
FDB	First Data Bank
FEMP	Federal Energy Management Program
FEP	Family Employment Program

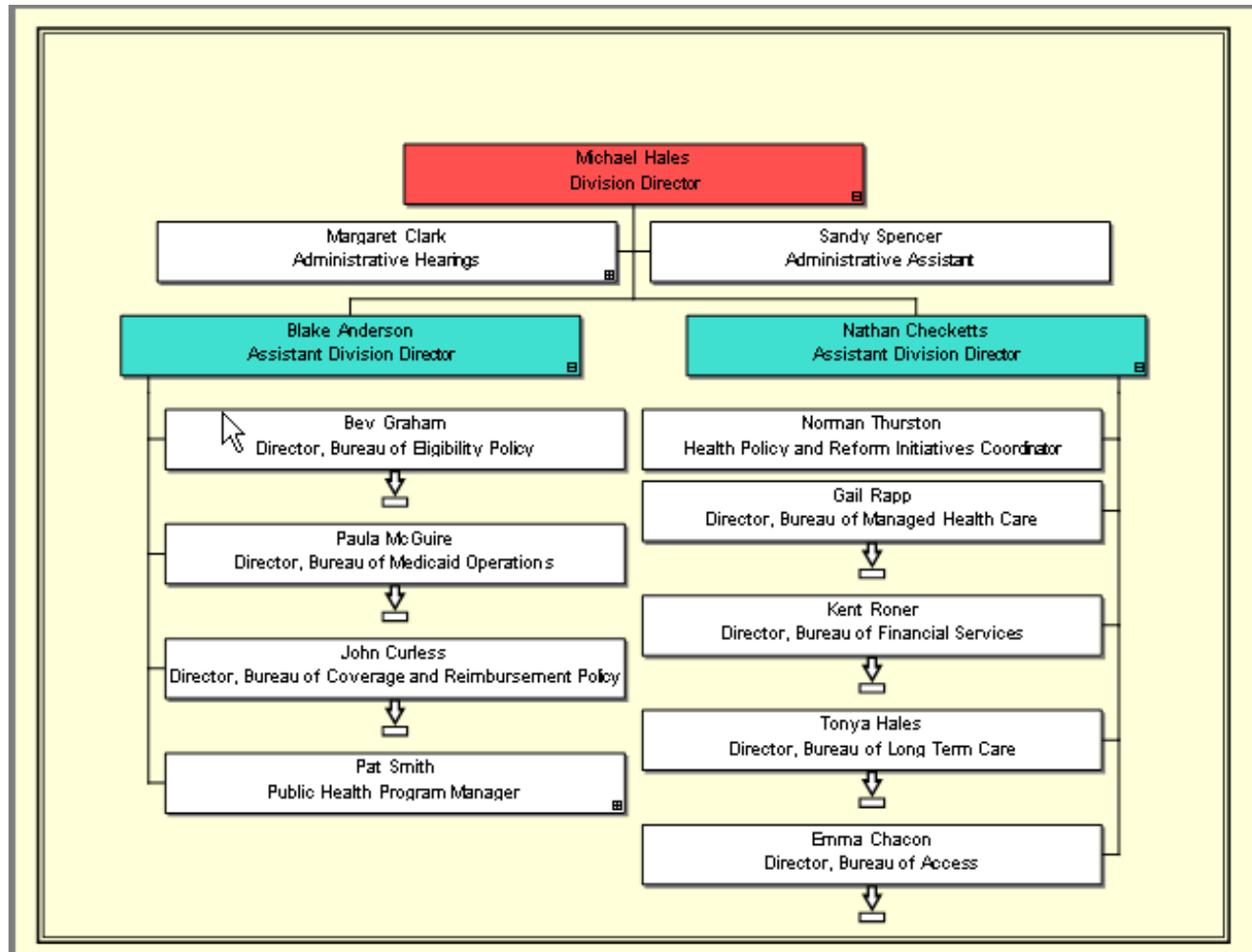
FFP	Federal Financial Participation
FFS	Fee-for-Service
FINET	Financial Network (Utah Department of Finance)
FIPS	Federal Information Processing Standards
FPL	Federal Poverty Level
FTE	Full-time Equivalent
FQHC	Federally Qualified Health Center
GAO	Government Accounting Office
GCN	Generic Code Number
GRAMA	Government Records Access and Management Act
GSD	General System Design
GUI	Graphical User Interface
HCBS	Home and Community-Based Services (Waivers)
HHSUS	Department of Health and Human Services
HIC	Health Insurance Claim Number
HIPAA	Health Insurance Portability and Accountability Act
HMO	Health Maintenance Organization
HPR	Health Program Representative
IAPD	Implementation Advanced Planning Document
ICD-9	International Classification of Diseases
ICF/MR	Intermediate Care Facility/Mentally Retarded
IEVS	Income and Eligibility Verification System
IPO	Independent Practice Organization
IRS	Internal Revenue Service
IT	Information Technology
IV&V	Independent Verification and Validation
MAC	Medicaid Allowable Cost

MARS	Management and Administrative Reporting Subsystem
MCO	Managed Care Organization
MDT	Mountain Daylight Time
MHC	Managed Health Care
MITA	Medicaid Information Technology Architecture
MMCS	Medicaid Managed Care System
MMIS	Medicaid Management Information System
MEQC	Medicaid Eligibility Quality Control
MST	Mountain Standard Time
NDC	National Drug Code
NH	Nursing Home
NPI	National Provider Identifier
OASDHI	Old Age, Survivors, Disability and Health Insurance
OHCS	Office of Health Care Statistics
ORS	Office of Recovery Services
ORSIS	Office of Recovery Services Information System
PA	Prior Authorization
PACMIS	Public Assistance Case Management Information System
PASARR	Pre-Admission Screening and Annual Resident Review
PC(s)	Personal Computer(s)
PCCM	Primary Care Case Management
PCN	Primary Care Network
PCP	Primary Care Provider
PDL	Preferred Drug List
PEP	Proposed Evaluation Plan
PERM	Program Error Rate Measurement
PMHP	Prepaid Mental Health Plan

PMPM	Per Member Per Month
POS	Point-of-Sale
PRO	Peer Review Organization
Pro-DUR	Prospective Drug Utilization Review
QA	Quality Assurance
QI1	Qualifying Individuals Group 1
QMB	Qualified Medicare Beneficiary
QWDP	Qualified Working Disabled Person
RAD	Requirements Analysis Document
RVRBS	Relative Value Resource-Based System
RDBMS/RDMS	Relational Data Base Management System
REOMB	Recipient Explanation of Medical Benefits
RFI	Request for Information
RFP	Request for Proposals
RUG	Resource Utilization Group
RVU(s)	Relative Value Unit(s)
SAFE	Child Welfare Management Information System
SCHIP	State Children's Health Insurance Program
SDX	State Data Exchange
SLA	Service Level Agreement
SLMB	Specified Low Income Beneficiary
SME	Subject Matter Expert
SNF	Skilled Nursing Facility
SPR	System Performance Review
SSA	Social Security Administration
SS-A	State Self-Assessment
SSI	Supplementary Security Income

SSN	Social Security Number
SSP	State Supplementary Assistance Payment
SURS	Surveillance and Utilization Review Subsystem
TA	Technical Assistance
TANF	Temporary Assistance for Needy Families
TCN	Transaction Control Number
TPL	Third Party Liability
UDOH	Utah Department of Health
UHIN	Utah Health Information Network
USIIS	Utah Statewide Immunization Information System
USSDS	Utah Social Services Delivery System
USTS	Utah State Training School
UTP	User Training Plan
WAN	Wide Area Network
YTD	Year-to-Date

14.2 Agency Organizational Chart



14.3 Preliminary Adjudicated Claims File Layout

The final file format will accompany the data.

Vendor Data Export Field List - Medical

Field	Comments/Explanation	HCF Data Warehouse Field Name	Data Type	Comments
Claim Info				
Claim Number	Field(s), which uniquely identify the claim. As many as needed should be provided and specified as essential to identifying a specific claim transaction	ClaimHeader.TCN	CHAR(17)	Unique Claim Identifier
Claim Type	Medical, Dental, Hospital, OP Facility, ER, etc.	ClaimHeader.ClaimType	CHAR(1)	
Claim Status	Paid, Pended, etc	ClaimHeader.ClaimStatus	CHAR(1)	M=Paid, N=Denied
Form Type	This field identifies whether the claim was submitted on a UB-92 or HCFA 1500 form. This field allows us to separate facility claims from professional claims.	ClaimHeader.ClaimInputMediumInd	CHAR(1)	
Processed Date	Date Processed by Payor	ClaimHeader.AdjudicationDate	DATE	Date Adjudicated
Received Date	Date Received by Payor	ClaimHeader.ProviderBillingDate	DATE	
Paid Date	Date Claim was paid	ClaimHeader.PaidDate	DATE	Date Paid
Check Number		ClaimHeader.WarrantNumber	CHAR(11)	
Check Amount		ClaimHeader.ReimbursementAmount		Amount Reimbursed on the Claim. Not necessarily the check amount
Processor ID	Claims Processor ID	ClaimHeader.ClerkId		
Bill Type	This is a three character alphanumeric field that identifies the type of claim submitted.	Same as #4		

Field	Comments/Explanation	HCF Data Warehouse Field Name	Data Type	Comments
Condition Codes (1)	These are two character codes that describe unique services. These codes are captured at the header level. These codes are similar in function to modifiers. There are 6 possible codes on UB-92 claim.	ClaimHeader.ProcedureCodeModifier	CHAR(2)	
PreD/PreA Indicator	Request for Predetermination / Preauthorization indicator	ClaimHeader.PriorAuthorizationInd	CHAR(1)	
Recipient Info				
Patient ID	Field(s), which uniquely identify the patient. If employee SSN is part of Patient ID then provide Employee ID.	ClaimHeader.RecipientPseudoID	CHAR(10)	
Patient Date of Birth		ClaimHeader.RecipientDateOfBirth	DATE	
Patient Gender	M or F	ClaimHeader.RecipientGenderCd	CHAR(1)	
Category Type Code	Type of category	ClaimHeader.ProviderCategoryofService		
Provider Info				
Rendering Provider ID	ID that uniquely identifies a provider, may be the TIN or a system generate id	ClaimHeader.ProviderID	CHAR(12)	
Provider Type	Facility, Physician, Dentist, etc. Provide list of values and associated definitions/descriptions.	ClaimHeader.ProviderType	CHAR(2)	
Service Line Info				
Line Number	Claim service line number	ClaimDetailLines.ClaimLineNo	CHAR(2)	
Beginning Date of Service		ClaimHeaderServiceBeginDate	DATE	Header Level Only
		ClaimDetailLines.FirstServiceDate	DATE	Line Level
Ending Date of Service		ClaimHeaderServiceEndDate	DATE	Header Level Only
		ClaimDetailLines.LastServiceDate	DATE	Line Level
Place of Service Code	If using non-standard codes provide codes and descriptions	ClaimDetailLines.PlaceOfService	CHAR(1)	
Type of Service Code	Provide codes and descriptions	ClaimDetailLines.TypeOfService	CHAR(1)	
ICD-9 Diagnosis Code 1	Primary diagnosis code for line	ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 2		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 3		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	

Field	Comments/Explanation	HCF Data Warehouse Field Name	Data Type	Comments
ICD-9 Diagnosis Code 4		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 5		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 6		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 7		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 8		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
ICD-9 Diagnosis Code 9		ClaimsDiagnosis.DiagnosisCode	CHAR(5)	
Diagnosis Code Pointer		ClaimsDiagnosis.DiagnosisSequence	CHAR(2)	
Procedure Code	CPT, HCPCS, CDT (Dental)	ClaimDetailLines.ProcedureCode	CHAR(5)	
Modifier 1	CPT and HCPCS Modifiers	ClaimDetailLines.ProcedureCodeModifier	CHAR(2)	
Modifier 2	CPT and HCPCS Modifiers	ClaimDetailLines.ProcedureCodeModifier2	CHAR(2)	
Modifier 3	CPT and HCPCS Modifiers	AuxServiceLines.ProcedureCodeModifier3	CHAR(2)	
		AuxServiceLines.ProcedureCodeModifier4	CHAR(2)	
Units or Number of Services/Days	Number of Services on claim line; number of days on claim line; or number of anesthesia units	ClaimDetailLines.UnitsOfService	DECIMAL	
Anesthesia Minutes	Anesthesia minutes reported on claim line or number of anesthesia minutes per unit reported	AuxServiceLines.UnitCode	CHAR(2)	If MJ then it's anesthesia and Units Amount shows the minute
		AuxServiceLines.UnitsAmount	DECIMAL	
(Dental)				
Tooth Number	Number or Alpha Character of Tooth	ClaimDetailLines.ToothNumber	CHAR(2)	
Tooth Surface	Surface(s) of tooth treated – Provide codes and definitions. If your system uses multiple fields to identify all surfaces rather than a single longer field provide all fields used	ClaimDetailLines.ToothSurface	CHAR(5)	
Billed Amount	Amount billed by provider for claim line	ClaimDetailLines.SubmittedLineCharge	DECIMAL	
		ClaimHeader.TotalClaimCharge	DECIMAL	

Field	Comments/Explanation	HCF Data Warehouse Field Name	Data Type	Comments
Paid Amount	If used and no fee schedule amount is provided, this field should contain the allowed amount for the line or the total liability for payment before deductibles and co-pay amounts are subtracted.	ClaimDetailLines.AllowedCharge	DECIMAL	
		ClaimDetailLines.AllowedChargeSource		K = Denied Line
CoPay Amount	Co-Payment amount for service line	ClaimHeader.CoPaymentAmount		
		ClaimDetailLines.CoPaymentInd	CHAR(1)	Indicates copayment required
Other Medical or Dental Coverage	Provide "Y" or "N" per information on claim form	ClaimHeader.OtherInsuranceInd		
COB Amount	Amount paid by COB carrier (COB Savings)	ClaimHeader.ThirdPartyPaymentAmount		
Co-Insurance Amt		ClaimHeader.CoInsuranceAmount		
Not Covered Reason Code(s)	Provide as many not covered reasons, adjusted reasons or EOB reason code fields that are used in your system. These codes should be listed and descriptions defined in a separate document	CurrentException.ExceptionCd		
		CurrentException.ExceptionStatus		
Facility Service Line Info				
Revenue Code	If contained in the Procedure Code field then not needed here	ClaimDetailLines.RevenueCd	CHAR(5)	
DRG Code	If separate field is used for DRG Codes	ClaimHeader.DiagnosisDRGCode	CHAR(3)	
ICD-9 Procedure Codes 1	Provide all ICD-9 Procedure Codes used	ClaimDetailLines.ProcedureCode	CHAR(5)	
ICD-9 Procedure Codes 2		See above		
ICD-9 Procedure Codes 3		See above		
ICD-9 Procedure Codes 4		See above		
ICD-9 Procedure Codes 5		See above		
ICD-9 Procedure Codes 6		See above		
Admission Date	Date of Admission to Facility	ClaimHeader.AdmissionDate	DATE	

Field	Comments/Explanation	HCF Data Warehouse Field Name	Data Type	Comments
Admission Hour	Hour of Admission to Facility	ClaimHeaderExt.AdmissionHour	DECIMAL	
Discharge Date	Date of Discharge from Facility	ClaimHeader.DischargeDate	DATE	
Discharge Hour	Hour of Discharge from Facility	ClaimHeaderExt.DischargeHour	DECIMAL	
Admitting Diagnosis	Diagnosis at time of admission to facility	ClaimsDiagnosis.DiagnosisClaimQual		
Discharge Diagnosis	Diagnosis at time of discharge from facility	ClaimsDiagnosis.DiagnosisClaimQual		
Discharge Status		ClaimHeaderExt.DischargePatientStatus		
Total Billed Charges		ClaimHeader.TotalClaimCharge	DECIMAL	
Adjustment Info				
Adjusted Claim Reference ID	The original claim ID being adjusted or reversed	ClaimHeader.TCNtoCredit	CHAR(17)	
Adjustment Reason Code	Code identifying the type of adjustment or the reason for the adjustment	ClaimHeader.AdjustmentReasonCd	CHAR(2)	
Adjustment Date	Date of Adjustment	ClaimHeader.AdjudicationDate	DATE	

Vendor Data Export Field List - Pharmacy

	Pharmacy CLAIMS DETAIL FILE	
Business Name	DWName	Element Type
Rx Claim Number	ClaimHeader.TCN	character(17)
Claim Type	ClaimHeader.ClaimType	character(1)
Claim Status	ClaimHeader.ClaimStatus	character(1)
Processed Date	ClaimHeader.AdjudicatedDate	date
Member ID	ClaimHeader.RecipientID	character(10)
Date of Birth	ClaimHeader.DateOfBirth	date
Gender	ClaimHeader.GenderCd	character(1)
Provider Number	ClaimHeader.ProviderID	character(12)
Service Date	ClaimHeader.ServiceEndDate	date
National Drug Code	PharmClaimDetail.ProductID	character(11)
Refill Flag	ClaimHeaderExt.RefillInd	character(1)
Units Dispensed	PharmClaimDetail.DrugQuantity	decimal(10,3)
Metric Quantity	ClaimHeader.UnitsofMeasure	Char(2)
Days Supply	ClaimHeader.DaysSupplied	decimal(5,0)

Attachment B

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (the "BA Agreement") is entered into this 1st day of November , 2009, between the Utah Department of Health (UDOH) (Covered Entity) and (Business Associate) for the purposes of compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

RECITALS

A. Covered Entity and Business Associate have entered into certain agreement(s) existing as of the effective date of this BA Agreement and may enter into other future agreements (the "Applicable Agreements"), as more specifically defined at Section 3.0 below; and

B. In performing their respective obligations under the Applicable Agreements, Covered Entity may from time to time disclose to Business Associate certain Protected Health Information; and

C. Covered Entity and Business Associate wish to enter into this BA Agreement for the purpose of addressing certain requirements of HIPAA with respect to the performance of their obligations under the Applicable Agreements and this BA Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties agree as follows:

1.0 DEFINITIONS.

The following terms are defined for purposes of this BA Agreement. Terms used, but not otherwise defined in this BA Agreement shall have the same meaning as those terms in the Privacy Rule.

(a) "Business Associate" shall mean Verisk Health, Inc.

(b) "Covered Entity" shall mean Utah Department of Health.

(c) "Individual" shall have the same meaning as the term "individual" in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

(d) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

(e) "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

(f) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.103.

(g) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

2.0 **OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.**

(a) Business Associate agrees to not use or disclose Protected Health information other than as permitted or required by the BA Agreement or as Required By Law.

(b) Business Associate agrees to establish administrative, physical, and technical safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this BA Agreement.

(c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BA Agreement.

(d) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this BA Agreement of which it becomes aware.

(e) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this BA Agreement to Business Associate with respect to such information.

(f) Upon advance written notice and during normal business hours, Business Associate agrees to provide access to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.

(g) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 in the time and manner as reasonably requested by Covered Entity or an Individual.

(h) Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, and/or to the Secretary, in a time and manner as reasonably requested by the Covered Entity or as otherwise designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

(i) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

(j) Business Associate agrees to provide to Covered Entity or an Individual, in time and manner as reasonably requested by Covered Entity or an Individual, information collected in accordance with Section 2.0 (i) of this BA Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

3.0 PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

Except as otherwise limited in this BA Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Applicable Agreement as may be entered into between the Covered Entity and the Business Associate, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity. For purposes of this BA Agreement, the Applicable Agreement shall include the agreement listed below and all other existing or future agreements between the parties. Failure to list any other agreements between the parties shall not limit the application of this BA Agreement to any such other agreements. The Applicable Agreements include:

1. _____
2. _____
3. _____
4. _____

In addition to the foregoing general permitted uses and disclosures, and except as otherwise limited in this BA Agreement:

(a) Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).

(d) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with Sec. 164.502(j)(1).

4.0 **OBLIGATIONS OF COVERED ENTITY.**

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

(c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

5.0 PERMISSIBLE REQUESTS BY COVERED ENTITY.

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity; provided however, that Business Associate may use or disclose Protected Health Information for data aggregation and other management and administrative activities to the extent permitted under the Applicable Agreement and all applicable laws.

6.0 TERM AND TERMINATION.

(a) Term. The Term of this BA Agreement shall commence as of the effective date set forth above and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section, regardless of the termination date of any Applicable Agreement.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this BA Agreement and the Applicable Agreement(s) if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or

(2) Immediately terminate this BA Agreement and the Applicable Agreement if Business Associate has breached a material term of this BA Agreement; or

(3) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(1) Except as provided in paragraph (c)(2) of this Section 6, upon termination of this BA Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(2) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions and reasons that make return or destruction infeasible. If Covered Entity agrees with Business Associate's determination that the return or destruction of Protected Health Information is infeasible, Covered Entity shall provide written notice of its agreement to Business Associate and upon receipt of such written notice, Business Associate shall extend the protections of this BA Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to only those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

7.0 MISCELLANEOUS.

(a) Regulatory References. Any reference in this BA Agreement to HIPAA or the Privacy Rule shall mean the referenced section as is then in effect or as amended.

(b) Amendment. The Parties agree to take such action as is necessary to amend this BA Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

(c) Survival. The respective rights and obligations of Business Associate under Section 6(b) and Section 7(f) of this BA Agreement shall survive the termination of this BA Agreement.

(d) Interpretation. Any ambiguity in this BA Agreement shall be interpreted in a manner consistent with the Privacy Rule.

(e) Compliance with Laws. In performing their respective obligations under this BA Agreement, Covered Entity and Business Associate shall at all times comply with all applicable provisions of HIPAA, the Privacy Rule, and all other applicable state and federal laws and regulations. If a breach occurs, Business Associate and Covered Entity are liable for the same types of penalties and criminal sanctions. In addition, Business Associate shall learn and comply with all HIPAA requirements outlined in The American Recovery and Reinvestment Act of 2009 .

(f) Indemnity. Each of the parties shall defend, indemnify and hold harmless the other from and against any and all claims, losses, causes of action, judgments, damages and expenses including, but not limited to attorney's fees, resulting from or arising out of any breach of this BA Agreement or failure to perform its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this BA Agreement to be executed by their duly authorized representatives effective as of the day and year set forth above.

Utah Department of Health

(Name Business Associate)

By: _____

(Signature)

By: _____

(Signature)

Date: _____

Date: _____

Name: Shari A. Watkins

Name:

Title: Director, Office of Fiscal Operations

Title:

PRE-PAY EDITING COST PROPOSAL

Bidder Name: _____

The contingency pricing percentage and costs for years 2 through 5 must be fully loaded and all inclusive. The State will make no additional payments for travel, installation, operation, maintenance or any other costs related to this contract.

YEAR 1 – CONTINGENCY PRICING PERCENTAGE

1. Contingency Fee Percentage for contract year 1 _____ %

The first year contingency fee paid to the successful bidder will be based on Savings to the State in excess of \$250,000 annually, multiplied by the contingency fee percentage above. The Savings to the State calculation is defined in section 12.1 of the Pre-Pay RFP.

YEAR 2 THRU 5 – FIXED PRICE

2. Maintenance and Support Fee for contract year 2 \$ _____
3. Maintenance and Support Fee for contract year 3 \$ _____
4. Maintenance and Support Fee for optional contract year 4 \$ _____
5. Maintenance and Support Fee for optional contract year 5 \$ _____

(Any deviation from this format may result in disqualification of proposal)

ATTACHMENT C

Firm Name: _____ **Evaluator:** _____

PRE-PAY EDITING RFP EVALUATION SCORE SHEET

Score will be assigned as follows:

0 = Failure, no response

1 = Poor, inadequate, fails to meet requirement

2 = Fair, only partially responsive

3 = Average, meets minimum requirement

4 = Above average, exceeds minimum requirement

5 = Superior

Date: _____

		Score (0-5)	Weight	Points
1. Corporate Background and Experience	180 points possible	----	----	
The extent to which the financial and corporate resources of the organization are sufficient to support the proposed Pre-Pay Project				
Specific experience in public and private health care administration systems				
Specific experience in program integrity and fraud and abuse tools in the private health care delivery system				
Specific experience in Medicaid and Medicare operations and MMIS operations				
Specific experience in program integrity and fraud and abuse systems in Medicare and Medicaid				
Specific experience in Utah Medicaid business processes and MMIS				
Specific experience in analyzing claims data, including claims data in private sector health care programs				
Specific experience in analyzing claims data, including claims data in the Medicaid market				
2. Project Organization and Staffing	150 points possible	----	----	
The extent to which the assigned management and key professional personnel have the skills to perform the work				
The extent to which the organization structure and staffing levels for all project tasks are sufficient to perform the stated work				
The extent to which the number and experience of proposed full-time equivalent personnel by staff level are consistent with work plan loading				
The experience with the proposed technology and the past performance of the company and the proposed staff.				
The likelihood that Contractor can reasonably be expected to perform all major tasks within the project timetable				

Firm Name: _____ **Evaluator:** _____

3. Technical Approach	180 points possible	----	----	
The extent to which the Contractor describes a realistic and proven approach include the Contractor's System Development Life Cycle (SDLC) methodology, integration of technology and its requirements traceability approach				
The extent to which the Contractor has demonstrated how the Pre-Pay product will integrate with the core MMIS				
Phase I – Project Start-up				
Phase II – Requirements Analysis				
Phase III – Design				
Phase IV – Configuration				
Phase V – System Testing				
Phase VI – User Acceptance Testing (UAT)				
Phase VII – Implementation				
Phase VIII – Transition				
Phase IX – Post Transition Support				
4. Project Management and Quality Assurance	100 points possible	----	----	
Project management and control approach including organization lines of authority and project management tools				
Instituting a QA process that permeates the development effort and the ongoing operational system and ensures compliance with the Contractor's service level agreement				
Risk assessment and mitigation and communication with the State including problem identification and resolution				
Evaluation of the Contractor's service level and operational performance with other Pre-Pay clients				
Deliverable management including Contractor's past experience in completing projects on schedule				

Firm Name: _____ **Evaluator:** _____

5. Work Plan and Schedule	90 points possible	----	----	
Phase I – Project Start-up				
Phase II – Requirements Analysis				
Phase III – Design				
Phase IV – Configuration				
Phase V – System Testing				
Phase VI – User Acceptance Testing (UAT)				
Phase VII – Implementation				
Phase VIII – Transition				
Phase IX – Post Transition Support				
6. Cost	300 points possible	----	----	
Contingency Fee	150 points possible	----	----	
Fixed Price	150 points possible	----	----	
Total Evaluation Points	1000 points possible	----	----	

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (the "BA Agreement") is entered into this 1st day of March, 2010, between the Utah Department of Health (UDOH) (Covered Entity) and fill in blank (Business Associate) for the purposes of compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

RECITALS

A. Covered Entity and Business Associate have entered into certain agreement(s) existing as of the effective date of this BA Agreement and may enter into other future agreements (the "Applicable Agreements"), as more specifically defined at Section 3.0 below; and

B. In performing their respective obligations under the Applicable Agreements, Covered Entity may from time to time disclose to Business Associate certain Protected Health Information; and

C. Covered Entity and Business Associate wish to enter into this BA Agreement for the purpose of addressing certain requirements of HIPAA with respect to the performance of their obligations under the Applicable Agreements and this BA Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties agree as follows:

1.0 DEFINITIONS.

The following terms are defined for purposes of this BA Agreement. Terms used, but not otherwise defined in this BA Agreement shall have the same meaning as those terms in the Privacy Rule.

(a) "Business Associate" shall mean Fill in blank

(b) "Covered Entity" shall mean Utah Department of Health.

(c) "Individual" shall have the same meaning as the term "individual" in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

(d) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

(e) "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

(f) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.103.

(g) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

2.0 **OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.**

(a) Business Associate agrees to not use or disclose Protected Health information other than as permitted or required by the BA Agreement or as Required By Law.

(b) Business Associate agrees to establish administrative, physical, and technical safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this BA Agreement.

(c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BA Agreement.

(d) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this BA Agreement of which it becomes aware.

(e) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this BA Agreement to Business Associate with respect to such information.

(f) Upon advance written notice and during normal business hours, Business Associate agrees to provide access to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.

(g) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 in the time and manner as reasonably requested by Covered Entity or an Individual.

(h) Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, and/or to the Secretary, in a time and manner as reasonably requested by the Covered Entity or as otherwise designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

(i) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

(j) Business Associate agrees to provide to Covered Entity or an Individual, in time and manner as reasonably requested by Covered Entity or an Individual, information collected in accordance with Section 2.0 (i) of this BA Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

3.0 PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

The only permitted use of the Protected Health Information included in the Adjudicated Claims File is to prepare a response to the request for proposal (RFP# DR10038), which may include a demonstration of Contractors proposed solution.

In addition to the foregoing general permitted uses and disclosures, and except as otherwise limited in this BA Agreement:

(a) Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).

(d) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with Sec. 164.502(j)(1).

4.0 **OBLIGATIONS OF COVERED ENTITY.**

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

(c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

5.0 **PERMISSIBLE REQUESTS BY COVERED ENTITY.**

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity; provided however, that Business Associate may use or disclose Protected Health Information for data aggregation and other management and administrative activities to the extent permitted under the Applicable Agreement and all applicable laws.

6.0 **TERM AND TERMINATION.**

(a) Term. The Term of this BA Agreement shall commence as of the effective date set forth above and shall terminate upon completion of RFP #DR10038, which will include notification to Business Associate to destroy all copies of the confidential data in all forms.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this BA Agreement and the Applicable Agreement(s) if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or

(2) Immediately terminate this BA Agreement and the Applicable Agreement if Business Associate has breached a material term of this BA Agreement; or

(3) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(1) Except as provided in paragraph (c)(2) of this Section 6, upon termination of this BA Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(2) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions and reasons that make return or destruction infeasible. If Covered Entity agrees with Business Associate's determination that the return or destruction of Protected Health Information is infeasible, Covered Entity shall provide written notice of its agreement to Business Associate and upon receipt of such written notice, Business Associate shall extend the protections of this BA Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to only those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

7.0 MISCELLANEOUS.

(a) Regulatory References. Any reference in this BA Agreement to HIPAA or the Privacy Rule shall mean the referenced section as is then in effect or as amended.

(b) Amendment. The Parties agree to take such action as is necessary to amend this BA Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

(c) Survival. The respective rights and obligations of Business Associate under Section 6(b) and Section 7(f) of this BA Agreement shall survive the termination of this BA Agreement.

(d) Interpretation. Any ambiguity in this BA Agreement shall be interpreted in a manner consistent with the Privacy Rule.

(e) Compliance with Laws. In performing their respective obligations under this BA Agreement, Covered Entity and Business Associate shall at all times comply with all applicable provisions of HIPAA, the Privacy Rule, and all other applicable state and federal laws and regulations. If a breach occurs, Business Associate and Covered Entity are liable for the same types of penalties and criminal sanctions. In addition, Business Associate shall learn and comply with all HIPAA requirements outlined in The American Recovery and Reinvestment Act of 2009 .

(f) Indemnity. Each of the parties shall defend, indemnify and hold harmless the other from and against any and all claims, losses, causes of action, judgments, damages and expenses including, but not limited to attorney's fees, resulting from or arising out of any breach of this BA Agreement or failure to perform its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this BA Agreement to be executed by their duly authorized representatives effective as of the day and year set forth above.

Utah Department of Health

Fill in blank

By: _____
(Signature)

By: _____
(Signature)

Date: _____

Date: _____

Name: Shari A. Watkins

Name:

Title: Director, Office of Fiscal Operation Title:

Question and Answers for Bid #DR10038 - Medicaid Pre-Pay Editing Software

OVERALL BID QUESTIONS

Question 1

On the BidSync site for bid number DR10038, Medicaid edit software, there is a request to complete a Business Associate Agreement; there are two issues, first the date has been changed from the 5th to the 25th, which I would like to confirm and I cannot find the agreement on the documents listed in this proposal. (Submitted: Feb 8, 2010 8:33:50 AM MST)

Answer

- The RFP was amended to correct the date to show February 25th as the cut off date to submit the Business Associate Agreement. The Business Associate Agreement is Attachment B in the RFP. (Answered: Feb 8, 2010 8:34:59 AM MST)

Question 2

Do we send our signed and completed Business Associate Agreement (BAA) back to State Purchasing? (Submitted: Feb 8, 2010 12:03:56 PM MST)

Answer

- Yes. The Contractor must send all original BAA pages to State Purchasing who will forward the original BAA to the Department of Health and State Purchasing will retain a copy. As a reminder, the signed and completed original BAA must be returned to State Purchasing by February 25, 2010 by the close of business. The BAA is Attachment B in the RFP. (Answered: Feb 8, 2010 12:07:01 PM MST)

Question 3

Can we Fax or e-mail the Business Associate Agreement back to State Purchasing? (Submitted: Feb 8, 2010 12:07:33 PM MST)

Answer

- No, the Contractor must send (FedEx, UPS, Mail, etc.) the complete original signed document. The Contractor's business name must be inserted on page one(business associate), complete the form as appropriate, and sign the last page. This will begin the process discussed in 13.4 of the RFP. (Answered: Feb 8, 2010 12:09:15 PM MST)

Question 4

Is Attachment C "Pre-Pay Editing Cost Proposal" required to be completed by each responding Contractor? (Submitted: Feb 8, 2010 1:05:27 PM MST)

Answer

- Yes. (Answered: Feb 8, 2010 1:05:35 PM MST)

Question 5

Who is the incumbent for this contract? (Submitted: Feb 16, 2010 2:47:55 PM MST)

Answer

- This is a new contract, there is no incumbent. (Answered: Feb 17, 2010 6:16:01 AM MST)

Question 6

What is the estimated award value for the contract? (Submitted: Feb 16, 2010 2:48:45 PM MST)

Answer

- The State has not determined an estimated award value for this contract. The first year fees will be based on actual savings. (Answered: Feb 17, 2010 6:16:01 AM MST)

Question 7

Is there a Program Office point of contact for this RFP? If so, could you please provide his or her contact information? (Submitted: Feb 16, 2010 2:49:39 PM MST)

Answer

- BidSync is the only point of contact for this RFP. (Answered: Feb 17, 2010 6:16:01 AM MST)

Question Deadline: Mar 25, 2010 12:00:00 PM MDT