

# LOUISIANA



## **STATE SUPPLEMENTAL REBATE/PREFERRED DRUG LIST (PDL)**

### **LOUISIANA MEDICAID PROGRAM BENEFITS AND SERVICES/PHARMACY PROGRAM MEDICAL VENDOR ADMINISTRATION**

**RFP # 305PUR-DHHRFP- PHARMACY PDL-MVA  
Proposal Due Date/Time: June 18, 2015 CT**

Release Date: May 13, 2015

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# Glossary

**Benefits and Services:** The unit within Medicaid responsible for the management and distribution of Medicaid fee-for-service benefits within the State of Louisiana.

**Benefits or Covered Services** - Those health care services to which an eligible Medicaid Recipient is entitled under the Louisiana Medicaid State Plan.

**Centers for Medicare and Medicaid Services:** The Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration) of the United States Department of Health and Human Services, or any successor or renamed agency carrying out the functions and duties heretofore carried out by such office.

**Clinical Monograph:** A written review of all the medications available in a therapeutic class comparing efficacy, side effects, dosing, and prescribing trends.

**CMS:** The Centers for Medicare and Medicaid Services.

**Contractor:** The successful proposer who is awarded a contract.

**Department or DHH:** The Louisiana Department of Health and Hospitals.

**Discussions:** For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.

**FDA:** Food and Drug Administration.

**Fee-for-Service (FFS)** - A method of provider reimbursement based on payments for specific services rendered.

**FFS Provider** - An institution, facility, agency, person, corporation, partnership, or association approved by DHH which accepts payment in full for providing benefits, with the amounts paid pursuant to approved Medicaid reimbursement provisions, regulations and schedules.

**Food and Drug Administration:** The agency of the United States Department of Health and Human Services responsible for the safety regulation of most types of foods, dietary supplements, drugs, vaccines, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics.

**Louisiana Medicaid Pharmaceutical and Therapeutics Committee:** Established pursuant to La. R.S. 46:153.3 (B)(2)(a) for the purpose of consulting with the state agency or department responsible for administering the Participating Medicaid Program for adoption of a Preferred Drug List for the Participating Medicaid Program.

**Louisiana Medicaid Pharmacy Benefits Management Program:** The unit within Medicaid responsible for the management and distribution of Medicaid pharmacy benefits within the State of Louisiana.

**May:** The term “may” denotes an advisory or permissible action.

**MCOs:** Managed Care Organizations.

**Medicaid Management Information System:** An integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives. The objectives of this system and its enhancements include the Title XIX program control and administrative costs; service to recipients, providers and inquiries; operations of claims control and computer capabilities; and management reporting for planning and control.

**MMIS:** The Medicaid Management Information System of DHH.

**Must:** Denotes a mandatory requirement.

**National Drug Code:** The identifying drug number maintained by the Food and Drug Administration (FDA). For the purposes of this Contract, the complete eleven (11) digit NDC number will be used including labeler code (which is assigned by the FDA and identifies the manufacturer), product code (which identifies the specific product or formulation), and package size code.

**NDC:** National Drug Code.

**OBRA:** Omnibus Budget Reconciliation Act of 1990

**Omnibus Budget Reconciliation Act of 1990:** A United States statute enacted pursuant to the budget reconciliation process to reduce the United States federal budget deficit.

**Original:** Denotes must be signed in ink.

**P&T:** Louisiana Medicaid Pharmaceutical and Therapeutics Committee.

**PA:** Prior Authorization.

**PBM:** Louisiana Medicaid Pharmacy Benefits Management Program.

**PDL:** Preferred Drug List.

**Preferred Drug List:** The list of medications adopted by the Louisiana Medicaid Program, in consultation with the Louisiana P&T Committee that may be filled in the Louisiana Medicaid Program without prior authorization.

**Prior Authorization:** A prescriber initiated request for prior approval on a selected number of drugs (non-preferred) within specific therapeutic classes. This request is made to the RxPA operational desk of the University of Louisiana at Monroe (ULM) College of Pharmacy.

**Proposer:** An Individual or organization submitting a proposal in response to an RFP.

**Redacted Proposal:** The removal of confidential and/or proprietary information from one copy of the proposal for public records purposes.

**RFP:** Request for Proposal.

**SFY:** State Fiscal Year.

**Shall:** Denotes a mandatory requirement.

**Should, May, Can:** Denotes a preference, but not a mandatory requirement.

**State:** The State of Louisiana.

**State Fiscal Year:** The twelve month period beginning July 1 and ending June 30.

**Supplemental Unit Rebate Amount:** Any cash rebate or other program that offsets Louisiana Medicaid expenditure and supplements a CMS National Rebate.

**SURA:** Supplemental Unit Rebate Amount.

**Will:** Denotes a mandatory requirement.

## **I. GENERAL INFORMATION**

### **A. Background**

1. The mission of the Department of Health and Hospitals (DHH) is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. The Department of Health and Hospitals is dedicated to fulfilling its mission through direct provision of quality services, the development and stimulation of services of others, and the utilization of available resources in the most effective manner.
2. DHH is comprised of Medical Vendor Administration (Medicaid), Office for Citizens with Developmental Disabilities, Office of Behavioral Health, Office of Aging and Adult Services, and the Office of Public Health. Under the general supervision of the Secretary, these principal offices perform the primary functions and duties assigned to DHH.
3. DHH, in addition to encompassing the program offices, has an administrative office known as the Office of the Secretary, a financial office known as the Office of Management and Finance, and various bureaus and boards. The Office of the Secretary is responsible for establishing policy and administering operations, programs, and affairs.
4. Within the Office of Management and Finance is the Medical Vendor Administration (MVA), Bureau of Health Services Financing (hereinafter called MVA). The MVA is the administrative operation with responsibility for the Medicaid Program. Medicaid is the public health program which provides payment for health care services provided by qualified health care providers to elderly, disabled and low-income Medicaid recipients through traditional fee-for-service (FFS) programs and through managed care organizations (MCOs). Funded by both federal and state governments, Medicaid provides medical benefits such as physician, hospital, laboratory, x-ray, and nursing home services. The Medicaid Benefits and Services, Pharmacy Benefits Management (PBM) program is responsible for the development, implementation and administration of the Supplemental Rebate program within the MVA. The PBM is the first state-owned and administered PBM System in the nation. The PBM program is charged with the responsibility of assuring quality Medicaid pharmacy services while developing efficiencies in operation, service and cost. The PBM program is responsible for the daily operational activities of pharmacy prescription services, one of the largest service areas under the Medicaid program with annual expenditures in excess of \$485 million for payment of approximately 6 million prescription claims.
5. In addition, the PBM generates revenues through federally mandated rebates and provider fees (*Nearly \$365 million has been generated annually from over 629 drug manufacturers through the federal rebate system and additional savings*

*are projected to be generated through the prior authorization (PA) and state supplemental rebate system.)* within the MVA. The pharmacy program covers all Food and Drug Administration (FDA) approved legend drugs that meet the Omnibus Budget Reconciliation Act of 1990 (OBRA '90) and OBRA '93 criteria with a few exceptions (42 USCA 1396r-8). The drug file contains over 278,300 drug products (brand, generic and some over-the counter) of which over 26,000 are payable. The PBM program determines the reimbursement methodology for both the drug ingredient cost and the dispensing fee for covered drugs.

6. The number of anticipated Medicaid recipients that the Fee-For-Service Pharmacy program serves is expected to decrease in February 2015 to approximately 238,000, and by January 2016, payment to approximately 30,000. This is a preliminary estimate.
7. The State Supplemental Rebate program is administered by the PBM program of DHH, which utilizes the services of four contractors: Molina Information Systems, LLC; the University of Louisiana at Monroe (ULM), School of Pharmacy; University of New Orleans (UNO); and the Preferred Drug List (PDL) contractor. Services provided by the contractors include:

7.1      **Molina, the Medicaid Fiscal Intermediary**

- Technology equipment purchase/installation (with ULM) to support the program
- Application modifications to the current Medicaid Management Information System (MMIS)
- Design and implement Wide Area Network (WAN) for ULM
- Creation and support of new web-based pharmacy PA software
- Implementation of data research applications
- Design, install and support a data warehouse
- Statistical Analysis System training for ULM research analysts
- Training on Pharmacy PA System (DHH and ULM staff)
- Training prescribers and providers on the PA process
- Maintain and support PDL/PA and supplemental rebate systems and operations.

7.2      **University of Louisiana at Monroe (ULM), School of Pharmacy**

- Provide space, staff, and computers
- Operate pharmacist-staffed PA desk
- Provide physician consultations
- Serve as consultants on the Preferred Drug List and Prior Authorization program.
- Perform DHH directed data analysis and outcome studies.



7.3 **University of New Orleans (UNO)**

- Provide network administration for the federally mandated and optional state supplemental Drug Rebate Program.
- Provide accounting/audit support for Drug Rebate Program functions which include reconciliation of over 25,700 drug records invoiced to over 629 drug manufacturers quarterly (\$365 million annually in federally mandated rebate program and \$20 million annually in the state supplemental rebate program).

7.4 **PDL Contractor**

- Secure clinical and costing data for drugs in selected therapeutic classes.
- Perform clinical and economic analysis of manufacturer data
- Negotiate state supplemental rebates with manufacturers
- Prepare therapeutic class monographs for Pharmaceutical and Therapeutics Committee deliberations.
- Present clinical and costing data to the Pharmaceutical and Therapeutics Committee.
- Maintain PDL
- Prepare clinical and cost data for performance indicators for Performance Based Budgeting

**8. Pharmaceutical and Therapeutics Committee/Supplemental Rebates**

8.1 Act 395 of the 2001 Regular Session of the Louisiana Legislature amended La. R.S. 46:153.3(B)(2)(a) and authorized DHH to establish a drug formulary utilizing a Prior Authorization (PA) process or any other process or combination of processes that prove to be cost-effective in the medical assistance program. The Act also created a Pharmaceutical and Therapeutics (P&T) Committee comprised of twenty-one (21) members, including physicians and pharmacists. The Committee began meeting in August 2001. The P&T Committee currently meets twice a year, however, additional meetings may be held based upon need determined by DHH. The Committee is responsible for developing the Preferred Drug List (PDL) in conjunction with the PA process. The Committee reviews clinical and cost data on various therapeutic classes of drugs for recommendation to DHH for inclusion on the PDL or for review through the prior authorization process.

8.2 On June 10, 2002, the Department implemented a PDL with a PA process and a Supplemental Drug Rebate program through a phased-in approach. The PDL/PA and supplemental rebate features were implemented in accordance with all applicable federal and state statutes. Louisiana's Medicaid PDL/PA program does not limit a recipient's access to any drugs that are payable under the Louisiana Medicaid program. Louisiana's PDL/PA program has been designed with the recipient's health care

needs in mind. The PDL/PA program allows for continuity of care for prescription drug services, ensures access to needed medications with immediate PA, and provides the safeguards, consistency and simplicity of administration and the best interests of the patient in accordance with 1902(a) (19) of the Social Security Act.

- 8.3 The PDL is currently updated twice a year upon DHH's approval of the Committee's recommendations. The PDL is mailed, upon request, to prescribers and pharmacists and is available on the web at [www.lamedicaid.com](http://www.lamedicaid.com). Currently, approximately eighty-four (84) therapeutics classes are reviewed by the P&T Committee.
- 8.4 DHH Pharmacy program currently contracts with Magellan Medicaid Administration/Provider Synergies to negotiate state supplemental rebates with drug manufacturers for the state. Based on these negotiations, the state received \$35,541,837 in supplemental rebates in SFY 2013 and \$20,475,014 in SFY 2014.
- 8.5 The Medicaid PBM program currently utilizes the services of ULM School of Pharmacy for PA operations. ULM receives and processes all prior authorization requests. Each prior authorization is given for a specific drug for a specific recipient for a specific period of time. In accordance with state and federal statutes, requests must be acted upon within 24-hours. Provisions are in place whereby an emergency override is allowed for a minimum of a 72-hour supply of medicine.

## **B. Purpose**

- 1. The purpose of this RFP is to solicit proposals from qualified proposers that provide technical support for the State Supplemental Rebate Program and Preferred Drug List Management Services and Supplies, including but not limited to research into the relative safety, clinical efficacy and cost of products within defined therapeutic drug classes.
- 2. A contract is necessary to meet the Louisiana Medicaid PBM Program's needs in regards to developing and maintaining a PDL for the Louisiana Medicaid Program Fee-for-Service lives remaining in the legacy Medicaid program; negotiating supplemental rebate agreements with pharmaceutical manufacturers through a multi-state pooling initiative; and utilizing the contractor's services to assist in billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department.
- 3. The contract involves managing all aspects of the supplemental rebate negotiation process, providing information and data management of the PDL

technical support to the P&T Committee, and providing the Department with expertise in the financial and clinical analysis of P&T recommendations both before and after implementation.

### **C. Invitation to Propose**

DHH Office of Medical Vendor Administration, Benefits and Services/Pharmacy Benefits Management Program is inviting qualified proposers to submit proposals for services to provide the expertise needed to assist the Department in developing, implementing, and providing continuing support for the FFS Medicaid Pharmacy Program, State Supplemental Rebate/PDL in accordance with the specifications and conditions set forth herein.

### **D. RFP Addenda**

In the event it becomes necessary to revise any portion of the RFP for any reason, the Department shall post addenda, supplements, and/or amendments to all potential proposers known to have received the RFP. Additionally, all such supplements shall be posted at the following web address:

<http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>

May also be posted at:

<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47>

***It is the responsibility of the proposer to check the DOA website for addenda to the RFP, if any.***

## **II. ADMINISTRATIVE INFORMATION**

### **A. RFP Coordinator**

1. Requests for copies of the RFP and written questions or inquiries must be directed to the RFP coordinator listed below:

**Germaine Becks-Moody**

**Department of Health and Hospitals**

**Benefits and Services/Pharmacy Program**

**628 N 4<sup>th</sup> Street, 7th Floor**

**Baton Rouge, LA 70802**

**Email: [Germaine.Becks-Moody@LA.GOV](mailto:Germaine.Becks-Moody@LA.GOV)**

**Fax: (225)342-9243**

2. All communications relating to this RFP must be directed to the DHH RFP Coordinator person named above. All communications between Proposers and other DHH staff members concerning this RFP shall be strictly prohibited. Failure to comply with these requirements shall result in proposal disqualification.

3. This RFP is available in pdf at the following web links:  
<http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>  
<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47>

## **B. Proposer Inquiries**

1. The Department will consider written inquiries regarding the requirements of the RFP or Scope of Services to be provided before the date specified in the Schedule of Events. To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the above address or via email address by the date specified in the Schedule of Events. Any and all questions directed to the RFP coordinator will be deemed to require an official response and a copy of all questions and answers will be posted by the date specified in the Schedule of Events to the following web link:  
<http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>  
May also be posted at:  
<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47>
2. Action taken as a result of verbal discussion shall not be binding on the Department. Only written communication and clarification from the RFP Coordinator shall be considered binding.

## **C. Pre-Proposal Conference**

Not required for this RFP

## **D. Schedule of Events**

DHH reserves the right to revise this schedule. Revisions, if any, before the Proposal Submission Deadline will be formalized by the issuance of an addendum to the RFP. Revisions after the Proposal Submission Deadline, if any, will be by written notification to the eligible proposers.

<b>Schedule of Events</b>	
Public Notice of RFP	May 13, 2015
Deadline for Receipt of Written Questions	May 20, 2015
Response to Written Questions	May 29, 2015
Deadline for Receipt of Written Proposals	June 18, 2015 4:00pm CT
Contract Award Announced	June 30, 2015
Contract Begins	August 1, 2015

### III. SCOPE OF WORK

#### A. Project Overview

The result of this RFP will be a contract with a qualified contractor that has Medicaid experience and expertise to assist the Department in developing, implementing, and providing continuing support for the FFS Medicaid Pharmacy Program, State Supplemental Rebate/PDL.

The Contractor selected for this project will:

- Manage all aspects of the supplemental rebate negotiation process;
- Provide information and data management of the PDL;
- Provide technical support to the P&T Committee;
- Provide clinical review of drugs/classes of drugs/monographs/therapeutic class reviews used for recommendations;
- Provide the Department with the financial and clinical analysis of P&T recommendations both before and after implementation;
- Negotiate supplemental rebates agreements with pharmaceutical manufacturers through multi-state pooling contracts and potentially through a single state PDL. In these negotiations, the preferred drug list may be adjusted to include limited brand name drug products in each therapeutic category;
- Assist in the process of billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department; and
- Prepare clinical and cost data for performance indicators for performance based budgeting.

#### 1. **Pharmaceutical and Therapeutics (P&T) Committee**

The Contractor shall provide the following support for the Medicaid P&T Committee including but not limited to:

- 1.1 Supply therapeutic class reviews for the Louisiana P&T Committee. All medications available in a therapeutic class will be reviewed for comparative efficacy, side effects, dosing, prescribing trends and indications;

- 1.2 Provide cost analysis of the therapeutic class to the Committee under guidelines specified by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective;
- 1.3 Review therapeutic classes no less than annually;
- 1.4 Provide clinical pharmacists to review therapeutic classes including new medications or indications as approved by the Food and Drug Administration (FDA) and provide recommendations to the P&T Committee and the Department for appropriate changes to the PDL;
- 1.5 Support, attend in person, and present clinical and cost information for all P&T Committee meetings each year;
- 1.6 Assist the Department in developing the P & T Committee recommendations following the meeting to the Secretary of DHH;
- 1.7 Develop clinically sound and cost-effective recommendations at the request of the Department to help the Department manage the PDL; and
- 1.8 Provide consultation including P&T Committee support as directed by the Department.

**2. Preferred Drug List (PDL)**

The Contractor shall assist in the management of a PDL by providing the following including, but not limited to:

- 2.1 Work in conjunction with the Department to develop a PDL that is clinically sound, cost-effective, and minimally disruptive to Louisiana's Medicaid recipients and their providers;
- 2.2 Review all medications available in a therapeutic class for efficacy, side effects, dosing, prescribing trends and indications, no less than annually. In addition, Contractor shall provide cost analysis of the therapeutic class to the P&T Committee as directed by the Department to allow the P&T Committee to make informed recommendations from both a clinical and cost perspective. The P&T Committee will be provided relative cost information pursuant to guidelines approved by the Department;
- 2.3 Provide cost analysis for all drugs which the Contractor provides a clinical monograph, in addition to any additional drug reviews from other evidence based services;
- 2.4 Make Contractor's staff available to present its proposal to the P&T Committee, in person, during the regular meetings as directed by the Department;

- 2.5 Provide clinical and cost support for all P&T Committee meetings. The Contractor will prepare informational packets for the P&T Committee members and Department staff prior to any scheduled meetings;
- 2.6 Present clinical monographs to DHH at least thirty (30) calendar days prior to the meeting date;
- 2.7 Cost analysis must contain cost, rebate information, utilization data, projected market share shifts and savings for each therapeutic class or specific drugs to be reviewed;
- 2.8 The cost sheets shall provide current utilization data and cost data in a format that will ensure rebate confidentiality;
- 2.9 The list of drugs included in the cost analysis must be pre-approved by the Department; and
- 2.10 Assist the State in developing a single state PDL if requested by the Department, including but not limited to manually/electronically updating the PDL list.

### **3. Supplemental Rebates**

The Contractor shall manage all identified aspects of the supplemental rebate process, including, but not limited to the following:

- 3.1 Maintain existing supplemental rebate agreements and negotiates new or renegotiates renewed supplemental rebate agreements with pharmaceutical manufacturers, as directed by the Department;
- 3.2 Negotiate supplemental rebate agreements with pharmaceutical manufacturers on behalf of the Department. The parties will mutually develop a time frame for negotiating State Supplemental Rebates with manufacturers within therapeutic classes;
- 3.3 Determine the best methodology for calculating state supplemental rebates paid by pharmaceutical manufacturers and develop a template to be used in contract negotiations that will meet CMS approval. The Contractor's methodology is subject to the Department's approval and ongoing adaptation to the Department's needs;
- 3.4 Negotiate State Supplemental Rebate Agreements for each Therapeutic Class selected for the PDL. In these negotiations, the preferred drug list may be adjusted to limit brand name drug products in each therapeutic category. Contractor shall renegotiate the agreements as necessary at such time as the

Department prepares to review such Therapeutic Class, and in response to changes in market conditions (e.g. when the Food and Drug Administration approves a new agent within a Therapeutic Class);

- 3.5 Obtain bids from pharmaceutical manufacturers in the form of executable supplemental rebate agreements. (Contractor and manufacturers are required to use the rebate agreement agreed on by the Department);
- 3.6 Assist the Department in obtaining CMS approval of the State Supplemental Rebate Agreements. Contractor must submit all State Supplemental Rebate Agreements and the Preferred Drug List for each Therapeutic Class to the Department for approval;
- 3.7 Present supplemental rebate agreement signed by the manufacturer to the Department thirty (30) calendar days after the Department's approval of the PDL;
- 3.8 Supplemental rebate agreements may be made between the State of Louisiana Department of Health and Hospitals and the pharmaceutical manufacturers in a format approved by the Department. One original copy of the supplemental rebate agreement with the original signatures shall be returned to the manufacturer;
- 3.9 Negotiate supplemental rebate agreements for each therapeutic class of drugs as the P&T Committee prepares to review the class. Supplemental rebate agreements shall also be renegotiated at the request of the Department;
- 3.10 Notify the Department before conducting a supplemental rebate agreement negotiation;
- 3.11 Facilitate supplemental rebate agreement discussions and inquiries from manufacturers. The Contractor shall provide the Department with a Supplemental Rebate Bid Solicitation Report, when requested by the Department;
- 3.12 Maintain the Department's State Supplemental Rebate Agreements separately from those of Contractor's other clients pursuant to La R.S. 44:4(36); and
- 3.13 All negotiations with manufacturers and inquiries including but not limited to meetings, telephone calls, and mailings from manufacturers regarding State Supplemental Rebate Agreements may be handled by the Contractor in its home office(s).



**4. Supplemental Rebate Administration**

The Contractor shall assist the State in supplemental rebate administration in the following manner, including but not limited to:

- 4.1 Provide the capability to negotiate in a multi-state purchasing pool and a state single PDL;
- 4.2 Implement multi-state pooling initiatives in accordance to guidelines established by CMS in SMDL #04-006 (will be available in the procurement library). In addition, the Contractor must have clear understanding of federal and state statutes and regulations governing the Medicaid Program, Medicare Part D and state supplemental rebates;
- 4.3 Assist the Department in dispute resolution activities with pharmaceutical manufacturers as they pertain to Supplemental Unit Rebate Agreements (SURA) calculations;

**5. Annual Analysis and Recommendation Report**

The Contractor shall prepare a formal annual report outlining Louisiana Medicaid PDL Program Overview and Results. Provide a summary of the activities of the PDL for the State Fiscal Year. Assess and report the strengths and weaknesses of the PDL program complete with opportunities for future cost saving initiatives. All data in the report shall be referenced and include current trends and best practices in the pharmacy arena.

**6. Quality Assurance**

The Contractor shall develop a Quality Assurance Plan that documents the process to be used in assuring the quality of services provided for each requirement. The plan shall be developed with the Department's Strategic Plan outcomes in mind. The Quality Assurance Plan will be used by the Pharmacy program to monitor the quality, impact, and effectiveness of services provided under the contract.

**7. Ad Hoc Reports**

The Contractor shall develop and deliver ad hoc reports as mutually agreed upon by the Contractor and the Department.

**8. Transition Plan**

The Contractor shall develop a Transition Plan to facilitate a smooth transition of the contracted functions at the end of the contract period, from the Contractor back to the Department and to another Contractor designated by the State. The plan should include, but not be limited to the following: 1) Supplemental Rebate Information, 2) P & T Committee Meeting related information, 3) PDL, 4) Invoicing Information, and 5) Savings. The Transition Plan shall be due within thirty (30) days after Contract start date. The

Department shall have autonomy over its PDL.

## **B. Deliverables**

The Contractor shall provide clinical and contracting services required by the Department to develop, implement and operate the Department's Medicaid Pharmacy Program PDL and supplemental rebate programs. The therapeutic classes to be managed will be the administrative decision of the Department in consultation with the Contractor.

All reports shall be delivered to the Department of Health and Hospitals, Medical Vendors Administration, Pharmacy Benefits Management, Bin #24, Post Office Box 91030, Baton Rouge, LA 70821-9030. Unless otherwise designated, all deliverables and correspondence from the successful Contractor must go through the designated point of contact (Melwyn Wendt or designee, Pharmacy Director). The Department may also request that reports be sent via email. The following are the minimum reports required:

### **1. Pharmaceutical and Therapeutics (P&T) Committee Reports and Documents**

- a.** Produce monographs, supplemental rebate negotiations, and savings analysis for each Therapeutic Class under review by the Committee no later than thirty (30) calendar days prior to each P&T Committee meeting. Such reviews shall include summaries of the relative safety and efficacy of each drug within the therapeutic class and recommendations for the inclusion or exclusion of medications on the PDL within each class and relative cost sheets for each drug within the therapeutic class. Savings estimations shall be coded to protect the confidentiality of rebate information, in a format agreed to by the department and the Contractor. New drugs or drug indications will be reviewed when appropriate.
- b.** Provide the P&T Committee recommendations report no later than three (3) business days following the meeting. Report shall consist of listing of preferred drugs and those requiring prior authorization.
- c.** Provide assistance in developing the minutes of the P&T Committee during and following the meeting, which is not limited to record keeping during the meeting and assistance in writing the minutes 30 calendar days or more after the meeting.
- d.** Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor.

## **2. Preferred Drug List (PDL) Reports and Documents**

- a.** Present cost sheets (orally and in written format) to DHH at least thirty (30) calendar days prior to the P&T meeting date.
- b.** Provide to the Department all relevant documentation and data necessary to allow the Department's P&T Committee to conduct a minimum of forty (40)calendar therapeutic class reviews per calendar year as agreed upon by both parties for two (2) or more P&T Committee meetings as requested by the Department per calendar year.
- c.** Review new medications in therapeutic classes affected by the PDL as these new medications are approved by the FDA.
- d.** Provide electronic files containing updates for the PDL to the Department within five (5) working days after the Department's approval of the PDL. Such files will be in a format agreed upon by the involved parties.
- e.** Provide a progress report which includes meetings, classes reviewed, contracts with pharmaceutical manufacturers, etc. with accompanying timelines.
- f.** Provide assistance to the State in developing a single state PDL if requested by the Department, including but not limited to manually/electronically updating the PDL list 15 calendar days or less after P&T meeting.

## **3. Supplemental Rebates Reports and Documents**

- a.** Produce a Monthly Contract Status Report showing the status of the State Supplemental Rebate Agreements with each manufacturer along with the manufacturer code, document and date, no later than fifteen (15)calendar days after the end of each calendar month.
- b.** Produce and facilitate the signing of supplemental rebate contracts with pharmaceutical manufacturers in a format agreed to by the Department and CMS. These contracts will be forwarded to the Department.
- c.** Provide annual reports that detail the compliance of Medicaid providers to the PDL.
- d.** Track the effective dates of all Supplemental Rebate Agreements and provide the Department with a LAM Billing File Report, which includes manufacturer, labeler codes & names, national drug code (NDC), status, QA, value, calculation, start and end Dates, Price, document number & TOP\$ tier, no later than fifteen (15) calendar days after the end of each calendar month.

- e. Produce a Monthly TOP\$ Contract Status Report which includes Mfg., Number, Document, Status, Start Date, End Date, and Products no later than fifteen (15) calendar days after the end of each calendar month.
- f. Produce an analysis of savings realized by the Pharmacy program as a result of the implementation of the PDL, in a format agreed to by the Department and the Contractor. The report shall detail the impact of the supplemental rebates on the Medicaid Pharmacy Benefits Management program in cost avoidance, supplemental rebate amounts, utilization variances and other agreed upon data within 30 calendar days after receipt of the utilization data by the Department.
- g. Provide any additional reports as necessary in a format agreed upon by the Department and the Contractor.
- h. Provide assurances that the Department's supplemental rebate agreements are kept confidential and held separately from its other clients.

**4. Supplemental Rebate Administration Reports and Documents**

- a. Contractor will provide the SURA data in a Department approved text file format.
- b. Contractor will provide the necessary documentation to the Department to support the supplemental rebate billings along with amounts to submit to the manufacturers at the NDC level in a format as specified by the Department and the rebate agreements.
- c. Provide a quarterly report listing all NDCs with zero ("0") SURAs.
- d. Provide an electronic file containing calculated supplemental unit rebate amounts (SURA) to the Department within ten (10) calendar days after receipt of the CMS National Rebate file. The parties will agree upon the format for submission of each SURA data.
- e. Submit a written report detailing the status of any disputes regarding SURA with each manufacturer no later than fifteen (15) days after the end of each month during the Term of this Agreement.

**5. Annual Analysis and Recommendation Report**

- a. A draft report to be submitted to the Department for review by January 15 and final report by February 15, annually.

**6. Quality Assurance Plan**

- a. The Quality Assurance Plan shall be due ninety (90) calendar days from the execution of the contract.

**7. Ad Hoc Reports**

- a. Establish and maintain a database that has the capacity for data analysis, generation of ad hoc reports, both electronic and hard copy, and secure storage of supplemental drug rebate information as required under this contract.
- b. Develop recommendations and provide detailed strategies for maximizing the Department's annual savings resulting from the implementation of the PDL. These recommendations shall provide specific written suggestions for enhancing rebates and lowering net pharmacy costs through PDL products and other areas as requested by the Department.
- c. Upon reasonable notice, Contractor shall be available for appearances before the Louisiana Legislature or other interested parties, as requested by the Department.
- d. Provide sample reports as requested.

**8. Transition Plan**

- a. The Transition Plan shall be due within ten (10) calendar days following the selection and notification of the Department's new Contractor or return of functions to DHH.

**C. Liquidated Damages**

- 1. In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. If assessed, the liquidated damages will be used to reduce the Department's payments to the Contractor or if the liquidated damages exceed amounts due from the Department, the Contractor will be required to make cash payments for the amount in excess. The Department may also delay the assessment of liquidated damages if it is in the best interest of the Department to do so. The Department may give notice to the Contractor of a failure to meet performance standards but delay the assessment of liquidated damages in order to give the Contractor an opportunity to remedy the deficiency; if the Contractor subsequently fails to remedy the deficiency to the satisfaction of the Department, DHH may reassert the assessment of liquidated damages, even following contract termination.
  - a. Late submission of any required report - \$50 per working day, per report.
  - b. Failure to fill vacant contractually required key staff positions within 90 businessdays - \$500 per working day from 91st day of vacancy until filled with an employee approved by the Department.
  - c. Failure to maintain all files/reports and perform all file update/reports according to the requirements in the contract, as evidenced in files/reports when reviewed during monitoring - \$100 per file/report.

- d. Late submission of invoices beginning 10 business days after the stated due date - \$50 per working day per invoice.
  - 2. The decision to impose liquidated damages may include consideration of some or all of the following factors:
    - a. The duration of the violation;
    - b. Whether the violation (or one that is substantially similar) has previously occurred;
    - c. The Contractor's history of compliance;
    - d. The severity of the violation and whether it imposes an immediate threat to the health or safety of the consumers;
    - e. The "good faith" exercised by the Contractor in attempting to stay in compliance.

#### **D. Fraud and Abuse**

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

#### **E. Technical Requirements**

The Contractor will be required to transmit all non-proprietary data which is relevant for analytical purposes to DHH on a regular schedule in XML format. Final determination of relevant data will be made by DHH based on collaboration between both parties. The schedule for transmission of the data will be established by DHH and dependent on the needs of the Department related to the data being transmitted. XML files for this purpose will be transmitted via SFTP to the Department. Any other data or method of transmission used for this purpose must be approved via written agreement by both parties.

- a. Proposer must clearly outline the solution's technical approach as it relates to a service oriented architecture. Details should include a description of capability and potential strategy for integration with future DHH wide enterprise components as they are established, specifically making use of an enterprise service bus for managing touch points with other systems, integration with a master data management solution and flexibility to utilize a single identity and access management solution.
  - b. The contractor is responsible for procuring and maintaining hardware and software resources which are sufficient to successfully perform the services detailed in this RFP.

- c. The contractor should adhere to state and federal regulations and guidelines as well as industry standards and best practices for systems or functions required to support the requirements of this RFP.
- d. The contractor shall clearly identify any systems or portions of systems outlined in the proposal which are considered to be proprietary in nature.
- e. Unless explicitly stated to the contrary, the contractor is responsible for all expenses required to obtain access to DHH systems or resources which are relevant to successful completion of the requirements of this RFP. The contractor is also responsible for expenses required for DHH to obtain access to the Contractor's systems or resources which are relevant to the successful completion of the requirements of this RFP. Such expenses are inclusive of hardware, software, network infrastructure and any licensing costs.
- f. Any confidential information must be encrypted to FIPS 140-2 standards when at rest or in transit.
- g. Contractor owned resources must be compliant with industry standard physical and procedural safeguards (NIST SP 800-114, NIST SP 800-66, NIST 800-53A, ISO 17788, etc.) for confidential information (HITECH, HIPAA part 164)
- h. Any contractor use of flash drives or external hard drives for storage of DHH data must first receive written approval from the Department and upon such approval shall adhere to FIPS 140-2 hardware level encryption standards.
- i. All contractor utilized computers and devices must:
  - Be protected by industry standard virus protection software which is automatically updated on a regular schedule.
  - Have installed all security patches which are relevant to the applicable operating system and any other system software.
  - Have encryption protection enabled at the Operating System level.

## **F. Subcontracting**

1. The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements, but should acknowledge in their proposals total responsibility for the entire contract.
2. Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the Department.
3. For subcontractor(s), before commencing work, the contractor will provide letters of agreement, contracts or other forms of commitment which demonstrate that all requirements pertaining to the contractor will be satisfied by all subcontractors through the following:
  - a. The subcontractor(s) will provide a written commitment to accept all contract provisions.

- b. The subcontractor(s) will provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract.

#### **G. Compliance With Civil Rights Laws**

1. The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.
2. Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

#### **H. Insurance Requirements**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI. This rating requirement shall be waived for Workers' Compensation coverage only.

##### **1. Contractor's Insurance**

The Contractor shall not commence work under this contract until it has obtained all insurance required herein, including but not limited to Automobile Liability Insurance, Workers' Compensation Insurance and General Liability Insurance. Certificates of Insurance, fully executed by officers of the Insurance Company shall be filed with the Department for approval. The Contractor shall not allow any subcontractor to commence work on subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the Department before work is commenced. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days' written notice in advance to the Department and consented to by the Department in writing and the policies shall so provide.

##### **2. Workers' Compensation Insurance**

Before any work is commenced, the Contractor shall obtain and maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed to provide services under the contract. In case any work is sublet, the Contractor shall require the subcontractor similarly



to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

**3. Commercial General Liability Insurance**

The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect Contractor, the Department, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by the Contractor or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the Department. Such insurance shall name the Department as additional insured for claims arising from or as the result of the operations of the Contractor or its subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

**4. Insurance Covering Special Hazards**

Special hazards as determined by the Department shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

**5. Licensed and Non-Licensed Motor Vehicles**

The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed thereunder, unless such coverage is included in insurance elsewhere specified.

**6. Subcontractor's Insurance**

The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

**I. Resources Available to Contractor**

The MVA/Benefits and Services/Pharmacy Benefits Management program assigned staff member who will be responsible for primary oversight of the contract will be the Program Manager 2 or designee. The Program Manager 2 or designee will schedule meetings to discuss progress of activities and problems identified.

**J. Contract Monitor**

All work performed by the contract will be monitored by the contract monitor Program Manager 2 or designee:

Germaine Becks-Moody

Department of Health and Hospitals

Medical Vendor Administration

Benefits and Services/Pharmacy Benefits Management Program

628 North 4<sup>th</sup> Street

Baton Rouge, LA 70802

Telephone: 225.342.9768

Email: Germaine.Becks-Moody@LA.GOV

**K. Term of Contract**

1. The contract shall commence on or near the date approximated in the Schedule of Events. The term of this contract is for a period of 3 years. With all proper approvals and concurrence with the successful contractor, agency may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Subsequent to the extension of the contract beyond the initial 36 month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial 3 year term.
2. No contract/amendment shall be valid, nor shall the state be bound by the contract/amendment, until it has first been executed by the head of the using agency, or his designee, the contractor and has been approved in writing by the director of the Office of State Procurement. Total contract term, with extensions, shall not exceed five (5) years. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

**L. Payment Terms**

1. The contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly or as defined in the contract terms. Payment of invoices is subject to approval of Germaine Becks-Moody, program manager with approval authority or designated authority. Continuation of payment is dependent upon available funding.

2. Payments will be made to the Contractor after written acceptance by the Department of Health and Hospitals of the payment task and approval of an invoice. DHH will make every reasonable effort to make payments within **30 calendar days** of the approval of invoice and under a valid contract. Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

## **IV. PROPOSALS**

### **A. General Information**

This section outlines the provisions which govern determination of compliance of each proposer's response to the RFP. The Department shall determine, at its sole discretion, whether or not the requirements have been reasonably met. Omissions of required information shall be grounds for rejection of the proposal by the Department.

Proposals should address how the proposer intends to assume complete responsibility for timely performance of all contractual responsibilities in accordance with federal and state laws, regulations, policies, and procedures.

### **B. Contact After Solicitation Deadline**

After the date for receipt of proposals, no proposer-initiated contact relative to the solicitation will be allowed between the proposers and DHH until an award is made.

### **C. Code of Ethics**

1. The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (La.R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the contracting party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.
2. Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethical issues. Notwithstanding, any potential conflict of interest that is known or should reasonably be known by a proposer as it relates to the RFP should be immediately reported to the Department by proposer.

#### **D. Rejection and Cancellation**

Issuance of this solicitation does not constitute a commitment by DHH to award a contract or contracts or to enter into a contract after an award has been made. The Department reserves the right to take any of the following actions that it determines to be in its best interest:

1. Reject all proposals received in response to this solicitation;
2. Cancel this RFP; or
3. Cancel or decline to enter into a contract with the successful proposer at any time after the award is made and before the contract receives final approval from the Division of Administration, Office of Contractual Review.
4. In accordance with the provisions of La.R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the following provisions of the Louisiana Revised Statutes of 1950 governing public contracts: Title 38, Chapter 10 (public contracts); or Title 39, Chapter 17 (Louisiana Procurement Code).

#### **E. Contract Award and Execution**

1. The Secretary of DHH reserves the right to:
  - a. Make an award without presentations by proposers or further discussion of proposals received.
  - b. Enter into a contract without further discussion of the proposal submitted based on the initial offers received.
  - c. Contract for all or a partial list of services offered in the proposal.
2. The RFP and proposal of the selected Proposer shall become part of any contract initiated by the State.
3. The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment III. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.
4. If the contract negotiation period exceeds 15 days or if the selected Proposer fails to sign the final contract 15 days of delivery, the State may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

## **F. Assignments**

Any assignment, pledge, joint venture, hypothecation of right or responsibility to any person, firm or corporation should be fully explained and detailed in the proposal. Information as to the experience and qualifications of proposed subcontractors or joint ventures should be included in the proposal. In addition, written commitments from any subcontractors or joint ventures should be included as part of the proposal. All assignments must be approved of by the Department.

## **G. Determination of Responsibility**

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34:V136. The State must find that the selected proposer:

1. Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
2. Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
3. Is able to comply with the proposed or required time of delivery or performance schedule;
4. Has a satisfactory record of integrity, judgment, and performance; and
5. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
6. Proposers should ensure that their proposals contain sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the contracted services.

## **H. Proposal and Contract Preparation Costs**

The proposer assumes sole responsibility for any and all costs and incidental expenses associated with the preparation and reproduction of any proposal submitted in response to this RFP. The proposer to which the contract is awarded assumes sole responsibility for any and all costs and incidental expenses that it may incur in connection with: (1) the preparation, drafting or negotiation of the final contract; or (2) any activities that the proposer may undertake in preparation for, or in anticipation or expectation of, the performance of its work under the contract before the contract receives final approval from the Division of Administration, Office of Contractual Review. The proposer shall not include these costs or any portion thereof in the proposed contract cost. The proposer is fully responsible for all preparation costs associated therewith even if an award is made but subsequently terminated by the Department.

## **I. Errors and Omissions**

The Department reserves the right to make corrections due to minor errors of proposer identified in proposals by the Department or the proposer. The

Department, at its option, has the right to request clarification or additional information from proposer.

**J. Ownership of Proposal**

All proposals become the property of the Department and will not be returned to the proposer. The Department retains the right to use any and all ideas or adaptations of ideas contained in any proposal received in response to this solicitation. Selection or rejection of the offer will not affect this right. Once a contract is awarded, all proposals will become subject to the Louisiana Public Records Act.

**K. Procurement Library/Resources Available To Proposer**

Department program manuals and pertinent Federal and State regulations, as well as other materials, are available for review upon request in the Procurement Library. The library is located at: at 628 N. 4<sup>th</sup> Street, Baton Rouge, LA 70802 on the 7<sup>th</sup> floor. Arrangements may be made through the RFP coordinator for access to the library. The library will be open by appointment only during the hours of 8:30am to 3:30pm on Monday through Friday beginning the day after release of the RFP and closing at 3:30pm the day before proposals must be submitted. No items or materials may be removed from the library, but DHH personnel will be available to make copies of requested materials, unless protected by Federal copyright. Charges for copying are twenty-five cents (\$0.25) per page, payable at the time copies are made. Cash is not acceptable. Checks and/or money orders are to be made payable to the Louisiana Department of Health and Hospitals.

Relevant material related to this RFP will be posted at the following web address:  
<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47>

**L. Proposal Submission**

1. All proposals must be received by the due date and time indicated on the Schedule of Events. Proposals received after the due date and time will not be considered. It is the sole responsibility of each proposer to assure that its proposal is delivered at the specified location prior to the deadline. Proposals which, for any reason, are not so delivered will not be considered.
2. Proposer shall submit one (1) original hard copy (The Certification Statement must have original signature signed in ink) and should submit one (1) electronic copy (cd or flash drive) of the entire proposal and five (5) hard copies of the proposal. Proposer should provide one electronic copy of the Redacted (cd or flash drive). No facsimile or emailed proposals will be accepted. The cost proposal and financial statements shall be submitted separately from the technical proposal; however, for mailing purposes, all packages may be shipped in one container.
3. Proposals must be submitted via U.S. mail, courier or hand delivered to:

**If courier mail or hand delivered:**

Germaine Becks-Moody  
Department of Health and Hospitals  
Benefits and Services/Pharmacy Program  
628 N 4<sup>th</sup> Street, 7th Floor  
Baton Rouge, LA 70802

**If delivered via US Mail:**

Germaine Becks-Moody  
Department of Health and Hospitals  
Benefits and Services/Pharmacy Program  
P.O. Box 91030  
Baton Rouge, LA 70821-9030

**M. Proprietary and/or Confidential Information**

1. All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.
2. Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of DHH.
3. Only information which is in the nature of legitimate trade secrets or non-published financial data shall be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, La.R.S. 44:1 et. seq., and applicable rules and regulations. Any proposal

marked as confidential or proprietary in its entirety shall be rejected without further consideration or recourse.

**N. Proposal Format**

1. An item-by-item response to the Request for Proposals is requested.
2. There is no intent to limit the content of the proposals, and proposers may include any additional information deemed pertinent. Emphasis should be on simple, straightforward and concise statements of the proposer's ability to satisfy the requirements of the RFP.

**O. Requested Proposal Outline:**

- Introduction/Administrative Data
- Work Plan/Project Execution
- Relevant Corporate Experience
- Personnel Qualifications
- Additional Information
- Corporate Financial Condition
- Cost and Pricing Analysis

**P. Proposal Content**

**1. Cover Letter**

A cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.

**2. Table of Contents**

The proposal should be organized in the order contained herein.

**3. Quality And Timeliness**

Proposals should include information that will assist the Department in determining the level of quality and timeliness that may be expected. The Department shall determine, at its sole discretion, whether or not the RFP provisions have been reasonably met. The proposal should describe the background and capabilities of the proposer, give details on how the services will be provided, and shall include a breakdown of proposed costs. Work samples may be included as part of the proposal.

**4. Assume Complete Responsibility**

Proposals should address how the proposer intends to assume complete responsibility for timely performance of all contractual responsibilities in accordance with federal and state laws, regulations, policies, and procedures.

**5. Approach and Methodology**

Proposals should define proposer's functional approach in providing services and identify the tasks necessary to meet the RFP requirements of the provision



of services, as outlined in Section III. Proposals should include enough information to satisfy evaluators that the Proposer has the appropriate experience, knowledge and qualifications to perform the scope of services as described herein. Proposers should respond to all requested areas.

## **6. Introduction/Administrative Data**

- a.** The introductory section should contain summary information about the proposer's organization. This section should state proposer's knowledge and understanding of the needs and objectives of DHH MVA/Benefits and Services/Pharmacy Benefits Management program as related to the scope of this RFP. It should further cite its ability to satisfy provisions of the Request for Proposal.
- b.** This introductory section should include a description of how the proposer's organizational components communicate and work together in both an administrative and functional capacity from the top down. This section should contain a brief summary setting out the proposer's management philosophy including, but not limited to, the role of Quality Control, Professional Practices, Supervision, Distribution of Work and Communication Systems. This section should include an organizational chart displaying the proposer's overall structure.
- c.** This section should also include the following information:
  - i.** Location of Administrative Office with Full Time Personnel, include all office locations (address) with full time personnel;
  - ii.** Name and address of principal officer;
  - iii.** Name and address for purpose of issuing checks and/or drafts;
  - iv.** For corporations, a statement listing name(s) and address(es) of principal owners who hold five percent interest or more in the corporation;
  - v.** If out-of-state proposer, give name and address of local representative; if none, so state;
  - vi.** If any of the proposer's personnel named is a current or former Louisiana state employee, indicate the Agency where employed, position, title, termination date, and social security number;
  - vii.** If the proposer was engaged by DHH within the past twenty-four (24) months, indicate the contract number and/or any other information available to identify the engagement; if not, so state; and
  - viii.** Proposer's state and federal tax identification numbers;
  - ix.** Veteran/Hudson Initiative: Proposer should demonstrate participation in Veteran Initiative and Hudson Initiative Small Entrepreneurships or explanation if not applicable. (See Attachment I)
- d.** The following information **must** be included in the proposal:
  - i.** Certification Statement: The proposer must sign and submit an original Certification Statement (See Attachment II).

## **7. Work Plan/Project Execution**

The proposer should articulate an understanding of, and ability to effectively implement services as outlined within Section III of the RFP. In this section the proposer should state the approach it intends to use in achieving each objective of the project as outlined, including a project work plan and schedule for implementation. In particular, the proposer should:

- a.** Provide a written explanation of the organizational structures of both operations and program administration, and how those structures will support service implementation. Individual components should include plans for supervision, training, technical assistance, as well as collaboration as appropriate.
- b.** Provide a strategic overview including all elements to be provided.
- c.** Demonstrate an ability to hire staff with the necessary experience and skill set that will enable them to effectively meet the needs of consumers served.
- d.** Demonstrate an understanding of, and ability to implement, the various types of organizational strategies to be integrated within the day to day operations, which are critical in organizing their functioning and maximizing productivity.
- e.** Demonstrate knowledge of services to be provided and effective strategies to achieve objectives and effective service delivery.
- f.** Describe approach and strategy for project oversight and management.
- g.** Articulate the need for, and the ability to implement, a plan for continuous quality improvement; this includes (but is not limited to) reviewing the quality of services provided and staff productivity.
- h.** Demonstrate an understanding of and ability to implement data collection as needed.
- i.** Explain processes that will be implemented in order to complete all tasks and phases of the project in a timely manner, as outlined within Section III.
- j.** Articulate the ability to develop and implement an All Hazards Response plan in the event of an emergency event.
- k.** Refer to specific documents and reports that can be produced as a result of completing tasks, to achieve the requested deliverables.
- l.** Identify all assumptions or constraints on tasks.

- m.** Discuss what flexibility exists within the work plan to address unanticipated problems which might develop during the contract period.
- n.** If the proposer intends to subcontract for portions of the work, include specific designations of the tasks to be performed by the subcontractor.
- o.** Document procedures to protect the confidentiality of records in DHH databases, including records in databases that may be transmitted electronically via e-mail or the Internet.
- p.** Proposer must clearly outline the solution's technical approach as it relates to a service oriented architecture. Details should include a description of capability and potential strategy for integration with future DHH wide enterprise components as they are established, specifically making use of an enterprise service bus for managing touch points with other systems, integration with a master data management solution and flexibility to utilize a single identity and access management solution. The contractor shall clearly identify any systems or portions of systems outlined in the proposal which are considered to be proprietary in nature.
- q.** If the proposer intends to subcontract for portions of the work, the proposer should identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the proposer under the terms of this RFP shall also be required for each subcontractor. The prime contractor shall be the single point of contact for all subcontract work.

## **8. Relevant Corporate Experience**

- a.** The proposal should indicate the proposer's firm has a record of prior successful experience in the implementation of the services sought through this RFP. Proposers should include statements specifying the extent of responsibility on prior projects and a description of the projects scope and similarity to the projects outlined in this RFP. All experience under this section should be in sufficient detail to allow an adequate evaluation by the Department. References shall include the name, email address and telephone number of each contact person.
- b.** In this section, a statement of the proposer's involvement in litigation that could affect this work should be included. If no such litigation exists, proposer should so state.

## **Minimum Qualifications of Proposer**

- a.** The Proposer shall have at least six (6) years of state Medicaid Pharmacy Program experience with PDL and State Supplemental Rebates and at least five (5) years of multi-state pooling experience prior to the deadline for receipt of proposals;
- b.** The Proposer should have, within the last thirty six (36) months prior to the deadline for receipt of proposals completed a similar type project;
- c.** The Proposer should have the experience and demonstrate the ability to implement multi-state pooling initiatives in accordance with guidelines established by CMS in SMDL #04-006;
- d.** The Proposer should demonstrate the ability to implement single-state PDL initiatives in accordance with guidelines established by CMS and the Affordable Care Act (ACA).

## **9. Personnel Qualifications**

- a.** The purpose of this section is to evaluate the relevant experience, resources, and qualifications of the proposed staff to be assigned to this project. The experience of proposer's personnel in implementing similar services to those to be provided under this RFP will be evaluated. The adequacy of personnel for the proposed project team will be evaluated on the basis of project tasks assigned, allocation of staff, professional skill mix, and level of involvement of personnel.
- b.** Proposers should state job responsibilities, workload and lines of supervision. An organizational chart identifying individuals and their job titles and major job duties should be included. The organizational chart should show lines of responsibility and authority.
- c.** Job descriptions, including the percentage of time allocated to the project and the number of personnel should be included and should indicate minimum education, training, experience, special skills and other qualifications for each staff position as well as specific job duties identified in the proposal. Job descriptions should indicate if the position will be filled by a sub-contractor.
- d.** Key personnel and the percentage of time directly assigned to the project should be identified.
- e.** Résumés of all known personnel should be included. Resumes of proposed personnel should include, but not be limited to:
  - i.** Experience with proposer,

- ii. Previous experience in projects of similar scope and size.
  - iii. Educational background, certifications, licenses, special skills, etc.
- f. If subcontractor personnel will be used, the proposer should clearly identify these persons, if known, and provide the same information requested for the proposer's personnel.

#### **10. Additional Information**

As an appendix to its proposal, if available, proposers should provide copies of any policies and procedures manuals applicable to this contract, inclusive of organizational standards or ethical standards. This appendix should also include a copy of proposer's All Hazards Response Plan, if available.

#### **11. Corporate Financial Condition**

1. The organization's financial solvency will be evaluated. The proposer's ability to demonstrate adequate financial resources for performance of the contract or the ability to obtain such resources as required during performance under this contract will be considered.
2. Proposal should include for each of the last three (3) years, copies of financial statements, preferably audited, including at least a balance sheet and profit and loss statement, or other appropriate documentation which would demonstrate to the Department the proposer's financial resources sufficient to conduct the project.

#### **10. Cost and Pricing Analysis**

- a. Proposer shall specify costs for performance of tasks. Proposal shall include all anticipated costs of successful implementation of all deliverables outlined. An item by item breakdown of costs shall be included in the proposal.
- b. Proposers shall submit the breakdown in a similar format to the attached sample cost template form (See Attachment V) for each year of the contract to demonstrate how cost was determined. Proposers must complete a cost proposal in the following format to be considered for award. Failure to complete will result in the disqualification of the proposal.

#### **Q. Waiver of Administrative Informalities**

The Department of Health and Hospitals reserves the right, at its sole discretion, to waive minor administrative informalities contained in any proposal.

#### **R. Withdrawal of Proposal**

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

## **V. EVALUATION AND SELECTION**

### **A. Evaluation Criteria**

The following criteria will be used to evaluate proposals:

1. Evaluations will be conducted by a Proposal Review Committee.
2. Evaluations of the financial statements will be conducted by a member of the DHH Office of the Secretary Division of Fiscal Management.
3. Scoring will be based on a possible total of **100** points and the proposal with the highest total score will be recommended for award.
4. **Cost Evaluation:**
  - a. The proposer with the lowest total cost for all three years shall receive 25 points. Other proposers shall receive points for cost based upon the following formula:

$$\text{CCS} = (\text{LPC}/\text{PC}) * 25$$

**CCS** = Computed Cost Score (points) for proposer being evaluated

**CPS** = Cost Proposal Score

**LPC** = Lowest Proposal Cost of all proposers

**PC** = Individual Proposal Cost

- b. The assignment of the 25 points based on the above formula will be calculated by a member of the DHH Benefits and Services/Pharmacy Program staff.
5. **Hudson/Veteran Small Entrepreneurship Program**
  - a. Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.
  - b. **Proposer Status and Reserved Points:**

Reserved points shall be added to the applicable proposers' evaluation score as follows:

    - i. Proposer is a certified small entrepreneurship: Full amount of the reserved points
    - ii. Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors. Points will be allocated based on the following criteria:

- The number of certified small entrepreneurship(s) to be utilized
- The experience and qualifications of the certified small entrepreneurship(s)
- The anticipated earnings to accrue to the certified small entrepreneurship(s)

#### **6. Evaluation Criteria and Assigned Weights**

Proposals that pass the preliminary screening and mandatory requirements review will be evaluated based on information provided in the proposal. The evaluation will be conducted according to the following.

<b>Evaluation Criteria</b>	<b>Assigned Weight</b>
<b>Introduction/Understanding of RFP</b>	<b>5</b>
<b>Work Plan/Project Execution</b>	<b>20</b>
<b>Corporate Experience</b>	<b>20</b>
<b>Qualification of Personnel</b>	<b>15</b>
<b>Financial Statements</b>	<b>5</b>
<b>Cost</b>	<b>25</b>
<b>Veteran and Hudson Initiatives</b>	<b>10</b>
<b>Total</b>	<b>100</b>

#### **B. On Site Presentation/Demonstration**

Not required for this RFP.

#### **C. Evaluation Team**

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the Department, which will determine the proposal most advantageous to the Department, taking into consideration cost and the other evaluation factors set forth in the RFP.

#### **D. Administrative and Mandatory Screening**

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be excluded from further consideration.

#### **E. Clarification of Proposals**

The Department reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities, including resolving inadequate proposal content, or contradictory statements in a proposer's proposal.

## **F. Announcement of Award**

1. The Evaluation Team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible proposer with the highest score.
2. The State will notify the successful Proposer and proceed to negotiate terms for final contract. Unsuccessful proposers will be notified in writing accordingly.
3. The proposals received (*except for that information appropriately designated as confidential in accordance with La. R.S. 44.1 et seq*); selection memorandum with a list of criteria used with the weight assigned each criteria; scores of each proposal considered with overall scores of each proposal considered; and a narrative justifying selection; shall be made available, upon request, to all interested parties after the "Notice of Intent to Award" letter has been issued.
4. Any Proposer aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within **14 days** after the award has been announced by the agency.
5. The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

## **G. Best and Final Offers (BAFO)**

1. The State reserves the right to conduct a BAFO with one or more proposers determined by the committee to be reasonably susceptible of being selected for award. If conducted, the proposers selected will receive written notification of their selection, with a list of specific items to be addressed in the BAFO along with instructions for submittal. The BAFO negotiation may be used to assist the state in clarifying the scope of work or to obtain the most cost effective pricing available from the proposers.
2. The written invitation to participate in BAFO will not obligate the state to a commitment to enter into a contract.

# **VI. SUCCESSFUL CONTRACTOR REQUIREMENTS**

## **A. Confidentiality of Data**

1. All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by DHH and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to DHH. The identification of all such confidential data and information as well as DHH's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by



DHH in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by DHH to be adequate for the protection of DHH's confidential information, such methods and procedures may be used, with the written consent of DHH, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

2. Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the *Louisiana Department of Health and Hospitals*.

#### **B. Taxes**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract

#### **C. Fund Use**

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

### **VII. CONTRACTUAL INFORMATION**

#### **A. Contract**

The contract between DHH and the Contractor shall include the standard DHH contract form CF-1 (Attachment III) including a negotiated scope of work, the RFP and its amendments and addenda, and the Contractor's proposal. The attached CF-1 contains basic information and general terms and conditions of the contract to be awarded. In addition to the terms of the CF-1 and supplements, the following will be incorporated into the contract awarded through this RFP:

##### **1. Personnel Assignments**

The Contractor's key personnel assigned to this contract may not be replaced without the written consent of the Department. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. Key personnel for these purposes will be determined during contract negotiation.

**2. Force Majeure**

The contractor and the Department are excused from performance under contract for any period they may be prevented from performance by an Act of God, strike, war, civil disturbance, epidemic or court order.

**3. Order of Precedence**

The contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions conflict, the intent of the parties shall be determined by giving first priority to provisions of the contract excluding the RFP and the proposal; second priority to the provisions of the RFP and its amendments and addenda; and third priority to the provisions of the proposal.

**4. Entire Agreement**

This contract, together with the RFP and its amendments and addenda issued thereto by the Department, the proposal submitted by the contractor in response to the Department's RFP, and any exhibits specifically incorporated herein by reference constitute the entire agreement between the parties with respect to the subject matter.

**5. Board Resolution/Signature Authority**

The contractor, if a corporation, shall secure and attach to the contract a formal Board Resolution indicating the signatory to the contract is a corporate representative and authorized to sign said contract.

**6. Warranty to Comply with State and Federal Regulations**

The contractor shall warrant that it shall comply with all state and federal regulations as they exist at the time of the contract or as subsequently amended.

**7. Warranty of Removal of Conflict of Interest**

The contractor shall warrant that it, its officers, and employees have no interest and shall not acquire any interest, direct or indirect, which conflicts in any manner or degree with the performance of services hereunder. The contractor shall periodically inquire of its officers and employees concerning such conflicts, and shall inform the Department promptly of any potential conflict. The contractor shall warrant that it shall remove any conflict of interest prior to signing the contract.

**8. Corporation Requirements**

If the contractor is a corporation, the following requirements must be met prior to execution of the contract:

- a. If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

- b. If the contractor is a corporation not incorporated under the laws of the State of Louisiana-the contractor must obtain a Certificate of Authority pursuant to R.S. 12:301-302 from the Louisiana Secretary of State.
- c. The contractor must provide written assurance to the Department from contractor's legal counsel that the contractor is not prohibited by its articles of incorporation, bylaws or the laws under which it is incorporated from performing the services required under the contract.

**9. Contract Controversies**

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1672.2-1672.4.

**10. Right To Audit**

The State Legislative Auditor, agency, and/or federal auditors and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of three (3) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

**11. Contract Modification**

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

**12. Severability**

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

**13. Applicable Law**

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

**B. Mutual Obligations and Responsibilities**

The state requires that the mutual obligations and responsibilities of DHH and the successful proposer be recorded in a written contract. While final wording will be resolved at contract time, the intent of the provisions will not be altered and will include all provisions as specified in the attached CF-1 (Attachment III).

**C. Performance Bond**

The successful proposer shall be required to provide a performance (surety) bond in the amount of its total proposal cost to insure the successful performance under

the terms and conditions of the contract negotiated between the successful proposer and the Department. Any performance bond furnished shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the *Federal Register*, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to 10 percent of policyholders' surplus or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds. No surety or insurance company shall write a performance bond which is in excess of the amount indicated as approved by the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled insurance company with an A-rating by A.M. Best up to a limit of 10 percent of policyholders' surplus as shown by A.M. Best; companies authorized by this Paragraph who are not on the treasury list shall not write a performance bond when the penalty exceeds 15 percent of its capital and surplus, such capital and surplus being the amount by which the company's assets exceed its liabilities as reflected by the most recent financial statements filed by the company with the Department of Insurance. In addition, any performance bond furnished shall be written by a surety or insurance company that is currently licensed to do business in the state of Louisiana.

#### **D. Indemnification and Limitation of Liability**

1. Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under the Contract.
2. Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State. If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its

Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

3. The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.
4. In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.
5. For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.
6. The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **E. Termination**

### **1. Termination For Cause**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not

have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the state to cure the defect.

**2. Termination For Convenience**

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination. At sole option of the State, it may negotiate with the Contractor for a termination date after thirty (30) days from written notice. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily

**3. Termination For Non-Appropriation Of Funds**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

**F. Independent Assurances**

Not Applicable

**Attachments:**

- I. Veteran and Hudson Initiatives**
- II. Certification Statement**
- III. DHH Standard Contract Form (CF-1)**
- IV. HIPAA BAA**
- V. Cost Template**
- VI. Regional Map**

**Veteran-Owned And Service-Connected Small Entrepreneurships  
(Veteran Initiatives) And Louisiana Initiative  
For Small Entrepreneurships (Hudson Initiative) Programs**

***Participation of Veteran Initiative and Hudson Initiative small entrepreneurship  
will be scored as part of the technical evaluation.***

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurship (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service- Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at <https://smallbiz.louisianaeconomicdevelopment.com/Account/Login>.

Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurship as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

**Proposer Status and Reserved Points**

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurship to participate as subcontractors or distributors. Points will be allocated based on the following criteria:
  - the number of certified small entrepreneurship to be utilized
  - the experience and qualifications of the certified small entrepreneurship(s)
  - the anticipated earnings to accrue to the certified small entrepreneurship(s)

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran- Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S. 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at:

<http://legis.la.gov/lss/lss.asp?doc=671504>

and the statutes (R.S. 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed at:

<http://legis.la.gov/lss/lss.asp?doc=96265>

The rules for the Veteran Initiative (LAC 19:IX.Chapters 11 and 13) and for the Hudson Initiative (LAC 19:VIII.Chapters 11 and 13) may be viewed at:

<http://www.doa.louisiana.gov/osp/se/se.htm>

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship may be obtained from the Louisiana Economic Development Certification System at <https://smallbiz.louisianaeconomicdevelopment.com/Account/Login>. Additionally, a list of Hudson and Veteran Initiative small entrepreneurship, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal <https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest user=self reg> may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network <http://wwwprd1.doa.louisiana.gov/osp/lapac/vendor/srchven.cfm>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.



CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT:** The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date	
Official Contact Name	
Email Address	
Fax Number with Area Code	
Telephone Number	
Street Address	
City, State, and Zip	

Proposer certifies that the above information is true and grants permission to the Department to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

- 1. The information contained in its response to this RFP is accurate;
- 2. Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
- 3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP;
- 4. Proposer's technical and cost proposals are valid for at least 90 calendar days from the date of proposer's signature below;
- 5. Proposer understands that if selected as the successful Proposer, he/she will have 30 calendar days from the date of delivery of initial contract in which to complete contract negotiations, if any, and execute the final contract document. The Department has the option to waive this deadline if actions or inactions by the Department cause the delay.
- 6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at <https://www.sam.gov>).

Authorized Signature:

Original Signature Only: Electronic or Photocopy Signature are NOT Allowed

Print Name:

Title:

DHH - CF - 1  
Revised: 2011-06

CONTRACT BETWEEN STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS

CFMS:

DHH:  
Agency #

AND

FOR

☐ Personal Services ☐ Professional Services ☐ Consulting Services ☐ Social Services

1) Contractor (Legal Name if Corporation)			5) Federal Employer Tax ID# or Social Security # (Must be 11 Digits)		
2) Street Address			6) Parish(es) Served		
City	State	Zip Code	7) License or Certification #		
3) Telephone Number			8) Contractor Status		
4) Mailing Address (if different)			Subrecipient: <input type="checkbox"/> Yes <input type="checkbox"/> No		
			Corporation: <input type="checkbox"/> Yes <input type="checkbox"/> No		
			For Profit: <input type="checkbox"/> Yes <input type="checkbox"/> No		
			Publicly Traded: <input type="checkbox"/> Yes <input type="checkbox"/> No		
City	State	Zip Code	8a) CFDA# (Federal Grant #)		

9) Brief Description Of Services To Be Provided:

10) Effective Date 11) Termination Date

12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.

13) Maximum Contract Amount

14) Terms of Payment  
If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:

Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name	Last Name
	Title	Phone Number

15) Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE)

**During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:**

1. Contractor hereby agrees to adhere as applicable to the mandates dictated by Titles VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990 as amended; the Rehabilitation Act of 1973 as amended; Sec. 202 of Executive Order 11246 as amended, and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, political beliefs, disabled veteran, veteran status, or any other non-merit factor.
2. Contractor shall abide by the laws and regulations concerning confidentially which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or DHH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Department of Health and Hospitals, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the **originating DHH Office**.
4. Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of Contractual Review.
6. Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
7. Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
8. In cases where travel and related expenses are required to be identified separate from the fee-for-services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
9. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
10. Should contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.
11. Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract. No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.
12. No person and no entity providing services pursuant to this contract on behalf of contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113 as amended in the 2008 Regular Session of the Louisiana Legislature.
13. No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.

14. This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$2,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1595.
15. The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.
16. Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if contract exceeds \$2,000, approved by the Director of the Office of Contractual Review, Division of Administration. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
17. Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.
18. Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against DHH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in DHH's name, but at Contractor's expense and shall indemnify and hold harmless DHH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
19. Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of DHH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
20. Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, DHH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which LA R.S. 40:1299.39 provides malpractice coverage to the contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further it does not apply to premises liability when the services are being performed on premises owned and operated by DHH.
21. Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.
22. Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.

**THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.**

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS

SIGNATUREDATE

NAME

TITLE

SIGNATUREDATE

NAME

TITLE

SIGNATUREDATE

NAME

TITLE

SIGNATUREDATE

NAME

TITLE

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment \_\_\_\_ to the contract.

1. The Louisiana Department of Health and Hospitals ("DHH") is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of DHH, as that term is defined herein, because contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of DHH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for DHH involving the disclosure of PHI.
3. **Definitions:** As used in this addendum –
  - A. The term "HIPAA Rules" refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (DHHS) pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health ("HITECH") Act of the American Recovery and Reinvestment Act of 2009.
  - B. The terms "Business Associate", "Covered Entity", "disclosure", "electronic protected health information" ("electronic PHI"), "health care provider", "health information", "health plan", "protected health information" ("PHI"), "subcontractor", and "use" have the same meaning as set forth in 45 C.F.R. § 160.103.
  - C. The term "security incident" has the same meaning as set forth in 45 C.F.R. § 164.304.
  - D. The terms "breach" and "unsecured protected health information" ("unsecured PHI") have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.
8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La.R.S. 51:3071 *et seq.* At the option of DHH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by DHH, in which case contractor shall reimburse DHH for all expenses that DHH is required to incur in undertaking such mitigation activities.
9. To the extent that contractor is to carry out one or more of DHH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to DHH in the performance of such obligation(s).

10. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold DHH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between DHH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between DHH and contractor.
16. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of DHH, whichever occurs first, contractor shall return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

## COST TEMPLATE

Instructions: Proposers shall submit the cost proposal in a similar format to the attached sample cost template form (See Attachment V) for each year of the contract to demonstrate how cost was determined. Failure to complete will result in the disqualification of the proposal.

Year 1	Monthly Rate	Total
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		

Attachment V  
Cost Template .

Year 2	Monthly Rate	Total
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		



Year 3	Monthly Rate	Total
Administrative Staff (list by position)		
Direct Labor Staff (list by position)		
Contracted Staff (list by position)		
Benefits		
Operating Costs:		
Rent		
Utilities		
Telephone		
Insurance		
Other (List):		
Office Supplies (List)		
Professional Services (list)		
Other Direct Costs (list)		

YearOneTotal: \_\_\_\_\_  
 YearTwoTotal: \_\_\_\_\_  
 YearThreeTotal: \_\_\_\_\_  
 Total Cost: \_\_\_\_\_