

REQUEST FOR PROPOSALS

FISCAL/EMPLOYER AGENT
FOR PARTICIPANT-DIRECTED SERVICES

MEDICAL VENDOR ADMINISTRATION
DEPARTMENT OF HEALTH AND HOSPITALS

RFP # 305PUR-DHHRFP-FEA-MVA
Proposal Due Date/Time: May 18, 2011 4:00 PM CDT

Release Date: April 18, 2011

TABLE OF CONTENTS

Section	Content	Page
	Glossary	3
I	General Information	4
A	Background	4
B	Purpose of RFP	4
C	Invitation to Propose	5
D	RFP Coordinator	5
E	Proposer Inquiries	5
F	Pre-Proposal Conference	5
G	Schedule of Events	5
H	RFP Addenda	6
II	Scope of Work	6
A	Project Overview	6
B	Deliverables	7
C	Liquidated Damages	20
D	Fraud and Abuse	20
E	Technical Requirements	20
F	Subcontracting	21
G	Insurance Requirements	21
H	Resources Available to Contractor	22
I	Contact Personnel	22
J	Term of Contract	23
K	Payment Terms	23
III	Proposals	23
A	General Information	23
B	Contact After Solicitation Deadlines	23
C	Rejection and Cancellation	23
D	Award Without Discussion	23
E	Assignments	23
F	Proposal Cost	24
G	Ownership of Proposal	24
H	Procurement Library/Resources for Proposer	24
I	Proposal Submission	24
J	Proprietary and/or Confidential Information	25
K	Proposal Format	26
L	Requested Proposal Outline	26
M	Proposal Content	26
N	Evaluation Criteria	30
O	On Site Presentations/Demonstrations	31
P	Announcement of Award	31
IV	Contractual Information	31
	Attachments	33

Glossary

Complaint: A verbal or written expression of dissatisfaction, which calls for resolution.

Contract Monitor: A person designated by the Department to be responsible for negotiating, administering, and enforcing the terms and conditions of the contract. The contract monitor is the Department's primary point of contact through which all contracting information flows between the Department and the Fiscal/Employer Agent (F/EA).

DHH: Department of Health and Hospitals

Fiscal/Employer Agent (F/EA): The agency with which the Medical Vendor Administration (MVA) will contract to provide fiscal management services to participants enrolled in an approved self-direction option/program. The F/EA will operate as a Vendor Fiscal/Employer Agent in accordance with Section 3504 of the IRS code, IRS Revenue Procedure 70-6, and IRS Notice 2003-70.

LaPOP: the self-directed state plan service approved by CMS.

Must: Denotes a mandatory requirement

MVA: Medical Vendor Administration

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

Reporting Agency: Is defined by the IRS (Notice 2003-70) as an accounting service, franchiser, bank, service bureau or other entity authorized to perform one or more acts on behalf of an employer, including signing and filing Forms 940 and 941 and making federal tax deposits for the taxes reported in those forms. For the purpose of this RFP, the F/EA will not be allowed to use the services of a Reporting Agency. All contracted tasks must be performed by the F/EA in house.

Self-Direction: Process applied to the service delivery system whereby older persons, individuals with disabilities, and where appropriate, families, have high levels of direct involvement, control and choice in identifying, accessing and managing the services they obtain to meet their personal assistance and other health-related needs.

Shall: Denotes a mandatory requirement

Should: Denotes a preference, but not a mandatory requirement

WCS: Waiver Assistance and Compliance Section

I. GENERAL INFORMATION

A. Background

1. The mission of the Department of Health and Hospitals 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. In Louisiana, Medicaid is administered by the Medical Vendor Administration (MVA). Medicaid is the public assurance program that finances primary and preventative health care coverage to low-income families, and long-term care to low-income seniors and persons with disabilities. Medicaid is funded by both the federal and state government and covers a wide range of services including physician, hospital, nursing home, and home and community-based services.

B. Purpose of RFP

1. The purpose of this RFP is to solicit proposals from qualified proposers interested in providing fiscal management services to Medicaid recipients enrolled in an approved self-direction option/program.
2. Eligible proposers will be entities that have demonstrated a successful track record of providing fiscal management support services to participants and families in self-directed programs, by managing the payroll and bill paying functions, and managing and distributing funds contained in their individual budget. The successful proposer will have knowledge of and expertise in operating as a Vendor Fiscal/Employer Agency under Section 3504 of the IRS code, IRS Revenue Procedure 70-6, IRS Proposed Notice 2003-70, and of federal and state income tax withholding, Medicare and Social Security taxes (FICA), unemployment (FUTA and SUTA) taxes, state tax, and federal and state labor laws related to household employment.
3. The contractor must have a separate Federal Employer Identification Number (FEIN) for the sole purpose of filing certain federal tax forms (i.e., IRS Forms 2678, 8821, 940, 941, W-2 and W-3) and paying certain federal taxes (i.e., federal income tax withholding, FICA and FUTA) for program participants they represent as a F/EA.

C. Invitation to Propose

DHH Medical Vendor Administration is inviting qualified proposers to submit proposals for services to provide fiscal management services in accordance with the specifications and conditions set forth herein.

D. RFP Coordinator

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

Candace Ricard, Program Manager
Waiver Assistance and Compliance Section
Medical Vendor Administration
Department of Health and Hospitals
P.O. Box 91030
Baton Rouge, LA 70821
Telephone Number: (225) 342-6159
Facsimile Number: (225) 389-2608
Email: Candace.Ricard@la.gov

2. This RFP is available in pdf at the following weblink:
<http://www.dhh.louisiana.gov/publications.asp?ID=1&CID=25> and
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>
3. All communications relating to this RFP must be directed to the DHH RFP contact person named above. All communications between Proposers and other DHH staff members concerning this RFP are strictly prohibited. Failure to comply with these requirements may result in proposal disqualification.

E. 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 the above fax number or 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 both of the following web links:
<http://www.dhh.louisiana.gov/publications.asp?ID=1&CID=25> and
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>
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.

F. Pre-Proposal Conference

Not required for this RFP.

G. Schedule of Events

DHH reserves the right to deviate from this Schedule of Events

Schedule of Events	
Public Notice of RFP	April 18, 2011
Deadline for Receipt of Written Questions	April 27, 2011
Response to Written Questions	May 4 2011
Deadline for Receipt of Written Proposals	May 18, 2011 4:00 PM CDT
Proposal Evaluation Begins	May 19, 2011
Contract Award Announced	May 25, 2011
Contract Negotiations Begin	May 26, 2011
Contract Begins	August 1, 2011

H. 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://www.dhh.louisiana.gov/publications.asp?ID=1&CID=25> and
<http://www.prd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>

II. SCOPE OF WORK

A. Project Overview

The contractor selected for this project will provide fiscal management services to Medicaid recipients enrolled in an approved self-direction option/program.

The F/EA's fiscal responsibilities include, but are not limited to:

- verifying qualifications of workers identified in the participant's approved plan of care and budget and enrolling them in the self-direction option;
- disbursing payment to all workers identified in the participant's approved plan of care and budget; processing payroll, withholding and filing and paying applicable federal income tax withholding, FICA and FUTA, SUTA and state income taxes;
- billing for expenditures disbursed, based on the approved plan of care and budget; making refunds to Louisiana Medicaid as appropriate;
- setting up accounting records to track expenses for each participant's approved budget;
- setting up procedures for payroll and non-labor items;
- customer support; and
- maintenance of all records related to the employee's payroll, taxes and benefits.

Customer support includes but is not limited to: conducting criminal background checks for participants' employees; assistance in verifying employees' citizenship status; collecting and processing employee timesheets; training and education in reading and understanding participant expenditure reports; and producing other periodic reports. Periodic reports include individual budget expenditure reports, annual expenditure reports, demographic information and Medicaid billing reports, trend analysis and other reports as required by the State.

Currently, self-direction is available in the New Opportunities Waiver (NOW) program, a 1915(c) waiver which provides home and community-based services to people with developmental disabilities. There are approximately 75 participants currently enrolled in the self-direction option.

Self-direction is expected to expand to the following waivers/services:

- Elderly and Disabled Adult (EDA) Waiver or any successor waiver (which serves adults who are elderly and/or disabled);
- Children's Choice Waiver (which serves individuals with developmental disabilities);
- Residential Options Waiver (ROW) (which serves individuals with developmental disabilities); and
- LaPOP, a Medicaid State Plan service.

Additional waivers and/or target populations may be added upon request and approval from the Centers for Medicare and Medicaid Services (CMS).

The contract may be modified in the future to include any of the following components:

- The processing of payment for independent contractors who provide services to participants and their representatives.
- The managing of invoices for goods and services rendered and included in the participants' service plans and budgets.
- The F/EA making available a package of insurance options including disability, health, and life insurance for employees of participants.

Such inclusion would be implemented through a contract amendment and would not exceed 5% of the total contract cost.

The F/EA must perform all tasks in house. The F/EA will not be allowed to use the services of a reporting agent.

B. Deliverables

1. General Requirements

- Have policies, procedures, and internal controls in place to stay up-to-date with federal and state tax, labor, immigration, workers' compensation, and program regulations to perform effectively as a F/EA and limit any risk of liability as a result of non-compliance.
- Be responsible for filing and depositing federal taxes (federal income tax withholding, Medicare and Social Security, and federal unemployment taxes) and any unfulfilled federal tax obligations, including penalties and interest, even before approval is received from the IRS to serve as an agent for an individual participant.
- Show proof of a separate Federal Employer Identification Number (FEIN) to file the IRS Form 2678 and other federal tax forms and to make federal tax payments on participants' behalf. The F/EA's separate FEIN must not be associated with the filing of federal and state employment taxes for staff of the parent organization or sub-entity.
- Enroll as a Louisiana Medicaid provider.
- Bill the DHH Fiscal Intermediary for all Medicaid service claims at least bi-weekly.

- Establish, maintain, and show proof of bonding and registration with the Louisiana Secretary of State.
- Utilize current technology-based accounting systems that operate effectively on a large scale.
- Utilize a payroll system that addresses all related tax obligations.
- Utilize an accounting and information system to track and report service expenditures.
- Prepare and maintain a policies and procedures manual which describes the policies, procedures, and internal controls for all tasks related to the F/EA function. The manual must be reviewed annually and updated as necessary.
- Develop, implement, and maintain a current online orientation and skills training for participants/representatives and employees.
- Have a functional disaster recovery plan in place for restoring software and master files and hardware backup in the event management information systems are disabled to ensure the payroll and payment systems remain intact.
- Not disclose or otherwise provide confidential participant information to co-workers, vendors, family members, friends, or other members of a participant's support network without prior written notification and approval from the participant.
- Be culturally sensitive and emphasize the philosophy of self-direction in all business practices in order to communicate effectively with participants.
- Receive approval from MVA before conducting any marketing, including approval of marketing materials.
- Receive approval from MVA for all materials, participant/employee letters, rates, and forms prior to dissemination or implementation.
- Attend meetings (e.g. conference call, video-conference) as requested by MVA.

2. Obtain Federal and State Approval to Serve as a F/EA

The F/EA must have a separate FEIN for the sole purpose of filing certain federal employment tax forms and making federal payments on participant's behalf. This FEIN must only be used for processing wages and federal forms and taxes for the participant-employers it represents as agent and not for processing wages and related federal forms and taxes for employees of parent organizations or sub-entities. This FEIN must be obtained in addition to the F/EA organization's corporate FEIN.

The F/EA must have a system in place, internal controls documented, and written policies and procedures for:

- Obtaining a FEIN for each participant it represents and for maintaining copies of the participant's FEIN, IRS FEIN notification, and the filed Form SS-4 in the participant's file.
- Retiring participants' FEIN when they are no longer employers.
- Preparing and submitting a signed IRS Form 2678 for each participant it represents and for maintaining documentation (copy of IRS 2678, Request for Approval Letter, and IRS Notification of F/EA Approval) on file.
- Revoking the IRS Form 2678 for each participant it no longer represents in accordance with IRS requirements and for maintaining documentation in each participant's file.

- Filing a signed IRS Form 8821 for each participant it represents and for maintaining copies of the Form in each participant's file.
- Renewing IRS Forms 8821 for each applicable participant at the appropriate time and for maintaining copies of the renewals in each participant's file.
- Revoking the IRS Form 8821 when the agent no longer represents the participant and for maintaining documentation in each participant's file.
- Obtaining a state power of attorney (for state income tax, unemployment tax or both, as required by the state) from each participant it represents, and for maintaining documentation in each participant's file.
- Revoking a state power of attorney (for state income tax, unemployment tax or both, as required by the state) when it no longer represents a participant, and for maintaining documentation in each participant's file.

3. Prepare and Distribute Participant Enrollment and Worker Employment Packages

The F/EA must develop a user-friendly participant enrollment packet and employment packet. The packets must be distributed within two (2) business days of receiving the referral from the program office. Forms included in the packet should be partially populated in advance where appropriate in order to assist participants in their accurate completion.

The participant enrollment packet must contain the following information:

- F/EA brochure that includes information about the F/EA's services and operations (e.g., roles and responsibilities of the F/EA, hours of operation, toll-free number, key F/EA staff and contact information, web address, mailing address),
- Federal and state forms the participant must complete such as IRS Forms SS-4, 2678, 8821 and state power of attorney form(s) as applicable,
- Service Agreement form,
- Other applicable consent and agreement forms,
- Worker's Compensation insurance coverage (e.g. description of coverage, how to file a claim),
- Payment schedule,
- Timesheet submittal information,
- Timesheet and instructions,
- Rate sheet, and
- Sample payroll report and instructions

The employment packet must contain all required information about the F/EA, employment application, federal and state forms and instructions (e.g., IRS Form W-4, L-4 (State version of W-4), USCIS Form I-9, IRS Notice 797), one page employment application, criminal background check authorization form, payment information (e.g. direct deposit, mailed check), agreements and documents to enroll employees into the F/EA's payroll system.

The F/EA must process the participant's information within seven (7) business days and notify the participant if any paperwork is missing or incomplete. If the participant is required to submit additional/corrected information, then the F/EA must process this information within two (2) business days from the date of receipt of the new

paper work. Ideally, the new information should be processed immediately upon receipt.

The F/EA must process the employee's paperwork within four (4) business days and notify the participant of the employee's hire status. The F/EA is responsible for ensuring the employee meets the qualifications set by the state before clearing an employee for hire and/or processing payment for the employee on behalf of the participant.

The F/EA must:

- Have a system in place, internal controls documented, and written policies and procedures for producing and distributing the participant enrollment packets, collecting and processing the information contained in the participant enrollment packet, and maintaining documentation in each participant's file.
- Have a system in place, internal controls documented, and written policies and procedures for producing and distributing the employment packet, clearing employees for hire, and collecting, processing the information contained in the employment packet, and maintaining documentation in each employee's file.

4. Management of Participant's Budget Funds

- Have a system in place, written policies and procedures, and internal controls documented for receiving and maintaining participants' initial and updated service plans and budgets.
- Have internal controls documented for monitoring billing of the State's Medicaid Management Information System. All billings must be submitted in a HIPAA claims format.
- Have an information system in place, written policies and procedures, and internal controls documented to receive and disburse participant's Medicaid budget funds and track budget funds received, disbursed and remaining balances for each participant individually and in the aggregate.

5. Payroll Process

- Have a system in place, written policies and procedures, and internal controls documented:
 - For collecting and processing an IRS Form W-4 and Form L-4 from each worker it processes payroll and maintaining a copy of the form in each worker's file.
 - For collecting and processing an IRS Form W-5 from each eligible worker it processes Federal Advanced EIC for and maintaining a copy of the form in each worker's file.
 - To assist participants in verifying worker's citizenship and alien status by collecting a completed USCIS Form I-9 for every worker it processes payroll for in each worker's file and for maintaining a copy of the form in each worker's file.
 - To process criminal background checks on prospective workers as required by the state, notifying the state and participant of the results, and for maintaining copies of the documentation in the workers' file as required by the state.

- To prevent prospective workers from being hired if they have a conviction which prevents employment in a health-care setting, or if they do not meet the training requirements established by the state.
- To verify each worker's social security number and maintaining the appropriate documentation in each worker's file.
- To verify the state of residence for each worker and maintaining the appropriate documentation in each worker's file.
- To ensure workers are paid in compliance with federal and state Department of Labor wage and hour rules for regular and overtime pay.
- To report new hires per state requirements and maintain documentation in the participant's file.
- Design and produce a user-friendly timesheet and instructions for completing the timesheet.
- Design and produce an expenditure planning tool and instructions for each target population, as requested.
- Verify through the Louisiana Service Tracking (LAST) system that the participant has a current authorization for self-direction prior to authorizing payment for goods or services on behalf of the participant.
- Pay the participant's employees in full for net wages earned, not to exceed the authorized number of hours approved.
- Make adjustments and voids for prior authorization and data collection with the Fiscal Intermediary as necessary.
- Meet the requirements of the Medicaid Management Information System (MMIS) for transactions, confidentiality, and security, and demonstrate on-going compliance with these requirements.
- Have a system in place, written policies and procedures, and internal control documented:
 - For producing, distributing, collecting, verifying, and processing workers' timesheets and maintaining copies in the worker's file.
 - For developing and maintaining a database that is effective for tracking and responding to occurrences of timesheet overbilling and timesheets that cannot be paid due to missing or erroneous information.
 - To determine if the participant's workers are family members who might be exempt from paying into FICA, FUTA, and SUTA, and for processing them accordingly.
 - For withholding FICA and federal income tax withholding for all participants it represents and their employees per payroll period and for maintaining documentation in the F/EA's files.
 - For filing FICA and federal income tax withholdings using an IRS Form 941 quarterly and in the aggregate with its separate FEIN for all individuals it represents and for maintaining a copy of each IRS Form 941 filed and other documentation in the F/EA's files.
 - For depositing FICA and federal income tax withholdings in the aggregate for all participants it represents using the F/EA's separate FEIN, in accordance with IRS depositing rules and for maintaining documentation in the F/EA's files.

- For withholding Federal Unemployment Tax (FUTA) for all participants it represents per payroll period and maintaining documentation in the F/EA's files.
- For filing FUTA using an IRS Form 940 annually in the aggregate using the F/EA' separate FEIN for all participants it represents and maintaining documentation in the F/EA's files.
- For depositing FUTA in the aggregate using the F/EA's separate FEIN quarterly for all participants it represents and for maintaining documentation in the F/EA's files.
- For managing Federal Advanced Earned Income Credit (EIC) for each eligible worker in an accurate and timely manner and for maintaining documentation in the F/EA's files.
- For registering participants as employers and obtaining each participant's state income tax registration number for income tax filing and payment purposes for each participant it represents and maintaining documentation in the participant's file.
- For registering participants as employers and obtaining each participant's state employer registration number for state unemployment tax filing and payment purposes for each participant it represents and maintaining documentation in the participant's file.
- For retiring a participant's state income and unemployment tax registration number when the participant no longer is the employer of workers (permanently) and maintaining documentation in the participant's file.
- For withholding, filing, and depositing/paying state income tax and unemployment insurance taxes individually for each participant it represents per state requirements and for maintaining documentation in the participant's file.
- For filing and depositing out-of-state income tax withholdings, as required by the state or requested by the worker, for workers who reside outside of the state they work in and for maintaining documentation in the worker's file.
- For filing and depositing locality taxes related to employment, as applicable, and for maintaining documentation in the participant's file.
- For managing the application of all garnishments, levies and liens on workers' payroll checks in an accurate and timely manner and for maintaining documentation in the participant's file.
- To pay workers within the time period required by the state Louisiana Workforce Commission (e.g., per state "Payday" requirement) and for maintaining documentation in each worker's file.
- For processing worker's direct deposit and for maintaining documentation in the worker's file.
- For submitting any unclaimed funds for all entities (workers and vendors) to the State Treasury Department in accordance with the state's unclaimed property act and for maintaining documentation in the workers' and vendors' files.
- For processing wage information requests from federal and state agencies and other qualified entities and maintaining documentation and correspondence in the worker's file.

6. End of Year Federal Tax Processes

- Have a system in place, written policies and procedures, and internal control documented:
 - For refunding over collected FICA to applicable individual employers (or state or parish government) and employees in accordance with the December 18, 2000 IRS letter and for maintaining documentation in the F/EA's files.
 - For preparing, filing and distributing IRS Forms W-2 for workers per IRS instructions for agents, for electronic filing when processing 250 or more IRS Forms W-2 and for maintaining documentation in the worker's file.
 - For preparing, filing and distributing IRS Forms W-3 in the aggregate for all participants the agent represents per IRS instructions and for maintaining documentation in the F/EA's files.

7. Customer Service System

- Have a customer service system in place, located in the continental United States, that includes:
 - A 24/7 toll-free (1-800 number) telephone system **with prompt (within 4 rings or less) answering during business hours (8:00 am to 5:00 pm Central Time M-F, excluding approved holidays), to ensure no more than a three (3) minute wait time for callers.**
 - A 24/7 high-speed fax machine.
 - Web-based information regarding F/EA services.
 - Internet/e-mail communication.
 - Ability to provide translation and interpreter services (i.e. American Sign Language and services for persons with Limited English Proficiency).
 - Materials available in alternate formats (e.g., large print, use of telecommunication devices for the hearing and speech impaired, languages other than English).
 - Methods for receiving, returning and tracking calls from participants, support coordinators, and workers during and after regular business hours.
 - Methods for receiving, responding to and tracking complaints from participants, support coordinators, and workers within the established time period not to exceed 30 days.
 - Methods for acting as a mandatory reporter, particularly for financial fraud and abuse issues, to the appropriate state agencies.
- Develop, implement, and maintain a current online orientation and skills training courses for participants/representatives and employees. Examples of required skill training are fiscal management of payroll, documentation required for all directly hired employees, completion of timesheets accurately and timely, and self-direction policies and procedures (based on the program's policy and existing handbook). The F/EA will be responsible for making the orientation and skills training available to participants and employees upon the start of the contract. **The F/EA must also develop, implement, and maintain a competency-based online examination for employees to cover the information presented in the online training courses. The online examination should automatically provide the employee with a score and allow the employee to print a completion certificate.** The F/EA will work with the DHH staff, participants and

employees to provide training on the completion of state and federal forms, and will provide them with the necessary forms and packets for participants. The F/EA will be available to answer questions and provide additional training by telephone to support coordinators and participants. MVA must approve all elements of the orientation/skill training prior to implementation and revision.

- Develop and implement customer service training for F/EA staff.
- Develop and implement an annual participant/representative satisfaction survey, based on state measuring criteria. The sampling methodology and survey questions will be developed by MVA.
- Develop policies and procedures that emphasize the application of the philosophy of participant-direction and being culturally sensitive in all business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of needs, disabilities and chronic conditions.
- Have written policies and procedures and internal controls documented for implementing the components of its customer service system.
- Return calls within one (1) business day.

8. Record Management System

All participant and employee records will be the sole property of MVA and must be returned to MVA upon termination of the contract.

The F/EA must:

- Have a system in place, written policies and procedures, and internal controls documented for establishing and maintaining current and archived participant, worker, vendor and F/EA files in a secure and confidential manner as required by federal and state rules and regulations (e.g., meet any applicable HIPAA requirements).
- Have a functional disaster recovery plan for electronic and hard copy files in place and documented. This plan will include a description of hardware backup if management information systems are disabled, and the process to allow for the continuation of budget allowance disbursements which includes at a minimum the following, and would ensure the rapid return to limited operation:
 - The accuracy of software and data at return to operation
 - The ability to return to full capacity as soon as possible
 - A complete backup of all non-software data sets at the end of each production day
 - The resultant discs be removed to an external secure cite. These back-up discs should be cycled on at least a weekly basis.
 - The server should be designed to employ a method of redundancy for operational integrity and production.
 - All workstations attached to the network should have sufficient processing capability to be used interchangeably and should be able to backup one another until repair or replacement can be affected on a failed workstation.
- Have a system in place, written policies and procedures, and internal controls documented for testing and updating the disaster recovery plan for electronic and hard copy files.

9. Brokering Workers' Compensation Insurance

The F/EA must have a system in place, written policies and procedures, and internal controls documented to process and pay workers' compensation insurance policies for each participant it represents in accordance with the state's workers' compensation insurance law and for maintaining the documentation in each participant's file.

10. Preparing and Maintaining a F/EA Policies and Procedures Manual and Staying Up-to-Date with Federal and State Rules and Regulations Regarding F/EAs and Household Employers

The F/EA must have an automated, comprehensive F/EA policies and procedures manual which includes all policies and procedures related to the tasks associated with performing the F/EA functions, any overlapping communication and data transmission tasks, and internal controls for monitoring the completion of all F/EA tasks. The manual must be available to all F/EA staff and must be incorporated into all training programs for new and existing F/EA staff.

The F/EA must have a system in place, written policies and procedures and internal controls:

- For maintaining and updating its F/EA policies and procedures manual at least annually, and as needed.
- For reviewing and updating all IRS forms, instructions, notices and publications related to F/EAs, household employers and domestic service workers and preparing, filing and depositing federal taxes on behalf of household employers/participants it represents at www.irs.gov.
- For reviewing and updating all applicable US Citizenship and Immigration Service (US CIS) rules, forms (i.e., Form I-9,) and instructions (Key web site: www.uscis.gov).
- For reviewing and updating all applicable federal Department of Labor rules, forms and instructions related to household employers and domestic service employees pertaining to the Federal Fair Labor Standards Wage and Hour rules (Key website: www.dol.gov).
- For reviewing and updating all state income tax withholding forms and state unemployment insurance tax forms, instructions and manuals related to F/EAs, household employers and domestic service workers and preparing, filing and depositing state taxes on behalf of household employers/participants it represents (Key website: www.revenue.louisiana.gov).
- For staying up-to-date with the state's new hire registration process (paper or electronic filing options).
- For staying up-to-date with state workers' compensation insurance laws pertaining to household employers who hire personal care and other support service workers.
- For staying up-to-date with state mandatory disability insurance laws pertaining to household employers who hire personal care and other support service workers, when applicable.

All changes to the F/EA policies and procedures manual must be approved by MVA in advance of implementation or revision.

11. Preparing and Submitting Required Reports

The F/EA must have a system in place, written policies and procedures, and internal controls documented to prepare and submit required reports to MVA in a timely manner.

Reports must be available in both hard copy and electronic format.

The following reports must be submitted on the 15th day of the month for the prior month:

- Criminal background check reports, which specify the individual name of the participant and worker, program/waiver, date authorization was received and submitted, date results received and reported to participant and state, and results of check.
- Employee training reports, which specify the individual name of the participant and worker, waiver/program training by type, and expiration dates.
- Payroll reports, which will be generated to the participant and DHH staff. The payroll report should include the type of program/waiver, number of hours the participant has available for the prior authorization period, the number of hours used, number of hours remaining for use, hours worked by employee, check date, amount, number, and taxes by employee, and any vendor payments.
- Automobile insurance reports, which specify the individual name of the participant and worker, program/waiver whether the worker's insurance meets the state's minimum coverage, expiration date, and whether the participant has submitted a waiver letter.
- Over/under utilization reports
- Savings reports
- Complaints, which specify the individual name of the participant, name of the person making the complaint, program/waiver, reason for complaint, date complaint received, date complaint resolved, and resolution.
- Errors which prevent payment
- Current and archived listing of participants and workers, which includes all applicable enrollment and termination dates, program/waiver, address, telephone numbers, and social security numbers.
- Quantity of calls received; timeliness of answering calls; quantity of abandoned calls; length of calls.
- Monthly and historical reports of the participant's budget, authorized services, paid claims, and claims that have not been adjudicated. These reports should include the name and identification number of each participant; services authorized and rate per service for each participant; names of each participant's employees and their identification numbers, services provided, dates authorized to provide each service for which they have been hired, termination dates, service code, number of hours of each service provided, hourly rate of pay, check number for each payroll payment, and wages, taxes and insurances paid (as applicable) for the current month and cumulatively; total payments made for each service code by the F/EA on each participant's behalf for the current month and

cumulatively; all claim submitted to the F/EA for payment, but not paid, and the reason, for each participant for the current month and cumulatively; statement of funds received, funds expended and any amount remaining; timely identification of participants who are projected to exceed their budget allowance; and identification of participants who incur no expenses in a given month. Other data elements may be added at the discretion of MVA.

The F/EA shall submit the results of the satisfaction survey to MVA on an annual basis.

The F/EA shall, on a quarterly basis, using a methodology approved by MVA, review a sample of timesheets for accuracy and timeliness. The F/EA shall report its findings to MVA, and MVA will determine any action that will be taken regarding the findings.

MVA reserves the right to change reporting requirements and request reasonable ad-hoc reports with sufficient notice. The format and data elements of reports must conform to MVA requirements. The F/EA will be responsible for all programming functions and cost associated with the design, maintenance, or enhancement of the reporting system.

12. Accounting and Banking Requirements

- Follow Generally Accepted Accounting Principles and practices in the use of general ledger and subsidiary accounting systems and handling of participant funds.
- Establish a separate, non-interest bearing bank account for participant funds that is not co-mingled with funds from any other source.

13. Service Delivery Location and Service Times

The contractor will be responsible for supplying its own facility or building as part of its performance under the contract. All participant, employee, vendor, and agency records must be maintained in a secure location.

The contractor shall notify the contract monitor in writing a minimum of 30 days prior to making changes in location which will affect the ability of the agency, participants, employees, vendors, and support coordinators to contact the contractor by telephone, facsimile transmission, or mail.

A contractor representative shall be available to agency staff, participants, employees, and support coordinators between the hours of 8:00 AM and 5:00 PM Central Time, Monday through Friday (excluding state and federal holidays). At other times messaging shall be available. Calls shall be returned within one business day from the time the message is recorded or letter of inquiry is received.

14. Business and Professional Qualifications

Each proposer shall include their proposed staffing for technical, administrative, and clerical support. Resumes and qualifications of all key staff and subcontractors must be submitted as part of the proposal, as well as an organizational chart.

The successful proposer shall maintain an adequate administrative organizational structure and support staff sufficient to discharge its contractual responsibilities. The contractor must employ at least one staff member with a bachelor's degree in accounting and five (5) years of applicable experience or a master's degree in accounting and two (2) years of applicable experience.

The contractor must have on staff or subcontract with a database administrator and sufficient programmers with experience in the software languages required.

The contractor will designate, subject to MVA approval, a Project Director for this contract who will have day-to-day authority to manage the overall operations. The Project Director will be available to MVA by telephone during regular business hours. The contractor will advise MVA of the percentage of time the Project Director will devote to this contract and provide an administrative telephone number that will enable MVA to reach the Project Director directly.

In the event MVA determines that the contractor's staffing levels do not conform to those promised in the proposal, it shall advise the contractor in writing and the contractor shall have 30 days to remedy the identified staffing deficiencies.

The contractor shall replace, on the project, any employee whose continued presence would be detrimental to the success of the project as determined by MVA with an employee of equal or superior qualifications. The MVA Contract Monitor will exercise exclusive judgment in this matter.

15. Performance Measures

Performance measures have been developed to monitor the performance of the F/EA. Additional performance measures may be developed and/or existing performance measures may be revised.

Formal monitoring of the F/EA will occur annually by MVA and/or the program office. The F/EA may be monitored more frequently at the discretion of MVA. Performance evaluation methodology may include the following standards:

- The F/EA will distribute the participant enrollment package within two (2) business days of receiving the referral.
- The F/EA will distribute the employment package with two (2) business days of receiving the referral.
- Provided the F/EA is furnished with current addresses and properly completed and submitted timesheets, payments by Electronic Funds Transfer will be made within five (5) business days and paychecks will be mailed within three (3) business days after the deadline for receiving timesheets for that particular payroll period.
- The F/EA will only remit payments for goods and services that are authorized in the current budget/expenditure plan.
- The F/EA will process time worked from the participant submitted timesheets. The F/EA will then calculate correct payroll payments amounts to employees at least 99% of the time.

- The F/EA will accurately file, deduct, and deposit taxes and fees from participant/employee accounts at least 99% of the time.
- Provided the F/EA is furnished with current addresses, bi-weekly budget reports will be mailed to participants within three (3) days after the payroll period.
- The F/EA will notify participants of the employee's eligibility for hire, based on the results of the criminal conviction check, training certification, and completion of required paperwork within four (4) business days. The training certification and required paperwork must be verified as completed and the criminal background check must be received and verified within this timeframe.
- The F/EA system will accurately report participant account activity on budget reports to participants at least 99% of the time.
- MVA requests for individual account reconciliation will be received within fifteen (15) days of the written request.
- The F/EA will respond to complaints within ten (10) business days and track the nature of the complaint and action taken for submission in the complaint report that is required by MVA.
- Calls to customer service or letters of inquiry will be responded to within one (1) business day.
- The F/EA will receive an acceptable score, defined as at least a score of 85%, on the annual participant satisfaction survey.

By execution of the contract the successful proposer acknowledges and agrees that its performance under the contract must meet the standards set forth above and that it will be bound by conditions set below.

16. Transition Plan

Upon notification of award, the successful proposer must work with MVA to ensure connectivity of all information technology systems; to develop forms and materials for participants and employees; and to make adjustments to any of the F/EA's business operations necessary to implement the services described in this RFP.

The F/EA must complete an implementation plan that includes all tasks, action steps, timelines, and responsible parties for all requirements contained in this RFP.

The F/EA must detail a transition plan to convert current participants and enroll future participants and employees.

The F/EA must submit the comprehensive policies and procedure manual to MVA at least 30 days prior to the start of the contract and incorporate modifications required by MVA within 10 business days of notification. The F/EA must review the manual within 30 days following the start of the contract for modifications and then on an as needed basis, but at least annually, thereafter.

17. Turnover Plan

The F/EA shall be liable for all payroll claims and contract responsibilities incurred up to the date of termination of contract.

The F/EA will develop a turnover plan within 180 days of award, acceptable to MVA in its sole discretion. The turnover plan and any modification or updates must be prior approved by MVA. The turnover plan must be updated at least annually. The objective of the turnover plan is to provide for an orderly and controlled transition of the F/EA's responsibilities to a successor F/EA at the conclusion of the contract period and to minimize disruption of payroll services provided to participants.

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.
 - 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 days - \$500 per working day from 91st day of vacancy until filled with an employee approved by the Department.
 - c. Failure to maintain all client files and perform all file updates according to the requirements in the contract, as evidenced in client files when reviewed during monitoring site visit - \$100 per client.
 - d. Late submission of invoices beginning 10 business days after the stated due date - \$50 per working day per invoice.
 - e. For performance below the standards indicated in this RFP, Section II, B (15), MVA will pay 80% of the per member per month fees. Liquidated damages may be imposed on the next invoice once a final decision is made by the Department.
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 must maintain hardware and software compatible with current DHH requirements which are as follows:

- IBM compatible PC,
- Pentium 4, Celeron or equivalent processor (or compatible successors),
- 2 Gig of RAM memory,
- Enough spare USB ports to accommodate thumb drives, etc.
- 10 Gig free hard drive space (suggest 80 Gig hard drive for the system);
- Ethernet LAN interface for laptop and desktop PCs
- Color monitor;
- Printer compatible with hardware and software required;
- High speed internet with email;
- CD ROM;
- Windows XP, SP3 or later version of operating system (minimum);
- Windows Internet Explorer 7.0 (or later)
- Microsoft Office 2003 or later;
- Appropriate firewalls for internet security.
- Compliant with industry-standard physical and procedural safeguards for confidential information (NIST 800-53A, ISO 17788, etc.).

F. Subcontracting

The Contractor shall not contract with any other party for furnishing any of the work and professional services required by the contract without the express prior written approval of the Department. The Contractor shall not substitute any subcontractor without the prior written approval of the Department. For subcontractor(s), before commencing work, the contractor will provide letters of agreement, contracts or other forms of commitment which demonstrates 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. 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 Worker's Compensation coverage only.

1. Contractor's Insurance

The Contractor shall not commence work under this contract until it has obtained all insurance required herein. 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 notice in advance to the Department and consented to by the Department in writing and the policies shall so provide.

2. 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.

H. Resources Available to Contractor

MVA will have an assigned staff member who will be responsible for primary oversight of the contract. This individual will schedule meetings to discuss progress of activities and problems identified.

I. Contact Personnel

All work performed by the contract will be monitored by the contract monitor:

Candace Ricard
Department of Health and Hospitals
Medical Vendor Administration
Waiver Assistance and Compliance
P.O. Box 91030
Baton Rouge, LA 70821
Phone: (225) 342-6159
Email: Candace.Ricard@LA.GOV

J. Term of Contract

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 three (3) years.

K. Payment

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 MVA.

III. 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.

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. Rejection and Cancellation

Issuance of this solicitation does not constitute a commitment by DHH to award a contract or contracts. The Department reserves the right to reject all proposals received in response to this solicitation.

In accordance with the provisions of R.S. 39:2182, 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 laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

D. Award Without Discussion

The Secretary of DHH reserves the right to make an award without presentations by proposers or further discussion of proposals received.

E. 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.

F. Proposal Cost

The proposer assumes sole responsibility for any and all costs associated with the preparation and reproduction of any proposal submitted in response to this RFP, and shall not include this cost or any portion thereof in the proposed contract price

G. 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.

H. Procurement Library/Resources Available To Proposer

Relevant material related to this RFP will be posted at the following web address:
<http://www.dhh.louisiana.gov/publications.asp?ID=1&CID=25>

I. 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 and should submit one (1) electronic copy and nine (9) hard copies of each proposal. No facsimile or emailed proposals will be accepted. The cost proposal and financial statements should 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:
Mary Gonzalez
Department of Health and Hospitals
Division of Contracts and Procurement Support
628 N 4th Street, 5th Floor
Baton Rouge, LA 70802

If delivered via US Mail:
Mary Gonzalez
Department of Health and Hospitals
Division of Contracts and Procurement Support
P.O. Box 1526
Baton Rouge, LA 70821-1526

J. Proprietary and/or Confidential Information

1. The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of the proposal. The cost proposal will not be considered confidential under any circumstances. Any proposal copyrighted or marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.
2. For the purposes of this RFP, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 et. seq.) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this RFP shall be open to public inspection. Proposers are reminded that while trade secrets and other proprietary information submitted in conjunction with this RFP may not be subject to public disclosure, protections must be claimed by the proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.
3. The proposer must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential proprietary information as “confidential” in order to claim protection, if any, from disclosure. The proposer shall mark the cover sheet of the proposal with the following legend, specifying the specific section(s) of the proposal sought to be restricted in accordance with the conditions of the legend:

“The data contained in pages _____ of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this proposer as a result of or in connection with the submission of this proposal, the State of Louisiana shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the State of Louisiana’s right to use or disclose data obtained from any source, including the proposer, without restrictions.”
4. Further, to protect such data, each page containing such data shall be specifically identified and marked “CONFIDENTIAL”.
5. Proposers must be prepared to defend the reasons why the material should be held confidential. If a competing proposer or other person seeks review or copies of another proposer's confidential data, DHH will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must take legal action as necessary to restrain DHH from releasing information DHH believes to be public record.
6. **If the proposal contains confidential information, a redacted copy of the proposal must be submitted.** If a redacted copy is not submitted, DHH may consider the entire proposal to be public record. When submitting the redacted copy, it should be clearly marked on the cover as - “REDACTED COPY”. The redacted copy should also state which sections or information has been removed.”

7. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

K. 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.

L. Requested Proposal Outline:

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

M. Proposal Content

1. Proposals should include information that will assist the Department in determining the level of quality and timeliness that may be expected. The agency 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. It should also include information that will assist the Department in determining the level of quality and timeliness that may be expected. Work samples may be included as part of the proposal.
2. 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.
3. 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 II.
4. 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 Medical Vendor Administration, Self-Direction option 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 Active 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.
 - d. The following information **must** be included in the proposal:
 - i. Certification Statement: The proposer **must** sign and submit the attached Certification Statement (See Attachment I).
 - ii. Proposer **shall** guarantee that there will be no conflict or violation of the Ethics Code if it is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.
 - iii. Proposer **shall** guarantee that the entire proposal will be valid for a period of 120 days after the submission date
 - iv. Proposer **shall** guarantee that the proposal submitted shall become a contractual obligation and valid if a contract is awarded.
5. Work Plan/Project Execution
- The proposer should articulate an understanding of, and ability to effectively implement services as outlined within Section II 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 II.
 - 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, the proposer should 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.
6. Relevant Corporate Experience
- a. The proposal should indicate the firm has a record of prior successful experience in the design and 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. The proposer should have, within the last 24 months completed a similar type project. Proposers should give at least two customer references for projects completed in at least the last 24 months. References should 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.
 - c. The proposer must provide a list, with contact information, of all organizations for which it has served as the F/EA for the past five (5) years.
7. 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:
 - Experience with proposer,
 - Previous experience in projects of similar scope and size.
 - 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.
 - g. MVA reserves the right to approve or disapprove any member of the contractor's staff, to approve or disapprove any proposed changes in such staff, or to require the removal or reassignment of any staff found to be unacceptable to MVA.
8. 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.
9. Corporate Financial Condition

- a. 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.
 - b. 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 IV) for each year of the contract to demonstrate how cost was determined.
 - c. The proposer shall specify the cost using a per member per month rate structure, based on the factors described above. The proposer must specify the per member per month fee for each year of the contract.

N. 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 Fiscal Division.
- 3. Scoring will be based on a possible total of 100 and the proposal with the highest total score will be recommended for award.
- 4. Cost Evaluation:
 - a. The proposer with the lowest total cost shall receive 25 points. Other proposers shall receive points for cost based upon the following formula:

$$CPS = (LPC/PC) * 20$$

CPS = Cost Proposal Score

LPC = Lowest Proposal Cost of all proposers

PC = Individual Proposal Cost

- b. The assignment of the 20 points based on the above formula will be calculated by a member of the DHH Contracts Office staff.
- c. Additionally, a maximum of 5 points may be awarded for the cost criteria based on evaluation of reasonableness of cost based on economies of scale,

adequate budget detail, and justification that all cost is consistent with the purpose, objectives, and deliverables of the RFP.

- d. The DHH Deputy Undersecretary may provide assistance with the evaluation of the additional 5 points.

5. Evaluation Criteria and Assigned Weights:

Evaluation Criteria	Assigned Weight
Introduction/Understanding of RFP	5
Work Plan/Project Execution	25
Corporate Experience	20
Qualification of Personnel	20
Financial Statements	5
Cost	25
Total	100

O. On Site Presentations/Demonstrations

Not required for this RFP.

P. Announcement of Award

The Department will award the contract to the proposer with the highest graded proposal and deemed to be in the best interest of the Department. All proposers will be notified of the contract award. The Department will notify the successful proposer and proceed to negotiate contract terms.

IV. CONTRACTUAL INFORMATION

- A. The contract between DHH and the Contractor shall include the standard DHH contract form (CF-1/attached) 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.

- 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.

- C. Performance Bond-For all contractors (for profit or not for profit) awarded contracts through the RFP; the Department shall require the contractor, within 10 days of signing the contract, to procure, submit, and maintain a Performance Bond in the amount of 10% of the annual contract amount.

OR

Retainage-As an alternative to a performance bond or letter of credit requirement above, the Department, at the request of the contractor and acceptance by the Department, may secure a retainage of 10% from all billings under the contract as surety for performance. On successful completion of contract deliverables, the retainage amount may be released on an annual basis.

D. In addition, to 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 a first priority to provisions of the contract excluding the RFP and the proposal; second priority to the provisions of the RFP; and third priority to the provisions of the proposal.
4. Entire Agreement: This contract, together with the RFP 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. If the contractor is a corporation, the following requirement must be met prior to execution of the contract:
 - a. If a for-profit corporation whose stock is not publicly traded-the contractor must file a Disclosure of Ownership form with the Louisiana Secretary of State.
 - 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 agency 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.

Attachments:

- I. Transmittal Statement
- II. DHH Standard Contract Form (CF-1)
- III. HIPAA
- IV. Sample Cost Breakdown Template

CERTIFICATION STATEMENT

ATTACHMENT I

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 accepts the procedures, evaluation criteria, contract terms and conditions, and all other administrative requirements set forth in this RFP.
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 quote is valid for at least 120 days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful Proposer, he/she will have 10 business 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 www.epls.gov)

Authorized Signature: _____

Typed or Printed Name: _____

Title: _____

Company Name: _____

**CFMS:
DHH:
AGENCY #**

Attachment II
DHH - CF - 1

**CONTRACT BETWEEN STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS**

AND

FOR

Personal Services Professional Services Consulting Services Social Services

1) Contractor (Legal Name if Corporation)	5) Federal Employer Tax ID# or Social Security # (11 digits)
2) Street Address	6) Parish(es) Served
City and State	Zip Code
3) Telephone Number	7) License or Certification #
4) Mailing Address (if different)	8) Contractor Status 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 and State	Zip Code
	8a) CFDA#(Federal Grant #)

9) **Brief Description Of Services To Be Provided:**

Include description of work to be performed and objectives to be met; description of reports or other deliverables and dates to be received (when applicable). In a consulting service, a resume of key contract personnel performing duties under the terms of the contract and amount of effort each will provide under terms of contract should be attached.

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: (stipulate rate or standard of payment, billing intervals, invoicing provisions, etc.). Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	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 agreement, 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 confidentiality 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, and shall maintain, at Contractor's expense, all necessary insurance for its employees, including but not limited to automobile insurance, workers' compensation and general liability insurance.

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. All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.
12. 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.
13. 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. 1113 as amended in the 2008 Regular Session of the Louisiana Legislature.
14. 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.
15. 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 \$20,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1502.

16. 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.
17. 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 \$20,000, 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.
18. Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.
19. 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.
20. 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.
21. 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.
22. 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.

(Rev. 1/04)

HIPAA Business Associate Addendum:

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

1. The U. S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), governing the privacy of individually identifiable health information. See 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"). The Department of Health and Hospitals, ("DHH"), as a "Covered Entity" as defined by HIPAA, is a provider of health care, a health plan, or otherwise has possession, custody or control of health care information or records.
2. "*Protected health information*" ("PHI") means individually identifiable health information including all information, data, documentation and records, including but not limited to demographic, medical and financial information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual or payment for health care provided to an individual; and that identifies the individual or which DHH believes could be used to identify the individual.
 - "*Electronic protected health information*" means PHI that is transmitted by electronic media or maintained in electronic media.
 - "*Security incident*" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
3. Contractor is considered a Business Associate of DHH, as contractor either: (A) performs certain functions on behalf of or for DHH involving the use or disclosure of protected individually identifiable health information by DHH to contractor, or the creation or receipt of PHI by contractor on behalf of DHH; or (B) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial or social services for DHH involving the disclosure of PHI.
4. Contractor agrees that all PHI obtained as a result of this contractual agreement shall be kept confidential by contractor, its agents, employees, successors and assigns as required by HIPAA law and regulations and by this contract and addendum.
5. Contractor agrees to use or disclose PHI solely (A) for meeting its obligations under this contract, or (B) as required by law, rule or regulation or as otherwise permitted under this contract or the HIPAA Privacy Rule.
6. Contractor agrees that at termination of the contract, or upon request of DHH, whichever occurs first, contractor will 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 will 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.
7. Contractor will ensure that its agents, employees, subcontractors or others to whom it provides PHI received by or created by contractor on behalf of DHH agree to the same restrictions and conditions that apply to contractor with respect to such information. Contractor also agrees to take all reasonable steps to ensure that its employees', agents' or subcontractors' actions or omissions do not cause contractor to breach the terms of this Addendum. Contractor will use all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this contract and Addendum.
8. Contractor shall, within 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.

9. 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.
10. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR 164.524.
11. 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.
12. 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 Privacy Rule.
13. Compliance with Security Regulations:

In addition to the other provisions of this Addendum, if Contractor creates, receives, maintains, or transmits electronic PHI on DHH's behalf, Contractor shall, no later than April 20, 2005:

 - (A) Implement 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;
 - (B) Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it; and
 - (C) Report to DHH any security incident of which it becomes aware.
14. Contractor agrees to indemnify and hold DHH harmless from and against all liability and costs, including attorneys' fees, created by a breach of this Addendum by contractor, its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. 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 material term of this Addendum.

Year 1 Sample Cost Template

Note: Use this sample template to prepare a cost breakdown for each year of the contract

Year 1	Hourly 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)		
PER MEMBER PER MONTH RATE		

Year 2 Sample Cost Template

Note: Use this sample template to prepare a cost breakdown for each year of the contract

Year 1	Hourly 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)		
PER MEMBER PER MONTH RATE		

Year 3 Sample Cost Template

Note: Use this sample template to prepare a cost breakdown for each year of the contract

Year 1	Hourly 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)		
PER MEMBER PER MONTH RATE		