

REQUEST FOR PROPOSALS

THIRD PARTY LIABILITY ACTIVITIES

MEDICAL VENDOR ADMINISTRATION
LOUISIANA MEDICAID PROGRAM
DEPARTMENT OF HEALTH AND HOSPITALS

RFP # 305PUR-DHHRFP-TPL-MVA

Proposal Due Date/Time: February 14, 2011 / 4:00 pm CST

Release Date: January 12, 2011

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Glossary

AAMC – Average Annual Medical Costs

Business Day – Traditional workdays, which are Monday, Tuesday, Wednesday, Thursday and Friday from 8am - 5pm CT. Only Louisiana state holidays are excluded.

CAL - Case Activity Log

Calendar Days - All seven (7) days of the week. Unless otherwise specified, the term “days” in this RFP refers to calendar days.

CCN - Coordinated Care Network

CE - Cost Effectiveness

Check write – Payment file sent to fiscal to create paper checks and direct deposits

Citrix - Software program used to access Medicaid systems

CMS - Centers for Medicare and Medicaid Services; the federal agency charged with overseeing and approving states’ implementation and administration of the Medicaid program.

COB - Close of Business (4:30 pm Central Time)

Contract - The written, signed and statutorily approved agreement resulting from this RFP.

Cost Avoidance Baseline – Amount of monthly cost avoidance determined annually based on historical data provided by the Fiscal Intermediary

DCFS - Department of Children and Family Services

DEERS -Defense Enrollment Eligibility Reporting System

DHH - Department of Health and Hospitals

ECR - Electronic Case Record

ESI - Employer-Sponsored Insurance

FI - Fiscal Intermediary

Health Insurer - Any insurance company or other entity that is authorized to transact and is currently transacting health insurance business in this state. Health insurers

shall include self-insured plans, group health plans as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974, service benefit plans, managed care organizations, pharmacy benefit managers, and any other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service.

HIPAA - Health Insurance Portability and Accountability Act

HMO - Health Maintenance Organization

IT - Information Technology

LaHIPP - Louisiana Health Insurance Premium Payment program

LDW - LaHIPP Data Warehouse

LDW Extract – Weekly LaHIPP data file sent to the FI

LMMIS - Louisiana Medicaid Management Information System

Medicaid - Medicaid is a federally sponsored public system of payment for health care services and products for low-income and disabled persons. Each state administers its own program within federal guidelines. The costs of state Medicaid programs are divided between the state and the federal governments and the proportions are based on the state's per capita income relative to the rest of the nation.

MEDS - Medicaid Eligibility Data System

MMIS - Medicaid Management Information System; the claims processing and information retrieval system which includes all providers enrolled in the Medicaid program. This system is an organized method of payment for claims for all Medicaid services and includes information on all Medicaid providers and enrollees.

MVA - Medical Vendor Administration; the administrative operation of DHH responsible for the Medicaid program.

Must - Denotes a mandatory requirement

NEU - Newborn Eligibility Unit

Pay and Chase - Claims for Prenatal, Preventive Pediatrics, and Medical Support Enforcement where payment is made to the providers and subsequently investigated for potential recovery activities

PHI - Protected Health Information

PIV number – Pay-In Voucher number assigned by DHH fiscal

PPO - Preferred Provider Organization

Proposer - Entity or company seeking the contract to provide stated deliverables and services identified within a RFP document.

RA - Remittance Advice

RAC – CMS Medicaid Recovery Audit Contractor

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

Resource File - Area of MMIS in which carrier and insurance plan information associated with Medicaid recipients is stored

RFP - Request for Proposals

SES - Support Enforcement Services

SFTP- Secure File Transfer Protocol

Shall - Denotes a mandatory requirement

Should - Denotes a preference, but not a mandatory requirement

State Fiscal Year (SFY) - The period of time between July 1 and June 30 of the following calendar year.

System Reports – Reports generated within the LaHIPP system

Title XIX - A federally-sponsored public insurance system of health care services and products for low-income and disabled persons, commonly known as Medicaid. Each state administers its own program within federal guidelines. The cost of state Medicaid programs is divided between the state and the federal government with each state's share based on the state's per capita income relative to the rest of the nation. The federal government mandates that certain health care services be covered by states who participate in the Medicaid program.

Title XXI - A federal and state initiative to address the growing number of uninsured children in the country. As a result of the Federal Balanced Budget Act of 1997 and the Social Security Act, the federal government has provided states with funding for state children's health insurance programs. In Louisiana, this program is called LaCHIP.

TPL - Third Party Liability

TRICARE - the health care program serving active duty service members, National Guard and Reserve members, retirees, families and survivors

Updates to the Resource File – Changes and terminations to third party insurance coverage

Will - Denotes a mandatory requirement

I. GENERAL INFORMATION

A. Background

1. The mission of the Department of Health and Hospitals (DHH) is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. The Department of Health and Hospitals is dedicated to fulfilling its mission through direct provision of quality services, the development and stimulation of services of others, and the utilization of available resources in the most effective manner.
2. DHH is comprised of Medical Vendor Administration (Medicaid), Office for Citizens with Developmental Disabilities, Office of Behavioral Health, Office of Aging and Adult Services, and the Office of Public Health. Under the general supervision of the Secretary, these principal offices perform the primary functions and duties assigned to DHH.
3. DHH, in addition to encompassing the program offices, has an administrative office known as the Office of the Secretary, a financial office known as the Office of Management and Finance, and various departments and boards. The Office of the Secretary is responsible for establishing policy and administering operations, programs, and affairs.
4. Eligibility Special Services is the section within the DHH Medical Vendor Administration (Medicaid) which is responsible for maximizing the public-private partnership through cost-avoidance measures and third party recovery.
5. By law, Medicaid is the “Payor of Last Resort” for medical claims for Medicaid recipients. If a known third party (commercial insurance, TRICARE, Medicare, etc.) is liable for payment of such claims, payment is automatically denied. This is known as “cost avoidance,” which is possible when sufficient information is available in the Medicaid Management Information System (MMIS). However, in the case of claims for Prenatal, Preventive Pediatrics, and Medical Support Enforcement, payment is made to the providers and subsequently investigated for potential recovery activities. This practice is known as “Pay and Chase.”

B. Purpose of RFP

1. The purpose of this RFP is to solicit proposals from qualified proposers to perform the following activities as primary for the fee-for-service Medicaid recipient population and as secondary for Medicaid recipients enrolled in Coordinated Care Network (CCN)s after time has expired for the CCNs to bill and collect from responsible third parties: 1) develop and implement a cost avoidance process in conjunction with maintenance of the Medicaid resource file; 2) develop and implement a collection process for seeking

reimbursement from liable third party health insurers for medical services provided under Title XIX and Title XXI; 3) perform annual hospital and long-term care provider reviews; 4) augment the fiscal intermediary (FI)'s Medicare Parts A, B, and D recovery efforts; 5) administer the Louisiana Health Insurance Premium Payment program (LaHIPP), and 6) submit optional innovative concepts such as asset verification services, special needs trust services, CMS RAC (Recovery Audit Contractor) activities, Express Lane eligibility assistance (data matches with the La. Department of Education, the La. Department of Revenue, etc.) as well as other concepts for consideration and evaluation based on usefulness, practicality, and likelihood of successful implementation.

2. A contract is necessary to preserve limited Louisiana Medicaid program funds through cost avoidance and recovery, the added benefit of which is the ability to grant access to Louisiana Medicaid to more individuals.

C. Invitation to Propose

DHH MVA Eligibility Special Services is inviting qualified proposers to submit proposals to perform the following activities as primary for the fee-for-service Medicaid recipient population and as secondary for Medicaid recipients enrolled in CCNs after time has expired for the CCNs to bill and collect from responsible third parties:

1. Develop and implement a cost avoidance process in conjunction with maintenance of the Medicaid resource file;
2. Perform third party identification and collection of commercial insurance and TRICARE through direct billings to insurance carriers and billing projects to providers and perform third party identification and collection of commercial insurance and TRICARE for Medicaid recipients;
3. Perform annual hospital and long-term care provider reviews;
4. Augment fiscal intermediary (FI)'s Medicare Parts A, B, and D recovery efforts; and
5. Administer the LaHIPP program, in accordance with the specifications and conditions set forth herein.
6. **OPTIONAL:** Innovative concepts, such as asset verification services, special needs trust services, CMS RAC (Recovery Audit Contractor) activities, Express Lane eligibility assistance (data matches with the La. Department of Education, the La. Department of Revenue, etc.), as well as other concepts may be presented for consideration and evaluation based on usefulness, practicality, and likelihood of successful implementation.

Proposers shall propose on all components with the exception of the innovative concept component, which is considered optional.

D. RFP Coordinator

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

Ms. Chris Ourso
Contract Monitor
Department of Health and Hospitals
Medical Vendor Administration
Eligibility Special Services
Bienville Building
628 North 4th Street, 6th Floor
Baton Rouge, LA 70802
PHONE: (225) 342-6297
FAX: (225) 342-1376
Email: chris.ourso@la.gov

2. This RFP is available in pdf at 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>
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

There will be no pre-proposal conference 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	January 12, 2011
Deadline for Receipt of Written Questions	January 19, 2011 4:00 pm CST
Response to Written Questions	January 31, 2011
Deadline for Receipt of Written Proposals	February 14, 2011 4:00 pm CST
Proposal Evaluation Begins	February 15, 2011
Contract Award Announced	March 15, 2011
Contract Negotiations Begin	March 16, 2011
Contract Begins	July 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 addresses:

<http://www.dhh.louisiana.gov/publications.asp?ID=1&CID=25> and

<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>

II. SCOPE OF WORK

A. Project Overview

The Contractor selected for this project shall develop and implement a cost avoidance process in conjunction with maintenance of the Medicaid resource file, perform third party identification and collection of commercial insurance, annual hospital and long-term care provider reviews, augmentation of the FI's Medicare Parts A, B, and D recovery efforts, maintenance of the Medicaid resource file, and administration of the LaHIPP program.

B. Deliverables

1. General Requirements – The Contractor shall perform the following activities as primary for the fee-for-service Medicaid recipient population and as secondary for Medicaid recipients enrolled in CCNs after time has expired for the CCNs to bill and collect from responsible third parties:

- a. Pursue TPL recoveries for federally mandated “pay and chase” claims which are paid by Medicaid without regard to known health insurance coverage;
- b. Pursue TPL recoveries for claims paid by Medicaid and adjudicated prior to claims processing file updates denoting current and retroactive health

insurance coverage. If a Medicaid recipient has multiple types of coverage, the Contractor shall prioritize the coverage and report the information to the Department in the following order: 1) Major medical or major medical without maternity coverage; 2) Pharmacy coverage; and 3) Dental only, vision only, cancer only, and other specialized types of coverage (reported only in the absence of major medical or pharmacy coverage);

- c. Obtain a monthly file from all health insurance carriers, as required by LA R.S. 44:14, and conduct a data match with the Louisiana Medicaid recipient file to identify liable third parties to the Department for updating the Medicaid resource file.
 - (i) Initiate and maintain a comprehensive resource file review program for file maintenance of third party resource data in order to maximize cost avoidance.
 - (ii) Issue billings to carriers based on data match criteria in order to maximize recoveries.
- d. Pursue follow-up on outstanding accounts receivables six (6) months after Contractor claim submission with the requirement that no more than ten (10) percent of claims shall be unresolved within sixty (60) days of six (6) month follow-up;
- e. Augment the FI's Medicare Parts A, B, and D recovery efforts by performing the third quarter recovery project. Medicare recoveries shall be coordinated with the Department to ensure non-duplication and timely filing assurance;
- f. Develop and implement an annual review process for Medicaid participating hospitals and long-term care providers for the purpose of identifying and recovering potential Medicaid overpayments related to third party liability to include 1) provider self-reviews, 2) desk reviews, and 3) onsite reviews;
- g. Provide a secure website within ninety (90) days of contract execution, which includes, at a minimum, twenty-four (24) months of insurance data obtained through data match agreements with insurance carriers of Louisiana residents, searchable by social security number, for the Department to access real time activity. The detail specifications of the site shall be determined in collaboration between the Department and the Contractor and shall be an on-going process throughout the life of the contract; however, the specifications must include the ability to perform matches through a batch process;

- h.** Provide for secure, web-based access to claim information for all appropriate providers, within ninety (90) days of contract execution, in order to fulfill requirements mandated by Act 517 (SB 33) of the 2008 Regular Legislative Session. For each Medicaid reclamation claim paid by a health insurer, provide claim identifying information (control number, patient account number), comprehensive insurance billing data, payment information, and posting date of payment. In addition, the Contractor must provide electronic notification to providers when payment updates are available, host data on a web server for a minimum of sixty (60) days after notification to the provider, provide for submission of online extension requests, develop and implement a provider training curriculum, and maintain an adequately staffed provider inquiry line;
- i.** Conduct an annual electronic data match with the Defense Enrollment Eligibility Reporting System (DEERS) in accordance with the date and file formatting required by DEERS. The DEERS online data system shall be used in conjunction with the yearly file;
- j.** Provide an electronic data file to the Department of Children & Family Services (DCFS) pursuant to an interagency agreement between DHH and DCFS in accordance with Act 578 of the 2008 Louisiana Legislature;
- k.** Perform a quarterly data match with support enforcement information system data as per the Centers for Medicare and Medicaid Services (CMS) regulations as specified by the Department;
- l.** Perform a quarterly data match with the wage file from the Louisiana Workforce Commission. Conduct employer surveys to assist in the data gathering efforts of the Department;
- m.** Process the nightly file delivered SFTP from MEDS containing information on Medicaid recipients who are currently enrolled in private insurance or whose insurance enrollment status is unknown. The Contractor shall verify insurance coverage for these Medicaid recipients within five (5) business days of receipt of the file delivered from MEDS.
- n.** Perform carrier code updates and consolidation;
- o.** Perform identification and collection activities for commercial insurance and TRICARE within sixty (60) days of the receipt of the Medicaid Adjudicated Claims History File data, as mandated by Federal Regulation 42 CFR 433.139 Collection and Disposition of Recovered Funds;
- p.** Provide identifying information via SFTP for commercial insurance, TRICARE, and Medicare Parts A, B, and D collections to the Department or its designee, not less than quarterly, for disposition of funds recovered

and adjustment of Medicaid claims (See Section II:B(3)c: Medicare Recovery Process).

(i) The adjustment data shall include, but not be limited to, the following items and shall be produced per the specifications furnished by the FI:

- Carrier Name
- Recipient Name
- Recipient Person Identification Number
- MMIS Internal Control Number (ICN)
- Claim Type
- Date(s) of Service
- Provider Billed Amount
- Medicaid Paid Amount
- TPL Payment Amount
- Pay-In Voucher (PIV) Number
- Check Number
- Billing Provider Number

Note: Excludes overpayments (insurance policy obligation amount in excess of Medicaid payment).

(ii) A monthly project summary report shall be produced that summarizes the recovery effort to identify adjustments, overpayments, and identification of pay and chase claims.

(iii) An adjustment data Check Log shall be produced electronically in an Excel spreadsheet.

(iv) Check Log shall include:

- Adjustment Data Identification Number
- Invoice Number
- Name of Third Party Carrier
- PIV Number
- Check Number
- Check Date
- Carrier Paid Amount
- Report Totals, etc.

(v) Entire payments or additional payments for services and/or beneficiaries not billed by the Contractor but included in checks for claims billed by the Contractor shall be entered on a log reflecting:

- Remitter/health carrier name
- Check Number

- Check Date
 - The amount of the check to be dispositioned by the Contractor
 - The amount not billed by the Contractor
- (vi) Check copies and remittance pages reflecting the services and/or beneficiaries and research notations to assist with identifying beneficiaries shall be attached to the check log.
- (vii) The log with attachments shall be enclosed with each adjustment file. Adjustment reports shall be in an electronic format.
- q. Administer the Louisiana Health Insurance Premium Payment (LaHIPP) program. See section II (B)(3) for additional information.

2. Programmatic Requirements

a. Information Provided by the Department

- (i) The Department, through its FI, will provide the Contractor with copies of the Medicaid recipient file, the resource file, the provider file, and the adjudicated claims history file on a monthly basis, at a minimum.
- (ii) A TPL Carrier Code listing is available on the Louisiana Medicaid website.
- (iii) Access to support enforcement information system data, in a format and medium determined by DCFS, will be coordinated by the Department.
- (iv) Access to Medicare Parts A, B, and D recovery data will be coordinated by the Department.
- (v) Access to the LDW Extract, MEDS, Citrix, NEU website, and Eligibility ECR shall be coordinated by the Department. The Department, through its FI, will also provide the Contractor with the Average Annual Medical Costs (AAMC) breakdown.

b. Department General Duties

The Department will monitor and measure the performance of the Contractor by:

- (i) Assuring that all state and federal regulations are followed for the duration of the contract and that any updates to state and federal regulations are promptly and appropriately implemented.
- (ii) Assuring that the recovered funds balance with the invoice and authorizing the disposition of the associated funds corresponding to the appropriate Medicaid expenditures.
- (iii) Reviewing and ensuring the accuracy of invoices and authorizing invoice payment.
- (iv) Acting as coordinator between the Contractor and the FI.

- (v) Providing Louisiana Medicaid Management Information System (LMMIS) access to any and all files which the Department determines necessary for the fulfillment of contractual requirements.
- (vi) Providing copies on request of the Louisiana Title XIX State Plan, including amendments hereto as published, and copies of the administrative regulations, as necessary, under which the Louisiana Title XIX State Plan is to be operated.
- (vii) Furnishing, in writing, the name and title of each individual, with the scope of authority of such individual, authorized to act for the Department regarding this contract.
- (viii) Participating with the Contractor in developing a report delivery schedule listing the time and location of delivery of reports produced by the Contractor. Such schedule will be used to determine whether or not penalties for late reports are to be assessed.
- (ix) Providing review for approval or rejection of any replacement of Contractor staff within forty-five (45) days of notification to the Department of such proposed change. The Department may request any Contractor personnel changes at any time that it deems necessary with regard to this contract.
- (x) Assuring that state personnel are available for consultation in the specifications of the awarded contract.

c. Method of Measuring Performance

The performance of the Contractor will be measured during the period of the contract by consideration of the following:

- (i) Progress of the Contractor along a pre-determined series of project management oriented milestones as defined in the work plan.
- (ii) Requirement and demonstration that the Contractor's personnel on the project are those identified in the proposal and contract.
- (iii) Enhancement of recoveries and third party cost avoidance as outlined in the contract.
- (iv) Collection of identified potential account receivables or receipt of documentation refuting the corresponding claims.
- (v) The Contractor shall act as the Department's agent in collecting data from carriers on a monthly basis, at minimum.
- (vi) The Contractor shall provide to the resource file, in a specified format, adds and updates (changes and terminations to third party coverage) within thirty (30) days from receipt of the information. Documentation of the adds and updates shall be maintained by the Contractor.
- (vii) The resource file shall be updated within thirty (30) days of each carrier match.
- (viii) Administration of the LaHIPP program, including the addition of one hundred (100) active cases in the program each month for the life of the contract. Contractor must redetermine LaHIPP eligibility for all active cases prior to the end of employers' open enrollment periods.

The Contractor must maintain an eighty-five percent (85%) ratio of direct deposit to paper check payments for active LaHIPP cases.

3. Operational Requirements

a. Administration of LaHIPP program

Utilize a health insurance premium payment system in order to administer the LaHIPP Program. In addition to identifying potential LaHIPP enrollees and providing support during the application process, the Contractor shall determine the cost-effectiveness of initial and continued enrollment of individuals participating in LaHIPP, validate premium payments quarterly, and interact with all stakeholders, including providers, potential enrollees, and insurance carriers, to educate and answer questions about the program. The Contractor shall be required to enroll a minimum of one hundred (100) new cases into LaHIPP on a monthly basis and to redetermine LaHIPP eligibility each month prior to the end of the open enrollment period for all cases which have employer open enrollment.

- (i)** In accordance with Act 269 of the 2004 Regular Legislative Session, the Contractor shall monitor the Newborn Eligibility Unit (NEU) website for TPL Notifications submitted by birth hospitals. Contractor shall refer newborn children to the Contractor's LaHIPP system and, once an eligibility decision has been made, shall notify, in writing, the referring hospital and, if known, the insurance carrier.
- (ii)** Contractor shall make a LaHIPP eligibility decision on all submitted LaHIPP applications within thirty (30) days of receipt.
- (iii)** Contractor shall redetermine LaHIPP eligibility for all active cases prior to the end of employers' open enrollment periods.
- (iv)** Contractor shall verify LaHIPP applicant's insurance policy number, group number, and effective date of coverage and shall record the history of this plan information within the LaHIPP system. Contractor shall develop a nightly file to transfer this policy information to the state's FI for loading to the MMIS system along with the Medicaid enrollee's LaHIPP eligibility data.
- (v)** Contractor shall utilize the cost effectiveness (CE) methodology defined within Louisiana's state plan and shall retain the history of all CE determinations.
- (vi)** Contractor's LaHIPP system shall have the ability to accept a nightly eligibility file via SFTP from the Department. Contractor shall utilize the eligibility data contained within the files to update existing LaHIPP cases and to establish new LaHIPP cases. Contractor shall develop a workflow process to alert LaHIPP operational staff of changes to LaHIPP cases.
- (vii)** Contractor shall develop notices in accordance with the Department's policies and procedures. Contractor shall not utilize any notice which has not been approved by the Department. Contractor shall develop a

real-time file for SFTP notice transfer to DCFS for printing. At the direction of the Department, Contractor notices shall be sent via SFTP to the Medicaid electronic case record (ECR)s accompanied by a case activity log (CAL) entry. Contractor shall monitor the timeliness of the notice delivery process by using test cases for each submittal.

- (viii) The Contractor shall develop a check write file to include paper check and direct deposit information in conjunction with the Department's fiscal protocols and formatting requirements. Contractor shall submit this check write file via SFTP to the Department's fiscal section monthly. Contractor shall reconcile LaHIPP cases by processing the monthly clear and void files provided via SFTP by the Department's fiscal section. Contractor shall maintain an 85% or greater ratio of direct deposit to paper check payments.
- (ix) Contractor shall be responsible for all outreach to designated populations certified within Medicaid and to the Medicaid provider community at the direction of the Department. Outreach and marketing of the LaHIPP program are to the benefit of the Contractor and shall remain the Contractor's responsibility. All marketing plans and materials must be approved by the Department before utilization.
- (x) Contractor shall develop LaHIPP reports detailing case activity, enrollment data, renewals, outreach activities, check writes, notices, overpayments, system downtime, and any other metric requested by the Department.
- (xi) Contractor shall develop a LaHIPP Data Warehouse (LDW) extract file designed for existing data elements and tables to be submitted via SFTP weekly to the state's FI.
- (xii) Contractor shall process overpayment collections and reconciliation of LaHIPP accounts in accordance with the Department's policies and procedures.
- (xiii) Contractor shall provide DHH full access to its LaHIPP production system from Monday through Friday, 8am-5pm CT, excluding Louisiana state holidays.

b. Medicare Recovery Process

- (i) Medicare recoveries may only be performed in the third quarter as augmentation to the Department's recovery process, currently performed by the Medicaid FI. The Contractor shall augment the FI's Medicare Parts A, B, and D recoveries and cannot duplicate the claim submittals or voids/adjustments.
- (ii) Medicare recoveries shall be coordinated with the Department to ensure non-duplication and timely filing assurance.
- (iii) An SFTP file of the FI's second quarter Medicare Parts A, B, and D void/adjustment data will be provided to the Contractor.

- (iv) The Contractor shall submit a “Proposed Void/Adjustment” listing to the Department prior to preparing Medicaid claims and notifying providers of the impending void/adjustment process. The Department reserves the right to disallow any claims presented which do not meet with the appropriate coverage and/or void/adjustment criteria. The Contractor shall be required to correct and resubmit the data. Upon Department approval, the Contractor may proceed with the void/adjustment notification process.
- (v) The Contractor shall then prepare correspondence to providers advising them of the amount of Medicare Parts A, B, and D ancillary Medicaid payments to be voided/adjusted. Correspondence should be drafted and submitted to the Department for approval and mailed to the providers within five (5) business days of the receipt of the data from the FI in order to allow timely claim submittal by the provider to the Parts A, B, and D carrier. By November 15 of the same year as the project, the Contractor shall submit a void file in an approved format identifying the claims from the Medicare project.
- (vi) By December 15 of the same year as the project, the Contractor shall prepare and submit data to DHH for manual recoupment of the claims which failed to void or adjust electronically. The Contractor shall be responsible for resolving and responding to provider inquiries and deleting the claims to be voided/adjusted if so indicated.

c. Verified Cost Avoidance Records/ File Maintenance

- (i) The Contractor shall provide, in a specified format, adds and updates to the resource file for all identified third party coverage of Medicaid recipients within thirty (30) days from receipt of the file. Documentation of the adds and updates shall be maintained by the Contractor.
- (ii) Maintain an appropriately-staffed call center/verification unit with sufficient staff to fulfill the contract requirements related to file maintenance Monday through Friday, 8am-5pm CT excluding Louisiana state holidays.
- (iii) Complete all insurance add/update requests from DHH and/or providers as follows:
 - Emergency – policies termed within four (4) business hours
 - (For purposes of this contract, emergency is defined as the inability of a recipient to have a prescription filled because of incorrect third party insurance coverage on the resource file OR any emergency as determined by DHH).

- Non-emergency – verified add/update within five (5) business days.

(iv) The data shall contain:

- Recipient Name
- Recipient Person Identification Number
- Recipient SSN
- Carrier Number
- Policy Number
- Group Number (if applicable)
- Beginning Date of Coverage
- Ending Date of Coverage
- Scope of Coverage
- Contractor's Initiator Code (provided by Department)
- Support Enforcement Services (SES) Initiator Code (provided by Department)
- LaHIPP Begin/End Dates (if applicable)

(v) Submit a nightly electronic file to the FI in the specified format with all verified insurance adds and updates.

- The data file shall contain:
 - Recipient Name
 - Recipient Person Identification Number
 - Recipient SSN
 - Carrier Number
 - Policy Number
 - Group Number (if applicable)
 - Beginning Date of Coverage
 - Ending Date of Coverage
 - Scope of Coverage
 - Initiator Code (provided by Department)
 - LaHIPP Begin Date
 - LaHIPP End Date

(vi) Review FI-generated reject reports and complete updates within five (5) business days.

- (vii) Develop and maintain a provider web portal with a module for providers to review the status of submitted inquiries with regard to recovery projects.
- (viii) Reverify all policies on the resource file on a quarterly basis – September, December, March, and June.
- (ix) Update, add, and inactivate carrier information. The Contractor shall eliminate duplicate entries, validate entries, and inactivate carrier codes of companies that have been acquired, merged or liquidated. With each carrier code consolidation, the Contractor shall undertake a process prior to consolidation that identifies all recipients impacted by the change and shall crosswalk recipients under the old code to the new carrier code. The Contractor shall inactivate those carrier codes that are consolidated. The Contractor shall request new carrier codes from the FI, as necessary. All Blue Cross Blue Shield carriers shall be coded with the host plan state.
- (x) Load LaHIPP policy information and LaHIPP Begin and End dates along with all updates to the resource file. Contractor shall verify LaHIPP recipient information including recipient ID, policy number, group number (if applicable), carrier, effective date of coverage and LaHIPP Begin and End dates. Contractor shall have quality control measures in place to monitor and recover any data errors or omissions of the Resource file submissions.
- (xi) Provide all data related to maintenance of the resource file, administration of LaHIPP, and all collection efforts to new contractor in a Department-approved format at termination of contract.

d. Deposit System

- (i) The Contractor shall ensure that the liable third parties submit payment to DHH. Collections shall be handled through a Louisiana based bank security deposit system, such as a “lock box.” (The Contractor is responsible to set up and pay for all costs associated with this security deposit system.) The bank shall transfer the deposits to a DHH fiscal account within twenty-four (24) hours of receipt. The bank shall provide images of all checks, remittance notices, and any other information sent by the third parties to DHH fiscal. The Contractor shall make copies of checks and remittance notices available to DHH upon request at no cost to the Department.

(ii) The Contractor shall provide a monthly detailed listing of the checks transmitted to DHH fiscal by an electronic file, in the format specified by DHH fiscal, along with an electronic report in an agreed upon format. The DHH fiscal section will add a PIV number to the file and return the file to the Contractor. The Contractor is responsible for including the PIV number with the other related data in the adjustment file. Information contained on the file shall include but not be limited to:

- Total Amount per Deposit
- Date of Deposit
- PIV Number
- Check Number(s)
- Check Date(s)
- Check Amount(s)
- Carrier Name(s)

(iii) The Department shall be notified by the Contractor within five (5) working days of any checks received in error and provided a listing which contains the remitter, check number, check date, and check amount. A copy of the check and all documentation received with the check shall be attached.

e. Refunds

(i) The Contractor shall notify the Department of any refunds due carriers or providers when it has been determined that a carrier paid the claim or when a provider claim was voided/adjusted and a refund is due. Notification shall include, but not be limited to, the following data elements:

- Recipient Name
- Recipient Person Identification Number
- Carrier/Provider Name (Pay To)
- Carrier Mailing Address/Provider DHH ID Number
- Refund Amount
- Original Check Amount, Check Date, Check Number
- MMIS ICN to which the refund applies
 - Remittance advice (RA) ICN of the approved original claim
 - RA ICN of the voided claim
- Reason for the refund with supporting documentation
- Date of Service

(ii) The Contractor shall assure that the refunded amount is credited on the next invoice submitted to the Department.

f. Follow-Up Activities

The Contractor shall be responsible for follow-up activities associated with collection and identification efforts. Follow-up activities may involve, but are not limited to, resolution of coverage or referral to the Commissioner of Insurance in cases where a denial for timely filing is received from a carrier and is less than thirty-six (36) months from date of service.

g. Additional Contractor Requirements

The selected Contractor shall:

- (i) Establish a suitably secure environment for the Contractor's off-site storage needed for storage of supportive documentation used in or resulting from the performance of the contractual obligation. The Contractor shall obtain prior approval of any proposed off-site storage location. Such approval will not be unreasonably withheld. The Contractor shall provide advance notice to the Department of the need for change in the off-site storage location.

- (ii) Provide its own office space, furniture, equipment, and supplies. The Contractor is not required to be domiciled in the Baton Rouge area; however, the Department shall have the option to require contract performance facilities within East Baton Rouge parish or a contiguous parish if the Department determines at any time that the success of the contract is dependent on immediate and extensive access to the contract staff and resources.

- (iii) House all documents associated with the performance of this contract in the Contractor's office or a Department approved off-site storage location.

- (iv) Produce timely and accurate reports and statistics in a format specified by the Department.

- (v) Respond timely to requests by the Department for information requested by DHH, by state and/or federal auditors or the Centers for Medicare and Medicaid Services (CMS.)

- (vi) Turn over upon request, at no extra charge to the Department, copies of files and documentation including, but not limited to, manuals, operations manuals, and other documentation relating thereto that are essential to initiation and operation of the Medicaid program.

(vii) Obtain and/or accept from the Department and/or FI documents and reports necessary in the performance of TPL functions.

(viii) Use no data or information provided to the Contractor by the Department or its FI (other than to satisfy the requirements of the contract) without the prior written consent of the Department.

4. Staffing Requirements/Qualifications

The selected Contractor shall:

- a. Maintain an adequate organizational structure and staffing level with sufficient experience to discharge the Contractor's responsibilities and provide this information in writing when requested by the Department.
- b. Notify the Department in writing of persons authorized to act on behalf of the Contractor. At a minimum, the Contractor shall designate a Project Director, Project Manager, and maintain an appropriate level of staff to accomplish the performance requirements of the contract.
- c. Submit proposed personnel change requests, supervisory level and above, in writing to the Department for approval forty-five (45) days in advance of the proposed change. Contractor shall provide resumes of personnel proposed for consideration. No personnel change may be made without written approval by the Department.
- d. Assign a Project Director with a minimum of five (5) years project management experience directing or supervising a project of similar size and scope. Assign a Project Manager, dedicated to the day-to-day operations, with a minimum of two (2) years project management experience working with a project of similar size and scope and a minimum of one year working with Medicaid TPL.
 - (i) The Project Director or Project Manager shall take part in weekly conference calls with the Department. The weekly meeting times and days shall be established through mutual agreement between the Department and the Contractor.
 - (ii) The Project Director shall serve as liaison with Department personnel. At a minimum, the Project Director shall be responsible for problem resolution, assuring that all contract employees are properly trained and supervised, and assuring that appropriate quality control procedures are in place.

- (iii) The Project Manager shall be responsible for review of reports, meetings with the Department, establishment of data match contracts with insurance carriers, establishment of overall procedures and management of the Contract, daily depositing to the lock box and reconciliation of collections to Medicaid payments.
- e. Maintain an adequate liaison with the Department in connection with contractual responsibilities. Liaison shall be fostered by meetings as needed between the Department and the Contractor. Any request for information from the FI which is necessary to perform contract-related activities shall be made to the Contract Monitor.
- f. Assume complete responsibility for staff training and the cost and timely accomplishment of all contractual responsibilities.
- g. Cooperate fully with any contractors, consultants, or other parties that may be engaged by the Department. Permit access by any other parties, when requested in writing by the Department, to the Medicaid program files, procedures, and records which may be in the possession of or under the control of the Contractor.
- h. Submit contractor staff national background checks in accordance with the following requirements:

 - (i) All temporary, permanent, subcontracted, part-time and full-time Contractor staff working on Louisiana Medicaid contracts must have a national criminal background check prior to starting work on the contract. The results shall include all felony convictions and shall be submitted to the Department for review prior to the start of work on the contract.
 - (ii) Any employee with a background unacceptable to the Department must be prohibited from working on Louisiana Medicaid contracts or immediately removed from the project by the Contractor. Examples of felony convictions that are unacceptable include but are not limited to those convictions that represent a potential risk to the security of data systems and/or Protected Health Information (PHI), potential for healthcare fraud, or pose a risk to the safety of Department employees.

- (iii)** The national criminal background checks must also be performed every two (2) years for all temporary, permanent, subcontracted, part-time and full-time Contractor staff working on Louisiana Medicaid contracts beginning with the 25th month following contract award. The Contractor shall be responsible for all costs to conduct the criminal background checks.
- (iv)** The Contractor shall provide the results of the background checks, in a report upon its completion, to the Department on only those employees currently employed on the contract. The format of the report shall be approved by the Department and shall include all copies of background checks as an appendix to the report.
- (v)** The Contractor must ensure that all entities or individuals, whether defined as “Key Personnel” or not, performing services under contract with Louisiana Medicaid are not “Ineligible Persons” to participate in the Federal health care programs or in Federal procurement or non-procurement programs or have been convicted of a criminal offense that falls within the ambit of 42 U.S.C 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible. Exclusion lists include the Department of Health and Human Services/ Office of Inspector General List of Excluded Individuals/Entities (available via the internet at <http://www.oig.hhs.gov>) and the General Services Administration’s List of Parties Excluded from Federal Programs (available via the Internet at <http://www.epls.gov>).
- (vi)** All temporary, permanent, subcontract, part-time and full-time Contractor staff working on Louisiana Medicaid contracts must complete an annual statement that includes an acknowledgement of confidentiality requirements and a declaration as to whether the individual has been convicted of a felony crime or has been determined an “Ineligible Person” to participate in Federal healthcare programs or in Federal procurement or non-procurement programs.
- (vii)** The Contractor shall keep the individual statements on file and submit a comprehensive list of all current staff in an annual statement to the Department, indicating if the staff stated they were free of convictions or ineligibility referenced above.

(viii) If the Contractor has actual notice that any temporary, permanent, subcontract, part-time, or full-time Contractor staff has become an “Ineligible Person” the Contractor shall remove said personnel immediately from any work related to this procurement and notify the Department on the same date the notice of a conviction or ineligibility is received. For felony convictions, the Department will determine if the individual should be removed from the contract project permanently.

i. Assign LaHIPP specific staff as follows:

(i) Assign a LaHIPP Manager dedicated to the day-to-day operations, with a minimum of three (3) years project management experience working with a project of similar size and scope and two (2) years of direct HIPP management experience.

(ii) Assign a LaHIPP Supervisor dedicated to the day-to-day LaHIPP operations with a minimum of two (2) years supervisory experience working with a project of similar size and scope and one (1) year of direct HIPP management experience.

(iii) Assign LaHIPP operations staff responsible for referring potential clients, determining and redetermining LaHIPP eligibility, entering and updating client policy and employer plan/premium information into the LaHIPP system, and communicating with stakeholders and interested parties throughout the state of Louisiana.

j. Assign file maintenance specific staff as follows:

(i) Assign File Maintenance Supervisor dedicated to the day-to-day file maintenance operations with a minimum of three (3) years supervisory experience working with a project of similar size and scope and one (1) year of direct TPL file maintenance experience.

(ii) Assign operational staff to perform the file maintenance and verification function at a level sufficient to accomplish the performance requirements of the contract.

k. Assign collections operational staff responsible for reviewing claims, requesting third party payments, processing collections, and collecting updates to existing coverage and termination of coverage.

5. Record keeping requirements

a. Invoices

- (i)** After the Department has notified the Contractor that the adjustments submitted by the Contractor have been processed successfully, invoices may be submitted to the Contract Monitor for payment authorization. Invoices may not be filed for less than \$1,000 with the exception of the last invoice which shall be for the final amount. Final invoice(s) should be received within fifteen (15) days following the termination date of the contract.

- (ii)** Contractor shall submit invoice for Medicare collections following the void/adjustment data processes and after the recoupment successfully processes.

- (iii)** Invoices shall be in a hard copy format on Contractor letterhead as well as an electronic version to include specified data elements as determined by the Department.

b. Meeting Minutes

- (i)** Contractor is responsible for providing minutes from all meetings as specified by the Department, to the Department within three (3) business days.

- (ii)** The Contractor should maintain copies of meeting minutes and copies should be made available per Department request, at no additional cost to the Department.

6. Reporting Requirements

a. Project Status Reports

The Contractor shall provide progress reports for each of the projects, including specified data elements as determined by the Department, within an agreed upon timeframe between the Department and the Contractor.

b. Billing Reports

The Contractor shall provide access to all billings of commercial insurance, TRICARE, and Medicare to include specified data elements as determined by the Department in an agreed-upon format due within two (2) weeks after the date of billing.

c. Invoice Reports

The Contractor shall produce the following invoice reports which shall include specified data elements as determined by the Department in an agreed-upon format:

- (i) Recoveries
- (ii) Pay and Chase
- (iii) Overpayments
- (iv) Summary by Recovery Type
- (v) Refunds

d. Accounts Receivable Reports

(i) Project Accounts Receivable Reports

- Reports shall be submitted with the invoice. The identified potential account receivables shall be classified after a project as being:
 - Collected
 - Denied– an EOB received from provider/carrier with a reason identifying that the claim in question was not the responsibility of a third party
 - Outstanding – neither payment received nor documentation refuting claim received

The identified potential accounts receivables shall continue to be reported on a monthly report to provide an update to the status of each project. This report shall include, as required, six month follow-up activity. The Accounts Receivable Reports shall be submitted monthly for each project until ninety (90) percent of claims have been classified as Collected or Denied.

(ii) Quarterly Accounts Receivable Reports

A quarterly accounts receivable report shall be produced in accordance with the requirements of the Department.

e. System Reports

The Contractor shall design a LaHIPP system to produce the following reports including, but not limited to, the data elements listed. These reports shall be reproducible at any time by selecting the date range of interest.

- (i) LaHIPP Case Activity Report shall capture case status information by date and time and produce the following data elements:
- LaHIPP case status-pending, active, closed, rejected, suspended or any equivalent status developed by the contractor with approval of the Department
 - LaHIPP case ID
 - LaHIPP policyholder first and last name
 - Date of status change
 - Payment type-paper check or direct deposit
- (ii) LaHIPP Enrollment Data Report shall capture data pertaining to the total number of LaHIPP recipients and LaHIPP beneficiaries and shall also include Medicaid certified recipient case information. The LaHIPP Enrollment Data Report shall include the following data elements and shall be run real time:
- Total number of Medicaid enrolled LaHIPP recipients
 - Total number of non-Medicaid LaHIPP beneficiaries
 - Medicaid type case association for each LaHIPP recipient
- (iii) LaHIPP Renewal Report shall capture information on LaHIPP cases due for eligibility redetermination during the policyholder's employer open enrollment period. The report shall include the following data elements:
- LaHIPP Case ID
 - LaHIPP Case Status (Active or Termed)
 - Policyholder First Name and Last Name
 - Employer Name
 - Carrier
 - Policy ID
- (iv) LaHIPP Outreach Report shall capture information on all outreach efforts and the response to the outreach effort. The LaHIPP Outreach Report shall identify by date outreach to Medicaid recipients and shall include the following data elements:
- Total number of mailers sent to Medicaid recipients by category of outreach – e.g., pregnant women
 - Total response to the mailers
 - Total mail returned to sender
 - Total outbound phone calls by category of outreach

- Total outbound calls answered
 - Total outbound calls dropped
 - Total returned calls due to outreach
 - Total number of LaHIPP cases activated by outreach effort
- (v) LaHIPP Check Write Report shall capture payment information sent monthly to DHH fiscal. The report shall include the following data elements:
- LaHIPP case ID
 - Policyholder first and last name
 - Payment amount
 - Title XIX or XXI funding
 - Payment type - paper check or direct deposit
- (vi) LaHIPP Notice Report shall capture the total number and type of notices mailed per day. The report shall include the following data elements:
- Notice type
 - LaHIPP case ID
 - Policyholder first and last name
 - Date of mailing
 - Total number of notices mailed identified by notice type
- (vii) LaHIPP Overpayment Report shall document the current status of LaHIPP cases which have been overpaid. The report shall include the following data elements:
- LaHIPP case ID
 - Policyholder first and last name
 - Overpayment amount due
 - Overpayment amount paid
 - Repayment amount due
- (viii) LaHIPP System Downtime Report shall document any system outages. The monthly report shall include the following data elements:
- System error which produced the downtime
 - Date and time of the outage
 - Response time to address the outage
 - Response time to correct the outage
 - Corrective action taken

f. Additional Reports

- (i) The Contractor shall submit a monthly carrier code update report identifying those carrier codes that have been added and carrier codes that have been inactivated.

- (ii) The Contractor shall submit a monthly carrier file report identifying all carriers submitting files to the Contractor, the frequency of the submission of the files, and the status of outreach to those carriers that are not providing files.

- (iii) The Contractor shall submit a weekly file maintenance staffing report identifying the number of staff that performed file maintenance duties; the number of staff that performed verification duties; and the total percentage of time each staff person was dedicated to performing file maintenance/verification exclusively for this contract.

- (iv) The Contractor shall report monthly on pharmacy insurance policies that do not have a corresponding major medical segment.

- (v) The Contractor shall submit a monthly report identifying the date (mm/dd/yyyy) a carrier eligibility file is received, the name of the carrier, the date (mm/dd/yyyy) the carrier eligibility file is verified, and the date (mm/dd/yyyy) that the verified adds or updates are loaded to the resource file.

- (vi) The Contractor shall submit a weekly report to identify the insurance status (Y or N) for Medicaid recipients submitted for verification via nightly file from MEDS.

- (vii) The Contractor shall report the amount billed and collected for Medicaid recipients enrolled in CCNs.

7. Disaster Recovery Plan

The Contractor should submit a disaster recovery plan which addresses, but is not limited to, back-up phone/fax/email/website availability in the event that primary service is interrupted for any reason for all activities performed or provided by the Contractor; specifically, operational activities such as file maintenance activities, LaHIPP activities, and DHH's access to real-time insurance data.

8. Transition Plan

The Contractor shall submit a transition/takeover plan which outlines the procedures and timelines to ensure continuity of services in the event of contract termination or award of contract to another vendor. The transition/takeover plan must include procedures that shall, at a minimum, comply with the following stipulations:

- Upon completion of the contract or, if terminated earlier, all records, reports, work sheets, or any other pertinent materials related to the execution of the contract will become the property of the Department;
- In the event of contract termination, the Contractor shall transfer all data and non-proprietary systems to the Department or new vendor within the agreed upon time frame;
- The transition/takeover plan must be adhered to within thirty (30) days of written notification of contract termination, unless other appropriate time frames have been mutually agreed upon by both the Contractor and the Department.

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. In the event the Contractor fails to meet contract requirements, and damage is sustained by the Department, it may be difficult to determine actual damages. Therefore, for failure to meet the performance standards specified below, liquidated damages are fixed and should be assessed accordingly. These liquidated damages apply whether or not suit has been filed.
2. 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.
3. In the event the Contractor fails to meet the specified deadlines, the Contractor shall pay the Department the following specified amounts as agreed liquidated damages.
 - a. **Requirement:**

The Contractor shall submit reports in accordance with Section II: B(2)(b)viii and Section II:B(3)(g)iv.

 - ***Liquidated Damages:***

A twenty-five (\$25) dollar per business day charge to the Contractor may be imposed per each report for each day after the report due date until the reports are received.

b. Requirement:

The Contractor shall request approval to make changes of key personnel to the Department as described in the proposal.

○ **Liquidated Damages:**

A one hundred fifty dollar (\$150) per business day charge to the Contractor may be imposed for each day that a change in key personnel is made but not approved by the Department.

c. Requirement:

The Contractor shall have, at a minimum, data match agreements with all health insurance carriers that have more than 1,000 covered lives in the State of Louisiana.

○ **Liquidated Damages:**

A one hundred dollar (\$100) per business day charge to the Contractor may be imposed for each data match agreement not obtained for each day beyond ninety (90) days from contract effective date.

d. Requirement:

The Contractor shall perform reviews of third party identification and collection of every Medicaid-participating hospital and long-term care provider every year.

○ **Liquidated Damages:**

A two hundred fifty dollar (\$250) charge to the Contractor may be imposed for each review not performed as required.

e. Requirement:

Project Director or Project Manager shall take part in weekly conference calls with the Department.

○ **Liquidated Damages:**

A one thousand dollar (\$1,000) charge to the Contractor may be imposed for each weekly meeting at which neither the Project Director nor the Project Manager takes part unless approved by the Department.

f. Requirement:

Contractor shall pursue follow-up on outstanding balances six (6) months after Contractor claim submission with the requirement that no more than

ten (10) percent of claims is unresolved within sixty (60) days of six (6) month follow-up.

- ***Liquidated Damages:***

- A five thousand dollar (\$5,000) charge to the Contractor may be imposed for each project that has greater than ten (10) percent of claims unresolved after sixty (60) days of six (6) month follow-up.

g. Requirement:

The Contractor shall maintain an appropriately-staffed call center/verification unit with adequate staff available Monday through Friday, 8am-5pm CT excluding Louisiana state holidays.

- ***Liquidated Damages:***

- A three thousand two hundred seventy dollar (\$3,270) fee may be imposed for each day that the call center/verification unit is not open and available to conduct business in accordance with Deliverable 3.c.(ii). A \$410 per hour fee may be imposed when the call center/verification unit is not open and available to conduct business for more than two hours as required by Deliverable 3.c.(ii).

h. Requirement:

Contractor shall update the resource file by adding, terming, or updating insurance policy information as outlined in Deliverable 3.c.

- ***Liquidated Damages:***

- Payment of fee to the Contractor may be withheld for recovery of Medicaid funds recouped as a result of insurance policy information not being updated as outlined in Deliverable 3.c. In addition, a two hundred seventy-five dollar (\$275) charge to the Contractor may be imposed for each addition, termination, or update of insurance policy information that is not completed as outlined in Deliverable 3.c.

i. Requirement:

The Contractor shall submit a nightly electronic file to the FI in the specified format with all verified insurance adds and updates.

- ***Liquidated Damages:***

- A four hundred dollar (\$400) charge to the Contractor may be imposed for each day the nightly electronic file is not submitted as outlined in Deliverable 3.c.(v).

j. Requirement:

Verified insurance coverage shall be uploaded within thirty (30) days of the data matches.

- **Liquidated Damages:**

A one thousand dollar (\$1,000) per day charge to the Contractor may be imposed for each day the file is not loaded within thirty (30) days of the data match.

k. Requirement:

One hundred (100) new LaHIPP cases shall be added per month.

- **Liquidated Damages:**

A forty dollar (\$40) charge to the Contractor may be imposed for each case under the required minimum number of new cases in accordance with Deliverable 3.a.

l. Requirement:

Contractor shall maintain an appropriately-staffed LaHIPP operations unit with adequate staff available Monday through Friday, 8am-5pm CT excluding Louisiana state holidays.

- **Liquidated Damages:**

A two thousand five hundred dollar (\$2,500) fee may be imposed for each day that the LaHIPP operations unit is not open and available to conduct business in accordance with Deliverable 3.a. A three hundred dollar (\$300) per hour fee may be imposed when the LaHIPP unit is not open and available to conduct business for more than two hours as required by Deliverable 3.a.

m. Requirement:

Contractor shall redetermine LaHIPP eligibility for all active cases prior to the end of employers' open enrollment periods.

- **Liquidated Damages:**

A forty dollar (\$40) charge to the Contractor may be imposed for each case not redetermined for LaHIPP eligibility during the employer open enrollment period. Contractor may also be held responsible for any overpayments created and any provider billing errors encountered due to the failure to correctly redetermine LaHIPP eligibility during the open enrollment period.

n. Requirement:

Contractor shall utilize accurate premium information when determining LaHIPP cost effectiveness and the monthly/annual premium amount entered in the CE analysis shall be equivalent to the premium being reimbursed.

- **Liquidated Damages:**

A one thousand dollar (\$1,000) fee may be imposed on the Contractor for every LaHIPP case determined cost effective and activated or renewed utilizing incorrect premium information.

- o. **Requirement:**

Contractor shall maintain history for all status changes, MEDS system updates, payments, overpayments, CE calculations, and notices.

- **Liquidated Damages:**

A two thousand eight hundred eighty dollar (\$2,880) fee may be imposed on the Contractor for failure to maintain history for all status changes, MEDS system updates, payments, overpayments, CE calculations, and notices.

- p. **Requirement:**

Contractor shall maintain an eighty-five percent (85%) or greater direct deposit to paper check ratio for all LaHIPP cases in active status.

- **Liquidated Damages:**

A three hundred dollar (\$300) charge to the Contractor may be imposed for every month the ratio of direct deposit to paper check payments falls below eighty-five percent (85%).

- 4. 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

1. The Contractor shall own, lease or have access to computer facilities to be able to accept electronic data, bill health carriers electronically, data match electronically, and produce Medicaid adjustments and reports through Department designated electronic media.
2. The Contractor shall adhere to all State and Federal regulations and guidelines, as well as industry standards and best practices, for information systems, data exchange, and any functions necessary to fulfill the requirements of this RFP;
3. The Contractor shall be responsible for all initial and recurring costs required for access to DHH system(s), as well as DHH access to the Contractor's system(s). These costs include, but are not limited to, hardware, software, licensing, authority/permission to utilize any patents, annual maintenance, support, and connectivity with DHH and the Fiscal Intermediary;
4. The Contractor shall also have sufficient means, automated or manual, with which to produce hard copy bills/claims to carriers who cannot accept electronic media.
5. 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

If the Proposer intends to subcontract for portions of the work, the Proposer should identify the subcontractor and include specific designations of the tasks to be performed by the subcontractor. 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:

1. The subcontractor(s) will provide a written commitment to accept all contract provisions.
2. 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 - Eligibility Special Services 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:

Ms. Chris Ourso
Contract Monitor
Department of Health and Hospitals
Medical Vendor Administration
Eligibility Special Services
Bienville Building
628 North 4th Street 6th Floor
Baton Rouge, LA 70802
PHONE: (225) 342-6297
FAX: (225) 342-1376
Email: chris.ourso@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 (36 months). The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

K. Payment

1. The Contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly or as defined in the contract terms. Payment of invoices is subject to approval of the Department.
2. Contractor shall submit final invoices to the Department within fifteen (15) days after termination of contract.
3. Contractor shall be responsible for adding or updating coverage, prior to invoicing the Department, for any recovery made on the behalf of the Department.
4. Through maintenance of the Medicaid resource file for fee-for-service Medicaid recipients, Contractor shall be paid a negotiated fee for achieving the monthly cost avoidance baseline. Contractor shall be paid a contingency fee for cost avoidance in excess of the monthly baseline.
5. Contractor shall receive a contingency fee, based on the amount of third party payments collected. Invoices shall be paid after Medicaid claims are successfully adjusted and/or voided.
6. Contractor will be paid a negotiated monthly fee for each LaHIPP case active as of the last day of the billing month.
7. No projects shall begin after January 1, 2014 without written Department approval. For the final three months of the contract, approximately April 1, 2014 through June 30, 2014, Contractor shall engage in clean up and contract close out activities in accordance with the Department's directives.

8. Contractor shall receive payment for innovative concept projects authorized in writing by the Department.

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. Errors and Omissions

The State reserves the right to make minor corrections due to errors identified in proposals by State or the proposer. The State, at its option, has the right to request clarification or additional information from the proposer.

H. 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.

I. Procurement Library/Resources Available To Proposer

Department program manuals and pertinent Federal and State regulations, as well as other materials, are available for review upon request in the Procurement Library. The library is located at the Bienville Building, 628 N. 4th Street, 6th Floor, #649-16, Baton Rouge, LA 70802. Arrangements may be made through the RFP coordinator for access to the library. The library will be open by appointment only during the hours of 8:30am to 4:00pm on Tuesday through Thursday beginning the day after public notice of the RFP and ending on the day before proposals are due. A list of requested items or materials should be included in the request for an appointment. No items or materials may be removed from the library, but DHH personnel will be available to make copies of requested materials at a charge of 25 cents per page, payable at the time copies are made. Cash is not acceptable. Checks and/or money orders are to be made payable to the Department of Health and Hospitals.

J. 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 electronic copy and ten (10) 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

K. 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:
4. "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."

5. Further, to protect such data, each page containing such data shall be specifically identified and marked "CONFIDENTIAL."
6. 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.
7. **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.
8. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

L. 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.

M. Requested Proposal Outline:

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

N. 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. 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.

a. Introduction/Administrative Data

- (i) 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 the Department as related to the scope of this RFP. It should further cite its ability to satisfy provisions of the Request for Proposal.
- (ii) 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.

(iii) This section should also include the following information:

- Location of Active Office with Full Time Personnel, include all office locations (address) with full time personnel.
- Name and address of principal officer;
- Name and address for purpose of issuing checks and/or drafts;
- For corporations, a statement listing name(s) and address(es) of principal owners who hold five percent interest or more in the corporation.
- If out-of-state Proposer, give name and address of local representative; if none, so state;

- 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;
- 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
- Proposer's state and federal tax identification numbers.

(iv) The following information **must** be included in the proposal:

- Certification Statement: The Proposer must sign and submit the attached Certification Statement (See Attachment I).
- 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.
- Proposer shall guarantee that the entire proposal will be valid for a period of 120 days after the submission date
- Proposer shall guarantee that the proposal submitted shall become a contractual obligation and valid if a contract is awarded.

b. Work Plan/Project Execution

(i) 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:

- 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.
- Provide a written commitment to begin work on or before July 1, 2011 and begin development activities within ten (10) days of the contract approval. A commitment covers all respective persons included in the Work Plan of the proposal. Provide a strategic overview including all elements to be provided.

(ii) The work plan shall address all of the following categories:

- Category I: Cost Avoidance/File Maintenance
- Category II: Third party identification and collection - commercial insurance, TRICARE
- Category III: Annual reviews of every Medicaid-participating hospital and long-term care provider every year

- Category IV: Augmentation of FI's Medicare Parts A, B, and D recovery efforts by performing the third quarter Medicare recovery project
- Category V: Administration of LaHIPP

(iii)The work plan should be presented as follows:

- Provide a strategic overview including all elements to be provided.
- The proposal should address the project work plan and schedule and should describe in detail the approach to recovery of TPL.
- The Proposer should identify in the proposal all systems which are considered to be proprietary.
- Provide a written discussion of the work plan addressing process flow, time frames for each component; how findings will be addressed in the process; and the ability to maintain the work plan schedule (i.e. drawing on firm resources, training, etc.).
- Proposer should utilize a numbering system for the detailed work Plan which shows the interrelationships between tasks and deliverables.
- The Detailed Work Plan and schedule submitted by the Proposer (including the same information for any subcontractor utilized for any part of the work) should: specify the resources allocated; specify the implementation date; contain task descriptions, including subtasks, that meaningfully describe the work to be performed; estimate staff weeks of effort for each subtask; identify tasks which are critical to completion of the scheduled work; reference specific documents and reports that are to be produced as a result of completing tasks; describe in detail the approach to data matching activities; and include a schedule for all deliverables.
- The Proposal should include sample reports demonstrating the capacity to prepare the required reports.
- The Proposer should disclose in full detail the methodology developed to implement the identification and collection activities contemplated under the contract and include detailed documentation describing the software, carrier file layouts, and carrier contracts.
- Breakdown into logical tasks, including subtasks, that meaningfully describe the work to be performed and time frames for all work to

be performed, accompanied by an assessment of relative difficulty for each task.

- Estimate staff weeks of effort for each subtask.
- Identify critical tasks and discuss the relationship of the project team members.
- Estimate time involved in completion of tasks;
- Identify all assumptions or constraints on tasks;
- Refer to specific documents and reports that are to be produced as a result of completing tasks.
- Describe in detail the approach to data matching activities.
- Contain a summary, at the activity level, to show completion schedules relative to deliverables.
- Include charts and graphs which reflect the work plan in detail.
- Describe the approach to Project Management and Quality Assurance. With regard to Quality Control and Assurance, the Proposer should address, at a minimum, the training of employees and responsibility for supervision, clear and concise standard operating procedures, maintaining a work plan and work schedule to ensure timely completion of all work requirements, security procedures to safeguard confidentiality of files and data maintained by the Proposer, and management and staff review to assure quality control.
- Discuss what flexibility exists within the work plan to address unanticipated problems which might develop during the contract period.
- 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.
- 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.

c. Innovative Concepts

All Proposers are encouraged to demonstrate added value in their proposals by recommending innovative concepts, such as asset

verification services, special needs trust services, CMS RAC (Recovery Audit Contractor) activities, Express Lane eligibility assistance (data matches with the La. Department of Education, the La. Department of Revenue, etc.) as well as others, which will be evaluated based on usefulness, practicality, and likelihood of successful implementation. Contractor shall not begin work on any innovative concept without written approval from the Department.

d. Relevant Corporate Experience

The proposal should indicate the firm has a record of prior successful experience in the design and implementation of each of the following within the last thirty six (36) months: 1) a cost avoidance process in conjunction with maintenance of a Medicaid resource file; 2) a collection process for seeking reimbursement from liable third party health insurers for medical services provided under Title XIX and Title XXI; 3) annual hospital and long-term care provider reviews; 4) Medicare Parts A, B, and D recovery efforts; 5) a Health Insurance Premium Payment program (HIPP) and 6) optional innovative concepts such as asset verification services, special needs trust services, Express Lane eligibility assistance (data matches with the La. Department of Education, the La. Department of Revenue, etc.).

(i) 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. Proposers should provide at least two customer references for projects within the last thirty six (36) months. References should include the name, email address and telephone number of each contact person.

(ii) 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.

(iii) Proposer should provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract and an agreement to modify the Proposer's present system to satisfy the requirements of the State of Louisiana and/or modify the Proposer's system to accommodate new or updated state and/or federal requirements.

e. Personnel Qualifications

(i) 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. Proposer should include a statement of its ability to commit full time key personnel for the full term of the contract.

- (ii) Proposers should state job responsibilities, workload and lines of supervision. An organizational chart identifying individuals and their job titles and major job duties as well as indication of full- or part-time participation should be included. The organizational chart should show lines of responsibility and authority.
- (iii) 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.
- (iv) Personnel should be identified and should be the individuals who will work directly on the project. At a minimum, the Contractor shall designate a Project Director, Project Manager, and maintain an appropriate level of staff to accomplish the performance requirements of the contract.
- (v) Key personnel, the percentage of time directly assigned to the project should be identified.
- (vi) Résumés of all known personnel should be included. Resumes of key personnel, including but not limited to, Project Director and Project Manager proposed should include, at a minimum:
 - Experience with Proposer,
 - Previous experience in projects of similar scope and size (include location of previous experience, responsibility and position within the team)
 - Educational background, certifications, licenses, special skills, etc.
- (vii) 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.

f. 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.

g. Corporate Financial Condition

(i) 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.

(ii) 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.

h. Cost and Pricing Analysis

(i) Proposer shall specify costs for performance of tasks. Proposal shall include all anticipated costs of successful implementation of all deliverables outlined.

(ii) Proposer's cost for cost avoidance/file maintenance shall be quoted as a monthly fee to be paid for each month that the monthly cost avoidance baseline is achieved and as a percentage for cost avoidance in excess of the monthly baseline.

(iii) Proposer's cost shall be quoted as percentages of actual TPL collections for each of the following categories of recovery: 1) third party identification and collection of commercial insurance and TRICARE, 2) annual hospital and long-term care reviews, and 3) augmentation of FI's Medicare Parts A, B, and D recovery efforts by performing the third quarter Medicare recovery project. A percentage shall be quoted for each of these types of collections.

These percentages shall represent all of the Proposer's costs associated with providing the aforementioned services. Reimbursement to the Contractor shall be determined by applying the percentages quoted to the actual cash amounts recovered in all collection categories by the Contractor during the contract term.

(iv) Proposer shall cost the administration of the LaHIPP program on a per case per month basis. This rate shall apply for the duration of the contract.

(v) Proposers shall submit the breakdown in a similar format to the attached sample cost template form (See Attachment IV).

O. 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.

a. Cost Evaluation:

(i) The Proposer with the lowest total cost for Third Party Identification and Collection shall receive 15 points. The Proposer with the lowest total cost for Hospital and Long-Term Care Provider Reviews shall receive 10 points. The Proposer with the lowest total cost for achieving the monthly cost avoidance baseline shall receive 5 points. The Proposer with the lowest total cost for cost avoidance in excess of the monthly baseline shall receive 5 points. The Proposer with the lowest total cost for administration of LaHIPP shall receive 10 points. Other Proposers shall receive points for cost based upon the following formula utilizing the appropriate maximum point value of either 15, 10, or 5 points:

CPS = (LPC/PC)* 15, 10, or 5

CPS = Cost Proposal Score

LPC = Lowest Proposal Cost of all Proposers

PC = Individual Proposal Cost

(ii) The assignment of the 15, 10, or 5 points based on the above formula will be calculated by a member of the DHH Contracts Office staff.

(iii) 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.

(iv) The DHH Deputy Undersecretary may provide information to the Proposal Review committee in its evaluation of the additional 5 points.

b. Evaluation Criteria and Assigned Weights:

Evaluation Criteria	Assigned Weight
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Introduction/Understanding of Scope of Work	10
Work Plan/Project Execution	15
Innovative Concepts	5
Corporate Experience/Financial Statements	5
Qualification of Personnel	15
Cost: Cost Avoidance Monthly Baseline	5
Cost: Cost Avoidance in Excess of Monthly Baseline	5
Cost: Third Party Identification and Collection	15
Cost: Hospital and Long-Term Care Provider Reviews	10
Cost: Administration of LaHIPP	10
Cost: Reasonableness Review	5
Total	100

P. On-Site Presentations/Demonstrations

Not required for this RFP.

Q. 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/Attachment II) 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.
- 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 o 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. Certification Statement
- II. DHH Standard Contract Form (CF-1)
- III. HIPAA
- IV. Sample Cost Breakdown Template

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:

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 25 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
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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. 42:1113 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.

