

**Addendum #11**  
**Revised Appendix JJ**  
**RFP# 305PUR-DHHRFP-BH-MCO-2014-MVA**

**Transition Period Requirements**

**Introduction**

This Section presents the scope of work for the Transition period of the Contract, which includes those activities that must take place between the time of Contract award and the Go-Live Date.

Each MCO Contract Effective and Go-Live Date is anticipated February 1, 2015. DHH reserves the right to deviate from the anticipated Contract Effective Date, Go-Live Date and the Schedule of Events as outlined in General Information Section § 1.0 of the Contract.

The Transition Period will include a Readiness Review of each MCO, which must be completed successfully prior to an MCO's Go-Live Date. DHH may, at its discretion, postpone the Go-Live Date for any such MCO that fails to satisfy all Transition Period requirements.

**Transition Period Requirements**

MCOs must have successfully met all Readiness Review requirements established by DHH no later than ninety ~~January 1, 2015 (90) days prior to the Go-Live Date.~~ The MCO agrees to provide all materials required to complete the readiness review by the dates established by DHH and/or its Readiness Review contractor.

If an MCO does not fully meet the Readiness Review prior to the Go-Live Date, DHH may impose a monetary penalty for each day beyond the Go-Live Date that the MCO is not operational.

The Transition Period will begin after both Parties sign the Contract. The start date for the MCO Transition Period is anticipated to be October 2014.

The MCO has overall responsibility for the timely and successful completion of each of the Transition Period tasks. The MCO is responsible for clearly specifying and requesting information needed from DHH, other DHH contractors, and Providers in a manner that does not delay the schedule of work to be performed.

**Contract Start-Up and Planning**

DHH and the MCO will work together during the Contract start-up phase to:

- Define project management and reporting schedules;
- Establish communication protocols between DHH and the MCO;
- Establish contacts with DHH contractors;
- Establish a schedule for key activities and milestones; and
- Clarify expectations for the content and format of Contract Deliverables.

The MCO will be responsible for developing a written work plan, referred to as the Transition/Implementation Plan, which will be used to monitor progress throughout the Transition Period. An updated and detailed Transition/Implementation Plan will be due to DHH

within thirty (30) days from the date the contract is signed by the MCO or the date when the Readiness Review process begins, whichever is sooner.

### **Administration and Key MCO Personnel**

No later than fourteen (14) days after the Contract Effective Date, the MCO must designate and identify Key MCO Personnel that meet the requirements of the contract. The MCO shall supply DHH with resumes of each Key MCO Personnel as well as organizational information that has changed relative to the MCO Proposal, such as updated job descriptions and updated organization charts, (including updated Management Information System (MIS) job descriptions and an updated MIS staff organizational chart), if applicable. If the MCO is using a Subcontractor(s), the MCO must also provide the organization chart for each Subcontractor(s).

~~No later than the Contract execution date, CCNs must update the information above and provide any additional information as it relates to the Coordinated Care Network program.~~

### **Financial Readiness Review**

In order to complete a Financial Readiness Review, DHH will require the MCO to update information submitted in their proposal and/or any other requirements specified in Section B and Either C or D, as applicable, of the RFPs. This information will include the following and the requirements specified in the Proposal Submission and Evaluation Requirements. (Appendix KK)

#### **Contractor Identification and Information**

1. The Contractor's legal name, trade name, or any other name under which the Contractor does business, if any.
2. The address and telephone number of the Contractor's headquarters office.
3. A copy of its current Louisiana Department of Insurance Certificate of Authority to provide HMO services.
4. The type of ownership (proprietary, partnership, corporation).
5. The type of incorporation (i.e. for profit, not-for-profit, or non-profit) and whether the MCO is publicly or privately owned.
6. If the MCO is an Affiliate or Subsidiary, identify the parent organization.
7. If any changes of ownership of the MCO's company is anticipated during the 18 months following the Proposal due date, the MCO must describe the circumstances of such change and indicate when the change is likely to occur.
8. The name and address of type of support, e.g. guarantees, letters of credit, etc. Indicate if there are maximum limits of the additional financial support.
9. The name and address of any health professional that has at least a five percent (5%) financial interest in the MCO and the type of financial interest.

10. The names of officers and directors.
11. The state in which the MCO is incorporated and the state(s) in which the MCO is licensed to do business as an HMO. The MCO must also indicate the state where it is commercially domiciled, if applicable.
12. The MCO's federal taxpayer identification number.
13. Whether the MCO had a contract terminated or not renewed for non-performance or poor performance within the past five years. In such instance, the MCO must describe the issues and the parties involved, and provide the address and telephone number of the principal terminating party. The MCO must also describe any corrective action taken to prevent any future occurrence of the problem leading to the termination.
14. Whether the MCO has ever sought, or is currently seeking, National Committee for Quality Assurance (NCQA) and if it has or is, indicate:
  - Current NCQA accreditation status;
  - If NCQA accredited, its accreditation term effective dates; and
  - If not accredited, a statement describing whether and when NCQA accreditation status was ever denied the MCO.

### **Subcontractor Information**

MCOs must ~~complete the submit the following~~ Requirements checklist for Health Plans (Appendix O) for each proposed Subcontractor, if any:

- ~~1. A completed attestation of commitment from each Subcontractor that states the Subcontractor's willingness to enter into a Subcontractor agreement with the MCO and a statement of work for activities to be subcontracted. Attestations must be provided on the Subcontractor's official company letterhead and signed by an official with the authority to bind the company for the subcontracted work.~~
- ~~2. The Subcontractor's legal name, trade name, or any other name under which the Subcontractor does business, if any.~~
- ~~3. The address and telephone number of the Subcontractor's headquarters office~~
- ~~4. The type of ownership (e.g., proprietary, partnership, corporation).~~
- ~~5. The type of incorporation (i.e. for profit, not for profit, or non-profit) and whether the Subcontractor is publicly or privately owned.~~
- ~~6. If a Subsidiary or Affiliate, the identification of the parent organization.~~
- ~~7. The name and address of any sponsoring corporation or others who provide financial support to the Subcontractor and type of support, e.g., guarantees, letters of credit, etc. Indicate if there are maximum limits of the additional financial support.~~
- ~~8. The name and address of any health professional that has at least a five percent~~

~~(5%) financial interest in the Subcontractor and the type of financial interest.~~

- ~~9. The state in which the Subcontractor is incorporated, commercially domiciled, and the state(s) in which the organization is licensed to do business.~~
- ~~10. The Subcontractor's federal taxpayer identification number.~~
- ~~11. Whether the MCO had a contract terminated or not renewed for non-performance or poor performance within the past five years. In such instance, the MCO must describe the issues and the parties involved, and provide the address and telephone of the principal terminating party. The MCO must also describe any corrective action taken to prevent any future occurrence of the problem leading to the termination.~~
- ~~12. Whether the MCO has ever sought, or is currently seeking, National Committee for Quality Assurance (NCQA) or American Accreditation HealthCare Commission (URAC) accreditation status, and if it has or is, indicate:
  - ~~a. is current NCQA or URAC accreditation status;~~
  - ~~b. if NCQA or URAC accredited, its accreditation term effective dates; and~~
  - ~~c. if not accredited, a statement describing whether and when NCQA or URAC accreditation status was ever denied the MCO.~~~~

### **Other Information**

1. Briefly describe any regulatory action, sanctions, and/or fines imposed by any federal or Louisiana regulatory entity or a regulatory entity in another state within the last three (3) years, including a description of any letters of deficiencies, corrective actions, findings of non-compliance, and/or sanctions. Please indicate which of these actions or fines, if any, were related to Medicaid or CHIP programs. DHH may, at its option, contact these clients or regulatory agencies and any other individual or organization whether or not identified by the MCO.
2. Submit documentation during Readiness Review and prior to the "go live" date, demonstrating that the MCO has secured the required insurance accordance with DHH requirements..
- ~~3. The original surety bond must be submitted to DHH by the fifteenth (15<sup>th</sup>) day of the fourth (4<sup>th</sup>) month of the contract.~~
3. Submit annual audited financial statement for fiscal years 2013 and 2014. (2014 to be submitted no later than six months after the close of the fiscal year).
4. Submit an Affiliate Report containing a list of all Affiliates and for DHH's prior review and approval, a schedule of all transactions with Affiliates that, under the provisions of the Contract, will be allowable as expenses in the Financial Report for services provided to the MCO by the Affiliate. Those should include financial terms, a detailed description of the services to provided, and an estimated amount that will be incurred by the MCO for such services during the Contract Period.

### **System Testing and Transfer of Data**

The MCO must have hardware, software, network and communications systems with the

capability and capacity to handle and operate all MIS systems and subsystems.

During the Readiness Review task, the MCO will accept into its system any and all necessary data files and information available from DHH or its contractors. The MCO will install and test all hardware, software, and telecommunications required to support the Contract. The MCO will define and test modifications to the MCO's system(s) required to support the business functions of the Contract.

The MCO will produce data extracts and receive data transfers and transmissions. MCOs must be able to demonstrate the ability to produce encounter file.

If any errors or deficiencies are evident, the MCO will develop resolution procedures to address the problem identified. The MCO will provide DHH, or designated contractor, with test data files for systems and interface testing for all external interfaces. This includes testing of the required telephone lines for Providers and Members and any necessary connections to the Enrollment Broker, Fiscal Intermediary and External Quality Review Organization. The MCO will demonstrate its system capabilities and adherence to Contract specifications during readiness review.

#### **System Readiness Review Contingency Plan**

The MCO must assure that system services are not disrupted or interrupted during the Operations Phase of the Contract, as defined in the Information Systems Availability section of the RFP. The MCO must coordinate with DHH and other contractors to ensure the business and systems continuity for the processing of all health care claims and data as required under this Contract.

The MCO must submit to DHH, descriptions of interface and data and process flow for each business processes described in the ***MCO Systems Companion Guide***.

The MCO must clearly define and document the policies and procedures that will be followed to support day-to-day systems activities. The MCO must develop, and submit for DHH review and approval, the following information no later than thirty (30) days after the Contract is signed by the MCO or the date when the Readiness Review process begins, whichever is sooner:

- a. Disaster Recovery Plan
- b. Business Continuity Plan
- c. Systems Quality Assurance Plan

#### **Demonstration and Assessment of System Readiness**

The MCO must provide documentation on systems and facility security and provide evidence or demonstrate that it is compliant with HIPAA, as specified in the Information Security and Access Management section and as otherwise stated in the RFP. The MCO shall also provide DHH with a summary of all recent external audit reports, including findings and corrective actions, relating to the MCO's proposed systems. The MCO shall promptly make additional information on the detail of such system audits available to DHH upon request.

In addition, DHH will provide to the MCO a test plan that will outline the activities that need to

be performed by the MCO prior to the Go-Live Date of the Contract, as outlined in the ***MCO Systems Companion Guide***. The MCO must be prepared to assure and demonstrate system readiness. The MCO must execute system readiness test cycles to include all external data interfaces, including those with Subcontractors.

DHH, or its contractors, may independently test whether the MCO's MIS has the capacity to administer a Managed Care Network. This Readiness Review of an MCO's MIS may include a desk review and/or an onsite review. Based in part on the MCO's assurances of systems readiness, information contained in the Proposal, additional documentation submitted by the MCO, and any review conducted by DHH or its contractors, DHH will assess the MCO's understanding of its responsibilities and the MCO's capability to assume the MIS functions required under the contract.

The MCO is required to provide a Corrective Action Plan in response to any Readiness Review deficiency no later than ten (10) calendar days after notification of any such deficiency by DHH. If the MCO documents to DHH's satisfaction that the deficiency has been corrected within ten (10) calendar days of such deficiency notification by DHH, no Corrective Action Plan is required.

### **Operation Readiness**

The MCO must clearly define and document the policies and procedures that will be followed to support day-to-day business activities related to Louisiana Medicaid enrollees, including coordination with contractors. The MCO will be responsible for developing and documenting its approach to quality assurance.

Readiness Review includes all plans to be implemented on the anticipated Operational Start Date. At a minimum, the MCO shall:

1. Develop operations procedures and associated documentation to support the MCO's proposed approach to conducting operations activities in compliance with the contracted scope of work.
2. Submit to DHH, a listing of all contracted and credentialed Providers, in a DHH approved format including a description of additional contracting and credentialing activities scheduled to be completed before the Go-Live Date.
3. Prepare and implement a Member Services staff training curriculum and a Provider training curriculum.
4. Prepare a Coordination Plan documenting how the MCO will coordinate its business activities with those activities performed by DHH contractors and the MCO's Subcontractors, if any. The Coordination Plan will include identification of coordinated activities and protocols for the Transition Period.
5. Develop and submit to DHH the draft Member Handbook, draft Provider Manual, draft Provider Directory, and draft Member Identification Card for DHH's review and approval. The material must at a minimum meet the requirements specified in the Request for Proposal.

6. Develop and submit to DHH the MCO's proposed Member complaint and appeals processes.
7. Provide sufficient copies of final Provider Directory to the DHH's Enrollment Broker in sufficient time to meet the enrollment schedule.
8. Demonstrate toll-free telephone systems and reporting capabilities for the Member Services Hotline and Provider Service Hotline.
9. Submit a written Fraud, Waste, and Abuse Compliance Plan to DHH for approval no later than thirty (30) days from the date the Contract is signed. As part of the Fraud, Waste, and Abuse Compliance Plan as described in this RFP, the MCO shall:
  - Designate a compliance officer and essential personnel to attend mandatory training in fraud and abuse detection, prevention and reporting. Executive and essential fraud and abuse personnel means MCO staff persons who supervise staff in the following areas: data collection, provider enrollment or disenrollment, encounter data, claims processing, utilization review, appeals or grievances, quality assurance and marketing, and who are directly involved in the decision-making and administration of the fraud, waste, and abuse detection program within the MCO.
  - Designate an officer within the organization responsible for carrying out the provisions of the Fraud, Waste, and Abuse Compliance Plan.
  - The MCO is held to the same requirement and must ensure that, if this function is subcontracted to another entity, the subcontractor also meets all the requirements.

During the Readiness Review, DHH may request from the MCO certain operating procedures and updates to documentation to Managed Care Network Services. DHH will assess the MCO's understanding of its responsibilities and the MCO's capability to assume the functions required under the Contract, based in part on the MCO's assurances of operational readiness, information contained in the Proposal, and in Transition Period documentation submitted by the MCO.

The MCO is required to promptly provide a Corrective Action Plan as requested by DHH in response to Operational Readiness Review deficiencies identified by the MCO or by DHH's contractors. The MCO must promptly alert DHH of deficiencies, and must correct a deficiency or provide a Corrective Action Plan no later than ten (10) calendar days after DHH's notification of deficiencies. If the MCO documents to DHH's satisfaction that the deficiency has been corrected within ten (10) calendar days of such deficiency notification by DHH, no Corrective Action Plan is required.

### **Assurance of System and Operation Readiness**

In addition to successfully providing the Deliverables described in the RFP, the MCO must assure DHH that all processes, MIS systems, and staffed functions are ready and able to successfully assume responsibilities for operations prior to the Go-Live Date. In particular, the

MCO must assure that Key MCO Personnel, Member Services staff, Provider Services staff, and MIS staff are hired and trained, MIS systems and interfaces are in place and functioning properly, communications procedures are in place, Provider Manuals have been distributed, and that Provider training sessions have occurred according to the schedule approved by DHH.

### **Post-Transition**

The MCO will work with DHH, Providers, and Members to promptly identify and resolve problems identified after the Go-Live Date and to communicate to DHH, Providers, and Members, as applicable, the steps the MCO is taking to resolve the problems.

If a MCO makes assurances to DHH of its readiness to meet Contract requirements, including MIS and operational requirements, but fails to satisfy requirements set forth in this Section, or as otherwise required pursuant to the Contract, DHH may, at its discretion do any of the following in accordance with the severity of the non-compliance and the potential impact on Members and Providers:

1. Freeze enrollment into the MCO's plan;
2. Impose contractual monetary penalties; or
3. Pursue other equitable, injunctive, or regulatory relief.