



COMMONWEALTH of VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300
Richmond, VA 23219

March 27, 2020

Dear Prospective Offeror:

The Department of Medical Assistance Services ("DMAS" or the "Department") is hereby soliciting proposals from qualified and innovative health care analytics firms to establish a program to **use predictive analytics to mitigate risk of improper payments to providers of services** that are paid under the state plan for medical assistance and all applicable waivers. Such program shall include the use of predictive modeling, provider profiling, trend analysis, and other analytics **to identify providers with a high likelihood of fraud, abuse, or error and prevent payments on potentially fraudulent or erroneous claims from being made until such claims have been validated**. Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2020-02.

Offerors must check eVA VBO at <http://www.eva.virginia.gov> for all official addendums or notices regarding this RFP. DMAS also intends to post such notices on the DMAS website at <https://www.dmas.virginia.gov/#/procurement>, however, eVA is the official and controlling posting site. The Commonwealth will not pay any costs that Offerors incur in preparing a proposal. As provided in the Virginia Public Procurement Act, the Department may reject any and all proposals received or cancel this RFP. Potential Offerors are requested not to call this office. All issues and questions related to this RFP should be submitted in writing to the attention of Whitney Wallace Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, VA 23219, and should be submitted by email in MS Word format to RFP2020-02@dmas.virginia.gov.

Offerors who wish to submit a proposal are required to submit a Letter of Intent (LOI) which must be received by the Department no later than 10:00AM Eastern Time on April 6, 2020. The LOI must be on the Offeror's letterhead and document their intent to submit a proposal in response to the RFP. **The prior submission of a Letter of Intent shall be a prerequisite for submitting a proposal; proposals shall not be accepted from Offerors who have not submitted a Letter of Intent by the deadline specified above. Letters of Intent may addressed and e-mailed to the addresses listed above.**

Sincerely,

Whitney Wallace

Whitney Wallace
Procurement Office

**REQUEST FOR PROPOSALS
RFP 2020-02**

Issue Date: March 27, 2020

Title: Preventive Review and Analytics

Contract Period: An initial period of three (3) years from date of award, with provisions for five (5) twelve-month extensions.

Commodity Codes: 95856, 91849, 91812, 92592

All inquiries should be directed in writing via email in MS Word Format to:

RFP2020-02@dmas.virginia.gov.

Whitney Wallace
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

Letter of Intent: April 6, 2020, 10:00 AM Eastern Time

Deadline for Submitting Inquiries: April 27, 2020, 10:00 AM Eastern Time

Proposal Due Date: Proposals will be accepted until **10:00 AM Eastern Time on June 15, 2020**

Submission Method: Electronic proposal submission is required.

Facsimile transmission of the proposal is not acceptable.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or Offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include Anti-Discrimination subparagraph 1.e. Such a request shall be in writing and explain why an exception should be made in that invitation to bid or request for proposal.

In compliance with this Request for Proposal and pursuant to all conditions imposed herein or incorporated by reference, the undersigned proposes and agrees, if awarded this contract, to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone:	Date Signed
Fax Number:	Email:
eVA Registration Vendor Number <u>Required:</u>	eVA Vendor #:
State Corporation Commission ID Number (Required): See Special Terms and Conditions	SCC ID #:
Dun & Bradstreet D-U-N-S Number (Required):	DUNS#:
Check Applicable Status: Corporation ----- Partnership ----- Proprietorship ----- Individual ----- Woman Owned ----- Minority Owned ----- Small Business ----- If Department of Small Business and Supplier Diversity (DSBSD) certified, provide certification number: _____	

Submit this completed form with Technical Proposal under Required Forms

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
REQUEST FOR PROPOSALS
FOR
PREVENTIVE REVIEW AND ANALYTICS

RFP 2020-02

ISSUED: February 3, 2020

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I. PURPOSE AND DEFINITIONS

1.1 Purpose

The Department of Medical Assistance Services, hereinafter referred to as the "Department" or "DMAS," is the single State agency in the Commonwealth of Virginia **that administers the Medicaid program** under Title XIX of the Social Security Act and the State Children's Health Insurance Program (known as FAMIS) and Title XXI of the Social Security Act for low-income people. These programs are financed by federal and state funds and are administered by the state according to federal guidelines. Information about the Virginia Medicaid Program is available at <http://www.dmas.virginia.gov/#/index>.

House Bill 2015 of the 2019 General Assembly session amended § 32.1-319.1 of the Code of Virginia, which directs DMAS to conduct a pilot program to use predictive analytics to mitigate risk of improper payments to providers. As amended, the code now states:

A. The Department shall conduct a pilot program to develop and implement means to mitigate the risk of improper payments to providers of services furnished under the state plan for medical assistance and all applicable waivers. The pilot program shall include the use of predictive modeling, provider profiling, trend analysis, and other analytics to identify providers with a high likelihood of fraud, abuse, or error and prevent payments on potentially fraudulent or erroneous claims from being made until such claims have been validated.

B. The Department may enter into a contract or agreement with a vendor for the operation of the pilot program to mitigate the risk of improper payments to providers of services furnished under the state plan for medical assistance and all applicable waivers required by this section. However, selection of a vendor shall be dependent on the demonstration of a proof of concept, prior to entering into a contract or agreement.

In addition, HB 2015 exempted claims subject to this process from the requirements of the Virginia Prompt Payment Act (Code of Virginia § 2.2-4347 to § 2.2-4356).

Pursuant to this directive, the Commonwealth of Virginia, DMAS, is hereby soliciting proposals from qualified and innovative health care analytics firms to conduct preventive review of claims identified through predictive analytics to mitigate risk of improper payments to providers of services that are furnished under the state plan for medical assistance and all applicable waivers. DMAS seeks a proposal that will utilize advanced analytics to detect providers suspected of submitting potentially inappropriate claims, pend that provider's claims for preventive review, and perform the back-end processes needed to request and review documentation to substantiate pending claims. The successful respondent will also demonstrate a strategy for coordinating activities with DMAS Managed Care Organizations (MCOs).

1.2 RFP Objectives

- To obtain a complete analytics solution that will identify providers who are submitting inappropriate claims, pend future claims, and, if possible, current claims from the provider pending preventive documentation review.
- The solution will maximize efficiency and cost effectiveness in the Virginia Medicaid Program by identifying claims and encounters that are likely to contain overpayments resulting from inappropriate billing by providers.
- The solution will review claims and encounters submitted by previously flagged providers prior to payment and identify claims that violate DMAS or federal Medicaid policy or otherwise present a potential risk of overpayment.
- The solution will utilize statistically sound, empirically derived analytics techniques designed to identify high-risk and suspect providers and subject their claims to preventive review.
- The solution will include preventive review conducted by the Contractor including notification of providers, requesting documentation, reviewing that documentation to determine if it supports the claim as billed, and communicating the result of that review (pay/deny/adjust) back to the claims processing systems.
- The solution will obtain fee-for-service claims and managed care encounters and utilize them to inform the statistical models used to identify risky providers.
- The solution will identify patterns and trends in billing errors that will help DMAS improve its program management by avoiding future overpayments and improving health care management decisions; the solution will also identify and flag providers suspected to have improper or suspicious billing patterns to prevent unscrupulous providers from billing the Medicaid program.
- The solution will deliver the services requested in an efficient and effective manner while ensuring the highest standards of performance, integrity, customer service, and fiscal accountability.

1.3 Definitions

The following terms when used in this RFP shall be construed and/or interpreted as follows, unless the context expressly requires a different construction and/or interpretation.

- **Acceptance:** Successful delivery and performance by the Supplier of its contractual commitments at the location(s) designated in the applicable Statement of Work ("SOW") or order, including completed and successful acceptance testing in conformance with the Requirements as determined by DMAS.
- **Administrative Cost:** All costs to the Contractor related to the administration of the activities required through this RFP. Costs of subcontractors engaged solely to perform a non-medical administrative function for the Contractor specifically related to securing or fulfilling the Contractors obligations to the Department under the terms of this RFP (including, but not limited to, postage, personnel, rent) are considered to be an "administrative cost."
- **Administrative Dismissal:** A DMAS provider appeal dismissal that requires only the issuance of an informal appeal decision with appeal rights but does not require the submission of a case summary or any further informal appeal proceedings.
- **Adverse Action:** An action taken by the Contractor, to deny or retract, in whole or in part, payment for a service rendered by a provider. "Adverse Action" and "Action" are used interchangeably throughout the RFP.
- **Analytics Engine:** The suite of data analytics products or tools that will identify suspicious providers and their associated claims to be subjected to preventive review.
- **Annual:** For the purposes of reporting requirements, annual shall be defined as "within 90 calendar days of the effective contract date and effective contract renewal date."
- **Appeal:** A request made by a provider or member to review an adverse action taken by the Contractor, DMAS or third party on behalf of DMAS to determine whether the action complied with the Medicaid laws, regulations, and/or policy. The appeal shall be governed by the Department's regulations and any and all applicable laws and court orders.
- **Audit:** An examination or inspection of medical records and documentation by the Contractor to verify that the provider properly billed Virginia Medicaid for services rendered to Medicaid enrollees. This record review may be performed as a desk audit, an on-site audit or both. In addition, the Contractor may contact enrollees for verification of services rendered and contact related professionals for verification that services were ordered.
- **Authorized Users:** DMAS, and end users as authorized by DMAS for its required operational audience.
- **Business Days:** Monday through Friday, 8:00 AM to 5:00 PM, Eastern Time, unless otherwise stated.
- **Calendar Day:** Monday through Sunday.
- **Calendar Year:** January 1 through December 31.
- **Case:** A discrete instance of suspected improper payment(s) or fraud for which is to be substantiated through the review of supporting documentation by investigative staff.
- **Case Tracking:** Case tracking refers to the database of pending, ongoing, and completed cases investigated by DMAS staff or one of its contracted partners. (See Fraud and Abuse Detection System (FADS))
- **Claim:** An itemized statement requesting payment for services rendered by health care providers (hospitals, physicians, or other professionals, etc.), billed electronically or on the CMS 1500, and/or UB-92. When the term is used in this document it is meant to apply to data on services rendered to Virginia Medicaid and FAMIS members. Unless identified specifically as Fee-for-Service (FFS) Claims, the term claim or claims should be interpreted to include FFS claims as well as any available managed care encounters. For the purpose of the solution, this definition of Claim does not conflict with the term claim as used in the Virginia Prompt Payment Act or Dispute Resolution as referenced in Code § 2.2-4363, contractual claims

- **CMS:** Centers for Medicare and Medicaid Services, the federal Medicaid oversight authority.
- **Contract:** The signed and executed document resulting from this RFP, including all documents incorporated by reference.
- **Code:** The Code of Virginia, as amended, and all laws in the titles, chapters, articles and sections contained therein.
- **Confidential Information:** Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or SOW issued hereunder, and which at the time of disclosure either:
 - (i) is marked as being “Confidential” or “Proprietary”;
 - (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party; or
 - (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party; or
 - (iv) is identifiable or should be reasonably considered as protected health information;
 - (v) any personally identifiable information, including information about DMAS’ employees, contractors, and customers, that is protected by statute or other applicable law.
- **Contract Modifications:** Any changes or amendments to the contract that are mutually agreed to in writing by the Contractor and the Department or are mandated by changes in federal or state laws or regulations.
- **Contractor:** The entity that enters an agreement with the Department, under the State Plan for Medicaid and FAMIS and in return for a payment conducts data analytics and provider reviews as set forth in this RFP. Contractor shall also mean Supplier as referenced herein.
- **Data analytics** is a broad category of data assessment approaches and tools. Data analytics includes predictive modeling but also includes other approaches, e.g., link analysis, machine learning, graph pattern analysis, scoring, trend analysis, spike analysis, and cluster analysis. Some of these techniques are more appropriately applied to post-payment as compared to pre-payment analysis.
- **Department:** The Virginia Department of Medical Assistance Services, the state Medicaid oversight authority.
- **DMAS:** The Department of Medical Assistance Services, which is also referred to as “the Department” or “the Agency.”
- **Encounter Data:** Files that contain data on claims for services rendered to Medicaid enrollees enrolled in a managed care program.
- **Encryption:** A security measure (process) involving the conversion of data into a format that cannot be interpreted by unauthorized parties.
- **Enterprise Data Warehouse:** A module of the MES, it is a centralized data repository used for reporting, data analysis, and data storage. (See Fraud and Abuse Detection System).
- **Error:** Any error set forth in the report that affects the recommended action on a claim, any procedural defect that affects the validity of the preventive review, validity of the preventive review findings, or recoverability of an overpayment.
- **Facility:** Any premises (a) owned, leased, used or operated directly or indirectly by or for the Contractor or its affiliates for purposes related to this RFP; or (b) maintained by a subcontractor or provider to provide services on behalf of the Contractor.
- **Federal Tax Information (FTI):** FTI consists of federal tax returns and return information (and information derived from it) that is in the possession or control of any Authorized User, which is covered by the confidentiality protections of the Internal Revenue Code (“IRC”) and subject to the IRC § 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as “Sensitive” but “Unclassified” information and may contain personally identifiable information.

- **Fee-for-Service:** A method of making payment for health services based on a fee schedule that specifies payment amounts for defined services separate and distinct from a Medicaid managed care program.
- **Fee-for-Service Claims:** A method of making payment for health services based on a fee schedule that specifies payment amounts for defined services separate and distinct from a Medicaid managed care program.
- **Fiscal Year (State):** July 1 through June 30.
- **Flagged:** A provider is flagged when they have been identified as submitting erroneous or otherwise improper claims, and are subject to the preventive review process.
- **Fraud:** Intentional deception or misrepresentation made by a person or entity with the knowledge that the deception could result in payment of an unauthorized benefit. It includes any act that constitutes fraud under applicable federal or state law.
- **Fraud and Abuse Detection System (FADS) –** FADS is a post-payment analytic solution and program integrity case tracking system. FADS provides the ability to conduct outlier analysis, peer comparison reports, as well as more complicated algorithms to identify aberrant or questionable providers or claims. It is also a sub-environment to the Enterprise Data Warehouse (see Enterprise Data Warehouse).
- **FTE:** Full time equivalent position.
- **Health Insurance Portability & Accountability Act of 1996 (HIPAA):** The federal law, which under Title II of HIPAA, requires standardization of electronic patient health, administrative and financial data; unique health identifiers for individuals, employers, health plans, and health care providers, and security standards protecting the confidentiality and integrity of individually identifiable health information past, present, or future.
- **Implementation Period:** The period of time between the contract effective date and the date when the Contractor begins operation.
- **Improper Payment:** A payment resulting in an incorrect amount for the service rendered. Includes both underpayments and overpayments.
- **Liquidated Damages:** A dollar amount stipulated in this contract, which the parties agree is a reasonable estimation of the damages that would be owed to DMAS in the event of a failure to perform by the Contractor.
- **List of Excluded Individuals and Entities (LEIE):** Maintained by the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG), LEIE is a database which identifies individuals or entities excluded from participation in Medicare, Medicaid, and all other federal healthcare programs. Pursuant to this federal mandate, providers are required to ensure that Medicaid is not paying for any items or services furnished, ordered, or prescribed by excluded individuals.
- **Machine Learning –** An analytical approach which, through algorithms or other techniques, gives a system the ability to make changes to improve performance and accuracy independent of human intervention.
- **Managed Care Organization (“MCO”):** An entity that meets the participation and solvency criteria defined in 42 C.F.R. Part 438 and has an executed agreement with the Department to provide services covered under the Medallion 4.0 and FAMIS and Commonwealth Coordinated Care Plus (CCC+) Programs. These programs are full risk capitated programs that submit data on medical claims through encounters.
- **Medicaid Enterprise System:** A CMS initiative, it is the name for the overarching Enterprise technology solution that will be replacing the outgoing MMIS schema. It is composed of many modules, each with their own unique function and vendor.
- **Medicaid Enterprise System Operations Services Solution (OPSS – claim payment module):** The MES module that will receive, adjudicate, process, and furnish payments for Medicaid claims.

- **Medicaid Enterprise System Encounter Processing System (EPS):** The MES module that will receive, analyze, and process encounter information for Medicaid MCO encounters.
- **Medicaid Fraud Control Unit (MFCU):** Within the Office of the Attorney General, the MFCU has the responsibility to conduct a statewide program for investigating and prosecuting fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the State Medicaid plan.
- **Medicaid Management Information System (MMIS):** The medical assistance eligibility, enrollment, and payment information system of the Virginia Department of Medical Assistance Services (also referred to as VaMMIS).
- **Medical Record:** A single complete record kept at the site of the individual's treatment(s), which documents all of the treatment plans developed, medical services ordered for the individual and medical services received by the individual. This can also refer to any document (including electronic, film, etc.) that is part of an individual's medical record.
- **Monthly:** For the purposes of reporting requirements, monthly shall be defined as the 15th day of each month for the prior month's reporting period. For example, January's monthly reports are due by February 15th; February's are due by March 15th, etc.
- **Offeror:** The entity that submits a proposal in response to the RFP to conduct data analytics and preventive reviews as set forth in this RFP. May also mean Bidder, Contractor or Supplier as used herein.
- **Overpayment:** A Medicaid payment made to a provider that exceeds amounts due and payable under Medicaid established payment schedule, provider agreement and statutes and regulations.
- **Operational Period:** The period of time that follows the implementation period and ends at the contract expiration and/or termination date.
- **Patient Protection and Affordable Care Act (PPACA):** The federal health reform legislation enacted March 23, 2010 which will expand the Medicaid program, and reauthorizes the CHIP program through September 30, 2015, among other provisions.
- **Party:** Any combination of Supplier, DMAS, or the Commonwealth. "Party" shall also mean "Parties" herein.
- **Phase-In/Phase-out Services:** Services performed by the incumbent contractor and newly awarded contractor during the transition period of performance from one contractor to the other.
- **Pilot Project:** A project with a finite time scope to be able to track the progress, success, and viability of the project before expanding it further in scope and resources.
- **Post-Payment Review:** Subjecting claims for services to evaluation after the claim has been adjudicated. This activity may result in claim reversal or partial reversal, and claim payment recovery.
- **Preventive Review Process:** A review process conducted before a claim is paid to ensure the appropriate code was billed, the documentation supports the claim submitted, and/or the service was medically necessary
- **Predictive Modeling** describes a range of analyst-driven statistical and analytical techniques that use historical data to predict future events or behavior. Predictive modeling requires human intervention and evaluation to make a final decision regarding the payment status of a healthcare claim.
- **"Predictive analytics"** - a term of art and is often used to describe data analytics and predictive modeling. However, this document will use the broader term "data analytics" when addressing both post-payment and pre-payment analytics generally and the term "predictive modeling" when specifically discussing the use of techniques designed to extrapolate future events and/or behavior. Both are defined below:
- **Program Integrity Division (PI):** The Division within the Department that is responsible for identifying, preventing and recovering improper payments due to fraud, waste and abuse.

- **Project Management Team:** Contractor's key contact persons such as Project Manager, and representatives from Accounting and Finance, Information Systems, and Appeals who work toward successful implementation and operation of all aspects of the contract.
- **Proof of Concept:** An exercise vendors will participate in prior to being awarded the contract for this procurement as an opportunity to prove their experience and ability in handling DMAS data.
- **Protected Health Information (PHI):** Individually identifiable information, including demographics, which relates to a person's health, health care, or payment for health care. HIPAA protects individually identifiable health information transmitted or maintained in any form or medium.
- **Provider:** An agency, person, corporation, partnership, or association approved by the Department which accepts as payment in full for providing benefits the amounts paid pursuant to a provider agreement with the Department. As it relates to this RFP, the prescribing practitioner is the licensed provider prescribing the supplies within their scope of practice.
- **Quarterly:** For the purposes of reporting requirements, quarterly shall be defined as within 30 calendar days after the end of each quarter, unless otherwise specified by the Department.
- **Risk or risky claim** – In this RFP, references to identification of areas of risk, risky claims, or program integrity risk are to be interpreted as being likely to contain overpayments. In general, risky claims present a higher than normal likelihood of containing overpayment. Risk evaluation should also incorporate the expected size of the overpayment in addition to the likelihood of overpayment.
- **Risk scoring** A risk scoring methodology is the simplest approach, and provides a statistical analysis of individual claims to show which claims are most likely to have payment issues based upon what claims have had problems in the past.
- **Secure email:** The generic term that usually applies to sensitive email being passed over the Internet in some form of encrypted format.
- **Service Authorization:** The act of authorizing specific services or activities before they are rendered or activities before they occur. (formerly called prior authorization)
- **Shall or Must:** Indicates a mandatory requirement or a condition to be met, the absence of which may result in a lower score or elimination from consideration.
- **State:** Commonwealth of Virginia.
- **State Plan for Medical Assistance (State Plan):** The comprehensive written statement submitted by the Department to CMS for approval, describing the nature and scope of the Virginia Medicaid program and giving assurance that it will be administered in conformity with the requirements, standards, procedures and conditions for obtaining federal financial participation. The Department has the authority to administer the State Plan for Virginia under Code of Virginia § 32.1-325, as amended.
- **Subcontract:** An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the Department under the terms of this RFP, when the intent of such an agreement is to delegate the responsibility for any major service or group of services required by this RFP.
- **Subcontractor:** Any State approved organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the Department under the terms of this RFP.
- **SWaM:** Any entity certified by the Commonwealth's Department of Small Business and Supplier Diversity as a small, women-owned, minority-owned, or service disabled veteran-owned business, as defined in Code §§ 2.2-2000.1 and 2.2-4310, or a certified micro business as defined in Executive Order Number 20 (2014).
- **Subject Matter Expert (SME):** Individuals who have superior knowledge of clinical, technical and DMAS policy/procedures within a specific clinical or technical area.
- **Transition Out Plan:** The written plan developed by Supplier addressing the transition of Supplier's contractual obligations, in whole or in part, away from the Supplier and to DMAS, after the expiration

or termination of the Contract.

- **Transition Period:** The period of time after the expiration or termination of the Contract that Supplier is obligated to continue providing assistance to DMAS so as to transition the Supplier's contractual obligations, or any portion thereof, to any other supplier.
- **Transmit:** To send by means of the United States mail, courier or other hand delivery, facsimile, electronic mail, or electronic submission.
- **Utilization Management:** The process of evaluating the necessity, appropriateness and efficiency of health care services against established guidelines and criteria.
- **VaMMIS:** see MMIS

II. BACKGROUND

In FY 2018, the Department spent nearly \$9.8 billion on medical services and benefits to enrolled Medicaid and FAMIS members. Of that, \$5.4 billion was capitated payments to managed care organizations. The Commonwealth of Virginia has approximately 1.37 million Medicaid members as of May of 2019. Of those members, about 1.23 million are enrolled in one of two managed care programs, with around 24,000 members enrolled in fee-for-service. The remaining 119,000 members are enrolled as limited benefit members such as qualified Medicare beneficiaries or PACE members.

Virginia, like many states, is working to identify new and innovative ways to monitor and control health care spending for the Virginia Medicaid Program. DMAS already conducts a substantial and effective post-payment audit program designed to correct abusive provider billing practices through record review and recovery of overpayments. To enhance PI efforts, DMAS seeks to implement a system that can identify providers who habitually submit inappropriate claims and pend these providers' future claims to an efficient and timely preventive review process. The process would verify through documentation review or other innovative means if claims submitted by the pended providers were indeed appropriate.

DMAS is dedicated to providing all medically appropriate and necessary care for Medicaid and FAMIS enrollees while addressing the need of Virginia taxpayers for fiscal responsibility. DMAS believes that robust program integrity processes are integral to meeting this goal and are the foundation to keeping spiraling Medicaid health care costs at bay. The Program Integrity Division is the primary division at DMAS focused on identifying and correcting potential fraud, waste, and abuse in Virginia Medicaid. Additional information on the division is provided below.

2.1 Program Integrity Division

The Program Integrity Division (PID) is responsible for identifying abusive and potentially fraudulent billing practices by the DMAS provider community. PID utilizes both agency staff and contractors to perform post-payment review of providers identified through retrospective claims analysis. In SFY 2018, PID and contractor audits uncovered \$8.7 million in Medicaid overpayments across a wide variety of provider and service types. Providers who appear to have engaged in fraudulent activities are referred to the Medicaid Fraud Control Unit (MFCU) in the Attorney General's office for further investigation.

2.2 Current FFS and Managed Care Breakdown

DMAS provides Medicaid to individuals through two programs: a program utilizing contracted managed care organizations (MCO) and fee-for-service (FFS). While DMAS has always had a substantial number of members covered through a fully risk-based capitated managed care program, recent changes, including the implementation of Managed Long-Term Care Services and Supports have shifted an even larger proportion of members, claims, and paid dollars to managed care. Currently, DMAS processes an average of about 1.6 million FFS claims and 2.7 million encounters per month. The decision by the Virginia General Assembly to expand Medicaid enrollment effective January of 2019 will result in increased claim volume in the Virginia Medicaid program, though it is unclear exactly how it will specifically affect FFS claims or MCO encounters.

2.3 Current Program Integrity and Analytic Capabilities

DMAS has already invested substantially in data management, claim processing, post-payment analytic, and program integrity case management solutions. DMAS does not seek to duplicate any of these functions as a part of this procurement. Where possible, the Contractor should seek to integrate with current and established future processes rather than proposing duplicate services. These projects include but are not limited to Medicaid Enterprise System (MES) components such as the Enterprise Data Warehouse Solution

(EDWS), Fraud and Abuse Detection System (FADS), Modular Core Services Solution (MCSS), and Operations Services Solution (OPSS). While the proposed solution may provide some redundant checks to ensure that claims have been processed correctly according to national coding standards and DMAS policies, these should not constitute the bulk of the proposed solution's capabilities.

2.3.1 Virginia Medicaid Management Information System (VaMMIS)

VaMMIS is a computerized system that DMAS currently uses to perform fee-for-service (FFS) claims processing, information retrieval, and program management support functions. VaMMIS is used to ensure proper claim payment through a series of front-end claims verification controls known as "claims edits." The edits are designed to ensure that providers are appropriately reimbursed for providing only medically necessary services to eligible recipients. These edits include but are not limited to National Correct Coding Initiative (NCCI) and Medically Unlikely Edits (MUE) as defined by CMS.

2.3.2 Medicaid Enterprise System Project

DMAS is replacing VaMMIS as one part of a larger Medicaid Enterprise System (MES) project. The goal of the MES is to establish mutually beneficial partnerships with business-driven, healthcare technology leaders to transition to a more modern Medicaid Business and Technical environment. In pursuit of this goal, DMAS released the following five (5) MES RFPs: Integration Services Solution (ISS), Enterprise Data Warehouse Solution (EDWS), Financial Management Solution (FMS), Modular Core Services Solution (MCSS) and Pharmacy Benefit Management Solution (PBMS). The Medicaid Enterprise System (MES) project consists, in part, of a new claims processing system to replace VaMMIS for processing DMAS FFS claims. This solution will contain substantial edits, including ClaimCheck and National Correct Coding Initiative edits as well as any other edits currently implemented in the VaMMIS. DMAS is receptive to proposals that, in part, may duplicate some of the claims edits, as they may act as a verification process. However, this should not consist of a substantial part of the analytic capabilities being proposed. As part of the MES Program, DMAS also added an in-house Encounter Processing Solution (EPS) project.

2.3.4 Enterprise Data Warehouse Solution (EDWS)

DMAS is currently implementing a Data Warehouse as a part of the larger MES Procurement. RFP 2016-05, Enterprise Data Warehouse Solution provides the details of this project. Generally, the EDWS acts as a repository for historical data on all claims, providers, and members. In addition, this solution will allow DMAS to integrate new data sources into the warehouse as they are identified. The Contractor will be expected to interface with this system to obtain historical claims data, encounters, provider enrollment, member enrollment, service authorization and other available information. If connections to additional data sources are required for the proposed solution, if possible, these data sources will be loaded first into the Data Warehouse and then accessed from there.

2.3.5 Fraud and Abuse Detection System

DMAS is currently implementing a Fraud and Abuse Detection System that provides substantial post-payment analytics as well as centralized case tracking for all Virginia Medicaid audits and other program integrity activities. The requirements for the FADS system are contained in RFP 2016-05, Enterprise Data Warehouse Solution. DMAS does not seek to procure a duplicative analytics platform with user interface. DMAS will be able to provide the successful Contractor with reports and results from these analytic activities to inform their activities during implementation. DMAS also does not seek to procure a new case management system to track these preventive reviews, and expects that the Contractor will interface with our FADS case management solution to create trackable cases for preventive reviews.

III. NATURE AND SCOPE OF SERVICES

Pursuant to the directive set forth in § 32.1-319.1 of the Code of Virginia, DMAS seeks a proposal that will utilize advanced analytics and machine learning to detect FFS and MCO providers that appear to be submitting improper claims. Identified providers would be subjected to preventive review, which could entail the pending of claims and/or additional documentation review to validate submitted claims. The Contractor will perform this same task with DMAS MCO's partners. The integration of this solution with the existing claim adjudication process and the ability for the Contractor to request documentation of pended claims, perform reviews, and render final determination for both Fee-for-Service claims paid by DMAS and encounters paid by MCOs in a timely fashion are essential to this procurement. **NOTE: The objectives and requirements outlined in this section will be incorporated into the final Contract.**

3.1 RFP Objectives

The Department seeks to obtain a solution that utilizes claims data as well as data from other sources to identify providers who appear to present a risk of improper payments. Identified providers would then be placed on preventative review based on recommendations from the analytics solution, which entails the request and review of documentation to determine if it supports the claim as billed. The contractor will conduct this review and communicate the final disposition back to the appropriate claims payment system for final resolution. The solution will deliver the services requested in an efficient and effective manner while ensuring the highest standards of performance, integrity, customer service, and fiscal accountability.

This overall solution consists of two distinct activities, each with their own requirements. The first of these activities is the Analytics Engine, which will identify providers that violate DMAS or federal Medicaid policy or otherwise present a potential risk. The engine will utilize statistically sound, empirically derived analytics techniques designed to identify high-risk and suspect providers.

The second major component of the Solution is Preventive Review of FFS claims and MCO encounters submitted by providers who have been identified by the Engine as presenting a risk. This process includes the Contractor notifying providers, requesting documentation, reviewing that documentation to determine if it supports the claim as billed, and communicating the result of that review (pay/deny/adjust) back to the claims processing systems. In addition to demonstrating how claims would be subject to analytics, the Contractor shall detail the process they will use to conduct preventive review of claims and relay the results of those reviews back to DMAS claims payment systems. The Department's expectation is that the Contractor will manage the entire preventive review process.

3.2 Analytics Engine

The analytics engine (the “Engine”) identifies the providers that will be subject to preventive review. DMAS seeks to obtain an Analytics Engine that utilizes predictive modeling, provider profiling, trend analysis, and other analytics to identify providers and claims with a high likelihood of fraud, abuse, or error. The Contractor will regularly present the results of their analysis to the Department and, in consultation with Department staff, determine the course of action for individual claims, providers, or groups of claims identified as presenting program integrity risk or violating payment policies

- The Contractor shall be responsible for analyzing FFS claims and managed care encounters to identify providers that violate DMAS policy or indicate a high probability of payment error. The Contractor will present these providers to the Department, which will determine whether to subject their future claims to review and verification (except where otherwise noted). The Contractor will use technology capable of deploying algorithms and analytical processes to examine claims by member, provider, service and other attributes with the goal to identify and assign an alert and risk score that prioritizes providers for additional preventive review. Providers should be prioritized based on likelihood of improper payments and the value of the expected overpayment.

The Contractor selected for this engagement must provide an analytics engine that will:

- Review all FFS claims and MCO encounters submitted to the Department
- Utilize statistically-sound, empirically-derived analytics techniques designed to identify high-risk and suspect providers and prevent improper payments;
- Utilize integrated transaction risk scoring to identify providers that have unusual billing practices or demonstrate signs of potential fraud, waste or abuse;
- Build algorithms to identify claims that violate policies and should be denied based on information contained within the claim data. Contractor is expected to be able to review federal and state policy documentation (manuals, provider policy memos, etc.) and interpret them to create algorithms with limited support from the Department;
- Identify suspect relationships, patterns, trends, utilization and billing behavior;
- Access and utilize Medicaid historical transaction data available in the EDWS and information from external databases;
- Link to any additional data on participating providers from third party systems and data sources as they are made available through the EDWS, such as the MFCU Investigation Database, State Compromised Numbers Database, List of Excluded Individuals/Entities (LEIE), vital statistics, land records and criminal history data;
- Permit modifications and enhancements in a rapid and timely manner through a change control process that applies quick changes in reaction to changing patterns of behavior;
- Allow Department staff visibility into data analysis to allow clear evaluation of the underlying components contributing to the identification of a provider as presenting a risk of improper payment;
- Provide reporting on scores, reason codes, and treatment actions for providers identified as presenting a risk of improper billings practices;
- Provide results in a format that allows for the re-creation of these data runs in other analytics platforms to verify results;
- Continuously refine and test the analytics models to improve performance and minimize false positives and false negatives, particularly based on the outcomes of preventative reviews.

Responses should describe the Contractor’s overall approach to implementing a data analytic system including where and how the Analytics Engine is hosted, how the engine will ingest data from claims and other sources, analytical approaches to identify high-risk providers, and how the analytical results will be

presented to the Department. The response should clearly explain Contractor's ability to incorporate external data sources into the tool, as well as identify the user support and training the Contractor will provide.

3.3 Preventive Review Process

The data analytics and predictive modeling conducted through the Engine are not stand-alone tools, but critical first steps in the investigative process. Information from these tools will help focus program integrity efforts and resources to areas of the greatest risk and return, but actual review of claims must be conducted in many cases to verify the existence of overpayments, fraud, etc. In addition to providing an analytics engine to identify claims, the Contractor will also be responsible for conducting all aspects verifying the validity of the claim. This process will entail the Contractor notifying providers that their claims have been subjected to review, requesting documentation, reviewing that documentation to determine if it supports the claim as billed, and communicating the result of that review (pay/deny/adjust) back to the Department. DMAS encourages respondents to recommended innovative solutions to this process. However at a minimum the process should include:

- A process for providers to submit documentation electronically
- Notification of providers that their claims are pended for preventive review
- Requesting documentation from providers to support the claim as billed
- Process through which claims will be consistently reviewed for errors or evidence of fraud, waste, or abuse
- Collaboration with DMAS staff to develop appropriate error matrices
- Conducting reviews of provider document submission to determine if documentation is accurate, complete and supports the claims as billed,
- Identifying any overpayments that may exist
- Communicating the final disposition of that preventive review back to the respective claims processor. These actions include but are not limited to:
 - Denial of a claim pended for preventive review
 - Reduction of a claim pended for preventive review to an appropriate payment amount
 - Approval of a claim pended for preventive review
 - Adjustment of a paid claim to correct for identified overpayment
- Leading in the appeal process to defend the results of the preventive review
- Interface with DMAS FADS Case Tracking to create cases for preventive reviews
- Via manual entry, enter all case findings, documentation reviews, dispositions, overpayments, recoveries, and all other pertinent information into the FADS Case Tracking System
- Reconcile the case information within the FADS Case Tracking System with any new discoveries or information related to case to ensure all information in maintained and up to date

3.4 Overall Integrated Preventive Review Solution

With the analytics engine and preventive review components so defined, it is envisioned that the overall solution at a minimum will work in the following manner:

- A. All claims that pass through OPSS or EPS (paid or denied) will be utilized for modeling
- B. Based on thresholds and rules that will be determined in consultation with the Department, high-risk and suspect providers will be flagged and subject to preventive review;
- C. After providers are placed under preventative review, subsequent claims submitted for reimbursement will be pended by the applicable claims processing system and the provider will be notified.
- D. Contractor will instruct the provider to submit documentation to support their claim as billed;
- E. Providers will submit documentation through an online portal , which Contractor analysts will review;
- F. Contractor will interface with FADS Case Tracking to document claims reviews;
- G. After review, Contractor will transmit the result of the review (pay/deny/adjust) to the appropriate claims processing system for final adjudication.
- H. Results of preventive reviews will be fed back in to the model to allow Contractor to refine the underlying analytics based on actual experience.
- I. For any retroactive recovery of paid claims identified through Contractor's data analytics, DMAS or the respective MCO will be responsible for collecting any overpayments identified. However, Contractor will be expected to communicate these overpayments as claim-level adjustments.
- J. DMAS anticipates that some additional claim voids, adjustments and denials for overpayments identified by DMAS' or an MCO's own program integrity analytics may be included in the claims actions the Contractor will be expected to communicate back to the claims processing system.

3.5 Ongoing Enhancements

This section describes the consultation services required of the Contractor to provide industry expertise to operate, maintain, troubleshoot and enhance the analytics engine during the life of the contract and any extension thereto. DMAS seeks to establish a partnership with the Contractor that will increase the detection of fraud, waste and abuse in the Medicaid program through the use of advanced and innovative technologies. It is expected that the Contractor will draw upon its healthcare expertise, technical expertise, and data modeling and mining expertise to operate the analytics engine at the highest possible peak efficiency, maintain it to the highest possible standards and to continuously seek to enhance its accuracy and performance. The Contractor selected for this engagement must:

- A. Share best practices concerning analytics engines and other state of the art technologies utilized by other governmental programs and healthcare and insurance industries;
- B. Supply and incorporate into the analytics engine information from external databases as desired by DMAS;
- C. Continuously test and train the analytics engine to respond and adapt to feedback loop data, performance measures, and changes in editing and payment rules;
- D. Incorporate modifications to the analytics engine's underlying algorithms, mathematical equations and statistical processes in order to adopt innovative "state of the art" developments and emerging and evolving technology trends in predictive analytics;
- E. Continuously fine tune the analytics engine to improve performance, maximize accuracy and minimize false positives and false negatives through continuous validation and recalibration of scoring models;
- F. Incorporate additional pertinent external databases as they become available;
- G. Make modifications and enhancements to the analytics engine in a rapid and timely manner;
- H. Provide a change control process that applies quick changes in reaction to changing patterns of behavior;
- I. Provide tracking and reporting features with metrics designed to reconcile claims and evaluate and measure performance; and

- J. Participate in successful unit testing, user testing, parallel testing, trading partner testing, performance testing, security vulnerability testing and ADA testing of the integrated analytics engine.

3.6 Supplier Profile

Responses should include the following:

Firm Qualifications

The Contractor selected for this engagement should have:

- A. Demonstrable experience designing and implementing interactive healthcare fraud analytics engines;
- B. Experience designing and implementing healthcare industry specific risk scoring tools and artificial intelligence and sophisticated pattern recognition algorithms;
- C. Experience using integrated healthcare transactions processes with minimal impact on the regular processing of claims;
- D. Medicaid Claims Payment System experience;
- E. Experience with fraud, waste and abuse detection in Medicare, Medicaid and other healthcare or insurance programs;
- F. The ability to provide qualified staff to meet the scope and desired outcomes of this RFP;
- G. A working knowledge and use of a tool to support project management and the delivery of artifacts;
- H. Effective written and verbal communication skills; and
- I. A demonstrable, recent, track record of completing multiple projects with similar scope.
- J. Experience in IT systems integration (interfaces)
- K. Ability to communicate and coordinate with Medicaid providers in a manner that minimizes abrasion but does not affect ability to prevent improper payments.
- L. Ability to serve as a liaison between DMAS and its MCO partners and their respective SIUs, with a focus on championing the program and ensuring rapid and efficient communication between all stakeholders.

Experience on Similar Projects:

Offeror is requested to provide the following additional information:

1. Lessons learned from other similar contracts.
2. Any project or performance risks that Offeror feels should be addressed and/or mitigated to include in the final contract.
3. Assumptions to avoid unknown project delays or disruptions.
4. Critical factors to discuss during each phase of the project milestones.
5. Risk mitigation concepts for both Contractor and Department for this type of effort.
6. Technical, functional or operational expectations/responsibilities Offeror would assign to Department for project success.

Responses should describe previous deployments of similar systems and results, including successes and lessons learned. When choosing prior projects to present, those that demonstrate experience with medical claims, particularly Medicaid claims should be prioritized.

3.7 Staffing

The proposal shall describe the following:

Staffing plan: The Offeror shall provide a functional organizational chart of the proposed project structure and organization, indicating the lines of authority for proposed personnel directly involved in performance of this contract and relationships of the staff to each function of the organization. The personnel plan shall indicate the number of proposed FTEs by position and an estimate of hours to be committed to the project by each staff position. The plan shall also show the number of staff to be employed by the Contractor and staff to be obtained through subcontracting arrangements. Contact information must be provided for all key staff involved in the implementation and ongoing management of the program.

Collectively, staff members proposed for this engagement must meet the following prerequisites:

- A. Expert subject matter knowledge of statistics, decision support, healthcare informatics, multivariate modeling techniques, and model diagnostics;
- B. Proven abilities in advanced statistical and analytics techniques in a healthcare environment;
- C. The ability to understand business requirements and incorporate prediction models into business processes;
- D. Applied knowledge of risk prediction technologies with integrated transaction process; and
- E. Experience with fraud, waste and abuse detection in Medicare, Medicaid and other healthcare or insurance programs.
- F. Ability to interpret DMAS policies as they relate to the development of policy-based algorithms.
- G. Experience working with and understanding the workflows, billing practices, and any other necessary aspects of Medicaid providers' (including MCOs) job so as to minimize disruption and forestall common risks, issues, and concerns.

The Contractor is responsible for assuring that all persons, whether they are employees, agents, subcontractors, or anyone acting for or on behalf of the Contractor, are legally authorized to render service under applicable federal and state law and/or regulations.

An organizational chart detailing all staff shall be provided annually at the start of each contract year.

3.8 Work Plan

The proposal shall describe the following:

Work Plan and Project Management: The proposal shall include a project plan detailing the sequence of events and the time required to implement this project no later than October 15, 2020. The relationship between key staff and the specific tasks and assignments proposed to accomplish the scope of work shall also be included. Submissions will include an outlined project timeline, including dates for project deliverables and key project events. The Offeror shall describe its management approach and how its proposed work plan will be executed.

Progress Reports: Upon award of a contract, the Contractor must prepare a written progress report, as well as telephonic meetings, every week or more frequently as necessary, and present this report to the Director, Program Integrity Division or his designee. The report must include:

1. Status of major activities and tasks in relation to the Contractor's work plan, including specific tasks completed for each part of the project.
2. Target dates for completion of remaining or upcoming tasks/activities.
3. Any potential delays or problems anticipated or encountered in reaching target dates and the reason

for such delays.

4. Any revisions to the overall work schedule.

3.9 Reporting – Ongoing

The Contractor must maintain data necessary to complete and validate reports specified in this RFP. The Contractor shall submit accurate and complete management reports to DMAS at the following intervals: weekly, monthly, quarterly (cumulative), and annually, as specified herein, and on demand. The Contractor shall demonstrate experience in data accumulation and in writing reports that are well organized, clear, concise and readable by laypersons. All reports, analyses, and/or publications developed under this contract will be the property of the Department. For ad hoc reports, the Contractor shall respond to all requests within three business days unless a timeframe is otherwise agreed to by the Department and Contractor. The Department reserves the right to change reporting requirements and request ad hoc reports with sufficient notice.

3.9.1 Reporting via FADS Case Tracking System

As noted earlier, the Department has already procured a case management system as a part of the Fraud and Abuse Detection System (FADS). The FADS will be a central tracking system for all Virginia Medicaid program integrity activities including staff audits, managed care investigations, and all Contractor audits. DMAS expects that the Contractor will also report preventive claim reviews as well as any denials or informational analytics results as cases in the FADS Case Tracking system to allow DMAS to track them. This information needs to be updated in a manner that allows DMAS staff to review the status of determinations being made by the Contractor on claims subjected to the preventive review process. This necessary information should include, at a minimum:

1. Detailed information on the claim and provider
2. Identification of the algorithms/scenarios that resulted in the claim being pended
3. Notification letters and any other correspondence with the provider
4. Documents submitted by the provider to support the claim as billed
5. Reviewer notes
6. Final determination (Paid/Denied/Adjusted)
7. The specific MCO/SIU which conducted the review, if done

As noted, these cases should be updated with current status and documentation at least once a week.

The Contractor shall produce accurate audit reports within the timeframes specified in the contract. Failure to complete preventive reviews within the scheduled timeframes may be cause for cancellation of the contract, unless there are documented delays that have been approved by the Department. Included with the report will be a summary of the preventive review findings and specific information about the preventive review (e.g. date, time, preventive reviewer name(s), etc.), all of which are also mailed to the provider after approval by DMAS. Preventive review reports found to contain an error must be resubmitted to DMAS.

An Error is defined as any error set forth in the report that affects the recommended action on a claim, any procedural defect that affects the validity of the preventive review, validity of the preventive review findings, or recoverability of an overpayment. Errors shall not include disagreement on judgment calls nor errors based on incomplete or inaccurate information provided to the preventive reviewers, so long as the decisions were made in consultation with Department representatives. The Contractor shall provide a corrected report within 5 days of the notification of the error. The Department expects the preventive review reporting to comply with Virginia Medicaid policies and procedures.

3.9.2 Weekly, Monthly, Quarterly Reports

Periodic reports will also be submitted to supplement the information provided in the case tracking system. The Department will receive reports, at least weekly, that present information on all aspects of the analytics engine and the preventive review process. This means an overview of claims identified by the Engine as well as the conduct and results of preventive reviews. To justify this project, it will be essential to show fiscal impact. Since much of the fiscal impact will be in the form of prevented payments, it will be important to develop a defensible methodology for capturing these savings. These reports will include, at a minimum:

- Risk scoring results highlighting any changes in analytic methodology or results.
- Any newly identified claims that violate or appear to violate payment policy
- Claims currently under preventive review, reviews completed.
- Fiscal impact including savings from claims denials, any retroactive adjustment, as well as preventive savings from provider billing changes or system improvements (sentinel effect.)
- Payment suspensions

Offeror should provide examples of reporting templates that they have used in the past to demonstrate experience.

3.9.3 Annual Reports

The Contractor shall submit an annual report, in an editable electronic format, summarizing all preventive review activity, i.e., statistical data, trending analysis, program changes, program accomplishments, appeal statistics, and policy recommendations, as applicable. The annual report must also contain the company financial report for the previous year. The Contractor must submit a draft report and then modify the report based on DMAS' comments and agreed upon specifications at no cost to the Department. The final report will then be submitted to Department staff and management. The report will be due to the Department within seventy-five (75) days after the end of each contract year. The Contractor shall present the annual report in person to Department staff and management. In response to this RFP, the Offeror shall submit a sample annual report for a similar engagement.

3.9.4 Ad Hoc Status Reports

The Contractor shall develop a system for identifying and reporting the current or historical information for any service on the contract. The Contractor shall also provide such additional reports, routine and/or ad hoc in relation to the RFP (and resulting contract) requirements, in a format as agreed upon by the Department and the Contractor. The Department shall incur no expense in the generation of such reports. The Contractor shall respond to all requests within three business days unless a timeframe is otherwise agreed to by the Department and Contractor.

3.10 Customer Service – Providers

The Contractor shall ensure that varying communication and language needs are addressed. This applies to all non-English speaking individuals and is not limited to prevalent languages.

The Contractor shall:

1. Provide professional, prompt, and courteous customer service to all provider questions.
2. Ensure that personnel conducting preventive reviews and responding to inquiries are fully trained and knowledgeable about Virginia Medicaid standards and protocols.
3. Provide complete on-line access to the Department to all computer files and databases supporting the system for applicable programs.
4. Develop, maintain, and ensure compliance with Medicaid confidentiality procedures/policies, including current and future HIPAA requirements.

In response to this RFP, the Offeror shall describe its approach to implementing customer service measures that will assist providers in ensuring the timely submission of sufficient documentation to support the services billed and generally increase the efficiency of the process. These measures shall include, but are not limited to:

- a. responding to providers and questions in a timely manner;
- b. processing all incoming calls and correspondence in a timely manner;
- c. installing and maintaining a database to track information on overpayments, correspondence with providers, and other useful information;
- d. obtaining and storing correct provider addresses and points of contact;
- e. accepting provider submission of medical records on CD/DVD, other electronic media or via facsimile; and
- f. notifying providers of overpayment findings.

3.11 Department Responsibilities

DMAS shall provide staff to provide direction and oversight for the Contractor. DMAS shall meet with the Contractor representative on a weekly basis (which may be telephonically) to discuss the preventive review program. DMAS will:

- Review and approve Contractor's project plan, preventive review methodology, and error matrix and data analysis algorithms.
- Review and approve any Contractor written policy, subcontracts and/or procedural communications to providers and others prior to release.
- Approve all letters that the Contractor sends to providers regarding preventive review or otherwise relating to this project.
- Make the final decisions regarding all policy issues.
- Make the final determination regarding the disposition of all claims including, but not limited to: placement on preventive review, denial, adjustment, and recovery of any overpayments.
- Collect any resulting overpayments, investigative expenses and/or fines. No fines or overpayments collected as a result of the preventive reviews shall be shared with the Contractor
- Provide on-going project review and contract evaluation to ensure contract compliance.
- Make the final determination regarding all policy issues and interpretations.
- Conduct on-going project oversight and management (to include announced and unannounced site visits to the Contractor) to ensure regulatory compliance. Monitor personnel levels and monitor contract performance standards.
- Provide contract monitoring to include: databases, file maintenance, data integrity, quality control.
- Meet with key personnel on a quarterly basis to discuss issues related to the contract. Meeting frequency may be adjusted by the Department.

- Be the key representative of the program with regard to the media. All questions or other contact from the media received by the Contractor must be referred directly to the designated DMAS representative.
- Perform periodic reviews of the Contractor's contractual compliance. Such reviews will commence upon thirty (30) days written notice by the DMAS Division of Internal Audit to the Contractor that DMAS will be conducting a review of enumerated aspects of Contractor's contractual compliance. The scope and estimated duration of each review will be specified in writing.

3.12 Appeals

For services that have been rendered, Medicaid providers have the right to appeal adverse actions to the Department. The Contractor's notification to the provider that their claim has been subject to preventive review, or denied/reduced as a result of that review must inform providers of their right to appeal to the Department, the timeframes and the Department's address to be used for filing a Request for Appeal to the Department.

All Contractor travel or telephone expenses in relation to appeal activities shall be borne by the Contractor. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees and costs incurred by DMAS as a result of the Contractor's failure to attend or defend the Contractor's decisions within required timeframes at all appeal hearings or conferences. As preventive review is new to the DMAS FFS program, DMAS cannot predict the number of appeals that shall be filed or number of hours requiring these essential Contractor services.

Provider appeals to DMAS will be conducted in accordance with the requirements set forth in Virginia Code § 2.2-4000 et seq. and 12 VAC 30-20-500 et seq. There are two levels of administrative appeal: (i) the informal appeal, and (ii) the formal appeal. The informal appeal is before an Informal Appeals Agent employed by DMAS. The formal appeal is before a hearing officer appointed by the Supreme Court of Virginia, and a Formal Appeals Representative employed by DMAS helps to present DMAS' position. The Supreme Court appointed hearing officer writes a recommended decision for the DMAS' Director, who issues the Final Agency Decision.

3.12.1 Informal Appeal Process

Providers appealing a Contractor's adverse action shall file a written notice of informal appeal with the DMAS Appeals Division within 30 calendar days of the provider's receipt of the Contractor's adverse action. The provider's notice of informal appeal shall identify the issues in the adverse action being appealed. Failure to file a written notice of informal appeal within thirty (30) calendar days of receipt of the Contractor's adverse action shall result in an administrative dismissal of the appeal.

The Contractor shall file a written case summary with the DMAS Appeals Division within 30 calendar days of the filing of the provider's notice of informal appeal. The Contractor shall mail a complete copy of the case summary to the Department's Contract Monitor and the provider on the same day that the case summary is filed with the DMAS Appeals Division. For each adjustment, patient, and service date or other disputed matter identified by the provider in its notice of informal appeal, the case summary shall explain the factual basis upon which the Contractor relied in making its reconsideration decision and identify any authority or documentation upon which the Contractor relied in making its reconsideration decision. The Contractor shall comply with all state and federal laws, regulations, and policies regarding content and timeframes for case summaries. Failure to submit case summaries. Failure to meet required timeframes, content or other documentation obligations

can result in the entry of a judgment against DMAS. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees, lost overpayment findings and costs incurred by DMAS as a result of the Contractor's failure to submit appeal summaries or other documentation obligations within the required timeframe and according to the applicable regulatory requirements contained within 12 VAC 30-20-540. Contractor shall attend and defend the Contractor's decisions at all appeal hearings or conferences, whether informal or formal, or whether in person or by telephone, as deemed necessary by the DMAS Appeals Division staff. The Contractor's Subject Matter Expert (SME) shall be available, by telephone or in person, as determined by the Appeals Division staff, for conferences and hearings, including any medical experts necessary for adverse actions taken on the basis of medical necessity. The Contractor shall result in the Contractor being liable for any costs that DMAS incurs as a result of the Contractor's noncompliance, including but not limited to the amount in dispute together with costs and legal fees.

The DMAS Informal Appeals Agent shall conduct the conference within ninety (90) calendar days from the filing of the provider's notice of informal appeal. If the Contractor, the provider, and the DMAS Informal Appeals Agent agree, the conference may be conducted by way of written submissions. If the conference is conducted by way of written submissions, the DMAS Informal Appeals Agent shall specify the time within which the provider may file written submissions, not to exceed 90 calendar days from the filing of the notice of informal appeal. If a provider submits written submissions after filing the notice of appeal, the Contractor is responsible for submitting a response within the time period set by the Informal Appeals Agent. Only written submissions filed within the time specified by the Informal Appeals Agent shall be considered.

The conference may be recorded at the discretion of the DMAS Informal Appeals Agent and solely for the convenience of the Informal Appeals Agent. Because the conference is not an adversarial or evidentiary proceeding, no other recordings or transcriptions shall be permitted. Any recordings made for the convenience of the Informal Appeals Agent shall not be released to DMAS, the Contractor, or the provider.

Upon completion of the conference, the DMAS Informal Appeals Agent shall specify the time within which the provider may file additional documentation or information, if any, not to exceed thirty (30) calendar days. Only documentation or information filed within the time specified by the DMAS Informal Appeals Agent shall be considered.

The informal appeal decision shall be issued within 180 calendar days of receipt of the notice of informal appeal. Providers have the right to appeal the DMAS informal appeal decision in accordance with 12 VAC 30-20-560, as a formal appeal.

3.12.2 Formal Appeals

Any provider appealing a DMAS informal appeal decision shall file a written notice of formal appeal with the DMAS Appeals Division within thirty (30) calendar days of the provider's receipt of the DMAS informal appeal decision. The notice of formal appeal shall identify each adjustment, patient, service date, or other disputed matter that the provider is appealing. Failure to file a written notice of formal appeal within thirty (30) calendar days of receipt of the informal appeal decision shall result in dismissal of the appeal.

At the formal level, the Contractor assists the Department's staff counsel in preparing the Department's evidence and acts as a witness at a hearing before a hearing officer appointed by the Virginia Supreme Court. The Contractor shall supply the necessary expertise to defend its actions and shall assist the Formal Appeals Agent in the preparation of all hearing matters leading to the Final Agency Decision.

The Department and the provider shall file with the DMAS Appeals Division all documentary evidence on which the Department or the provider relies within twenty one (21) calendar days of the filing of the notice of formal appeal. Simultaneous with filing, the filing party shall transmit a copy to the other party and to the hearing officer. Only documents filed within twenty one (21) calendar days of the filing of the notice of formal appeal shall be considered. The Department and the provider shall file any objections to the admissibility of documentary evidence within seven calendar days of the filing of the documentary evidence. Only objections filed within seven calendar days of the filing of the documentary evidence shall be considered. The hearing officer shall rule on any objections within seven calendar days of the filing of the objections.

The hearing officer shall conduct the hearing within forty five (45) calendar days from the filing of the notice of formal appeal, unless the hearing officer, the Department, and the provider all mutually agree to extend the time for conducting the hearing. Notwithstanding the foregoing, the due date for the hearing officer to submit the recommended decision to the Department's Director, shall not be extended or otherwise changed.

If there has been an extension to the time for conducting the hearing, the hearing officer is authorized to alter the due dates for filing opening and reply briefs to permit the hearing officer to be in compliance with the due date for the submission of the recommended decision.

Within thirty (30) calendar days of the completion of the hearing, the Department and the provider shall file their opening briefs with the DMAS Appeals Division. Any reply brief from the Department or the provider shall be filed within ten calendar days of the filing of the opening brief to which the reply brief responds. Simultaneous with filing either the opening brief or the reply brief, the filing party shall transmit a copy to the other party and to the hearing officer.

Hearings shall be transcribed by a court reporter retained by the Department.

The hearing officer shall submit a recommended decision to the Department Director with a copy to the provider within 120 calendar days of the filing of the formal appeal notice. If the hearing officer does not submit a recommended decision within 120 calendar days, then DMAS shall give written notice to the hearing officer and the Executive Secretary of the Supreme Court that a recommended decision is due.

Upon receipt of the hearing officer's recommended decision, the Department Director shall notify the Department and the provider in writing that any written exceptions to the hearing officer's recommended decision shall be filed with the DMAS Appeals Division within fourteen (14) calendar days of receipt of the Department Director's letter. Only exceptions filed within fourteen (14) calendar days of receipt of the Department Director's letter shall be considered. The Department Director shall issue the Final Agency Decision within sixty (60) calendar days of receipt of the hearing officer's recommended decision.

3.12.3 Court Review

The provider may appeal the Department's Final Agency Decision through the court system in accordance with the Administrative Process Act at Va. Code § 2.2-4025, *et. seq.* However, the court review is limited to legal issues only. No new evidence is considered. During the court appeal process, DMAS and/or its counsel at the Office of the Attorney General (OAG) may have a need to confer with the Contractor to gain further information about the appealed action. However, the Contractor is not a party to the lawsuit because the issue being contested is the Department's Final Agency Decision. The Contractor must respond to inquiries from DMAS or the OAG within one business day or sooner, if the situation warrants a quicker response. Furthermore, the Contractor is responsible for complying with the court's final order, which could possibly include a remand for a new hearing.

Offerors shall, as part of the response to this RFP, demonstrate processes for handling appeals conducted for similar contracts.

3.13 Referrals for Fraud (Medicaid Fraud Control Unit)

All cases where fraud is suspected or detected shall be referred to the Department for referral to MFCU prior to any actions or recoupment efforts taking place. The Contractor shall provide support to the MFCU on matters relating to specific cases involving detected or suspected fraud. Referrals shall be referred to the Department in a format to be determined by the Department.

3.14 Internet Site

The Contractor agrees to host and maintain an Internet site on the Contractor's server that DMAS will oversee and approve all content before posting. The Contractor, at a minimum, will meet VITA standards, which may be found on the VITA website at: . The web site will contain information devoted to providers and provider associations. At a minimum, the site shall contain the following:

- i. Contractor contact names, telephone numbers, and addresses for individuals to contact with respect to services covered in this RFP
- ii. Document preventive review process flow
- iii. Example of findings reports and direction on how to read said reports
- iv. Detailed information regarding how to submit payment to DMAS fiscal division and how to request each level of appeal
- v. DMAS policy and federal regulations that speak to recurring error findings, recent policy changes, provider memos, etc.

The Contractor shall maintain the capability to provide totals of daily, weekly, and monthly numbers of site visits and page views for the month, with information detailing the most viewed page(s). DMAS will provide insight and must give approval of content prior to posting on the website.

3.15 Transition upon Termination Requirements

At the expiration of this contract, or if at any time the Department desires a transition of all or any part of the duties and obligations of the Contractor to the Department or to another Offeror after termination or expiration of the contract, the Department shall notify the Contractor of the need for transition. Such notice shall be provided at least sixty (60) calendar days prior to the date the contract will expire, or at the time the Department provides notice of termination to Contractor, as the case may be. The transition process will commence immediately upon such notification and shall, at no additional cost to the Department, continue past the date of contract termination or expiration if, due to the actions or inactions of Contractor, the transition process is not completed before that date.

If delays in the transition process are due to the actions or inactions of the Department or the Department's newly designated Offeror, the Department and Contractor will negotiate in good faith for the conduct of and compensation for transition activities after the termination or expiration of the contract. In the event that a subsequent Contractor is unable to assume operations on the planned date for transfer, the Contractor will continue to perform operations on a month-to-month basis for up to ninety (90) days beyond the planned transfer date at a fee that does not exceed the fees under the current contract. The Department will withhold final payment to the Contractor until transition to the new Contractor is complete.

a. Within ten (10) business days after receipt of written notifications by the Department of the initiation of the transition, the Contractor shall provide to the Department a detailed electronic document, containing the following:

The number of preventive reviews opened, pending and completed, identified by provider;
Number and amount of identified overpayments for collection; and
Information on any pending response to preliminary review and appeals.

b. Within ten (10) business days after receipt of the detailed document, the Department will provide the Contractor with written instructions, which shall include, but not be limited to, the following:
The packaging, documentation, delivery location, and delivery date of all records, data and review information to be transferred. The delivery period shall not exceed thirty (30) calendar days from the date the instructions are issued by the Department.

The date, time and location of any transition meeting to be held among the Department, the Contractor and any incoming Contractor. The Contractor shall provide a minimum of two (2) individuals to attend the transition meeting and those individuals shall be proficient in and knowledgeable about the materials to be transferred.

c. Within five (5) business days after receipt of the materials from the Contractor, the Department shall submit to the Contractor in writing any questions the Department has with regard to the materials transferred by Contractor. Within five (5) business days after receipt of the questions, the Contractor shall provide written answers to the Department.

d. All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract shall become the sole property of the Department. On request, the Contractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Department to evidence the Department's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

3.16 Systems Readiness Review and Access to Contractor's System

The Contractor shall work with the Department to ensure that the Contractor's processing system satisfies the functional and informational requirements of Virginia's preventive review program. The Contractor shall assist the Department in the analysis and testing of the preventive review information transfer prior to the date of implementation. The Contractor shall provide any software or additional communications network required for access at the Contractor's expense.

3.17 Security

The Department works with very sensitive data that is subject to many state and federal regulations. Business partners of the Department are subject to all state and federal related regulations.

Vendor Requirements:

1. Health Insurance Portability and Accountability Act (1996) (HIPAA) (or latest).
2. The HIPAA Privacy Rule establishes national standards to protect individuals' medical records and other personal health information (PHI) and applies to health plans, health care clearinghouses, and those health care providers that conduct certain health care transactions electronically. The Rule requires appropriate safeguards to protect the privacy of personal health.
3. The Department, the U.S. Department of Health and Human Services (HHS) Office of the Inspector General, the HHS Centers for Medicare and Medicaid Services, the Auditor of Public Accounts, and

other state and federal auditors, or any duly authorized representatives shall have access to any books, annual reports, SSPs, management's report on internal control over financial reporting, SSAE No. 18 Service Organization Controls (SOC 2- Type 2) audit reports, and Service Organization Controls (SOC 1, Type 2) fee schedules, documents, papers, and records of the Contractor and any of its subcontractors. Access to records includes any records that are stored offsite. No records may be stored outside of the Country. Records must be provided for review at no cost to the Department. SOC 1 and SOC 2 reports must be provided annually, within thirty (30) days of completion.

3.18 Secure Email

1. All expenses incurred in establishing a secure connectivity between the Contractor and the Department, any software licenses required, and any training necessary shall be the responsibility of the Contractor.
2. The HIPAA Privacy Rule establishes national standards to protect individuals' medical records and other personal health information (PHI) and applies to health plans, health care clearinghouses, and those health care providers that conduct certain health care transactions electronically. The Rule requires appropriate safeguards to protect the privacy of personal health.
3. The Department, the U.S. Department of Health and Human Services (HHS) Office of the Inspector General, the HHS Centers for Medicare and Medicaid Services, the Auditor of Public Accounts, and other state and federal auditors, or any duly authorized representatives shall have access to any books, annual reports, SSPs, management's report on internal control over financial reporting, SSAE No. 18 Service Organization Controls (SOC 2 – Type 2) audit reports, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors. Access to records includes any records that are stored offsite. No records may be stored outside of the Country. Records must be provided for review at no cost to the Department.
4. The Department sensitive data (PHI) cannot be stored on vendor database unless that database system solution supports and maintains encryption at rest.
5. Databases must enforce TLS 1.2 security for all incoming/outgoing connections with the Department.
6. Database encryption requires 256 bit (minimum) encryption (AES preferred).
7. Encryption keys shall be a minimum of 2048 bits.
8. Database encryption techniques must be FIPS 140-2 certified or later.

3.17 Implementation and Project Plan

The Offeror shall submit a preliminary implementation plan as part of the response to this RFP. The plan shall include a detailed project schedule including the tasks and deliverables required to accomplish the work in the Offeror's proposal. The Contractor shall submit, no later than 30 days after the award of the contract, a final detailed project plan demonstrating the Contractor's proposed schedule to implement the analytic solution as well as any other ancillary functions set forth in the Offeror's proposal. The final implementation plan shall include a schedule of the tasks and deliverables required throughout the project and shall identify all critical path and dependency tasks and milestones, and delineating the responsibilities of the Contractor and the Department. The Department may identify modifications and additional information or details for inclusion. The Contractor shall not be compensated for any expenses incurred prior to the implementation date.

The Department may make such reasonable investigations as deemed proper and necessary to determine the ability of the Contractor to perform the services and the Contractor shall furnish to the Department all such information and data for this purpose as may be requested. The Department reserves the right to inspect Contractor's physical facilities, including any located outside of Richmond, prior to award to satisfy questions regarding the Contractor's capabilities. The Department further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Contractor fails to satisfy the Department that such Contractor is properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

The Contractor shall be responsible for participating in and defining the details of the Operational Readiness Assessment Plan for its service package and shall be responsible for preparing and submitting its Operational Readiness Assessment Plan to the State for review and approval. The State may include providers in the operational readiness assessment.

Any changes required to the Contractor's processes as identified through readiness review activities shall be made by the Contractor prior to operations. Costs associated with these changes shall be borne by the Contractor. The Contractor's inability to demonstrate, to the Department's satisfaction and as provided in this section, that Contractor is fully capable of performing all duties under this contract no later than **January 1, 2014**, shall be grounds for the immediate termination of the Contract by the Department pursuant to the Department Special Terms and Conditions, **Termination**.

All expenses incurred by the Contractor in performing the services required by this RFP are the responsibility of the Contractor.

3.18 System Vulnerabilities

Offerors may describe innovations that can be implemented that identify vulnerabilities within DMAS' payment systems. For any identified vulnerability, the Offeror may describe how it will assist DMAS in developing and implementing an Improper Payment Prevention Plan to help prevent similar overpayments from occurring in the future, and in making recommendations for preventive controls, to include system edits, to DMAS.

3.19 Appropriate Technology

In addition to describing what technology will be used for fulfilling the scope of work and the requirements of Section 3, Offeror shall provide details on how its solution does or does not comply with the following, which are located at this web page: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>

- COVA Security Policies, Standards and Guidelines
- COVA enterprise architecture (EA) ITRM Policies and Standards
- COVA enterprise architecture (EA) Data Standards
- COVA IT Accessibility and 508 Compliance

3.20 Enterprise Cloud Oversight Services (ECOS) & Cloud Services

The Offeror acknowledges that by submitting a response to this RFP, in the event that the Offeror's proposal requires that data owned by the Commonwealth (Commonwealth Data) is stored in a location outside of VITA's Commonwealth Enterprise Solutions Center (CESC), such location is considered a "Cloud" storage location by VITA, and the "Cloud Services: Additional Terms & Conditions" in Attachment VIII will

apply to the Contractor. In contrast to other true IT procurements, the Offeror's ability to negotiate terms will be limited those contained in Attachment VIII. **All such requested edits to Attachment VIII must be included with the Offeror's initial proposal in the form of redlines and comments using MS Word Track Changes so edits can be seen in context to the original language.** Any additional third-party licensing agreements or end-user licensing agreements which contain any terms or require DMAS/the Commonwealth as a party or signatory, must be presented with the Offeror's proposal.

By submitting a response to this RFP, an Offeror acknowledges that in the event that the Offeror's proposal requires that Commonwealth Data is stored in a location outside of VITA's Commonwealth Enterprise Solutions Center (CESC), successful completion of the VITA Enterprise Cloud Oversight Services (ECOS) assessment process is a condition of this RFP/contract prior to award of the Contract. Offerors must submit an ECOS assessment and **view the sample provided in Attachment IX** while developing proposals. Offerors should be prepared to work diligently and quickly to complete this assessment upon the Department's request, as well as promptly addressing any questions posed by VITA and the Department. In the event a successful VITA approved ECOS assessment cannot be completed in a reasonable time period prior to award, the Department may disqualify the Offeror from further consideration during the RFP evaluation/negotiations process. The Department may also elect to continue based its discretion and taking into account the Offeror's progress. In the event a contract is awarded but a successful ECOS assessment cannot be completed, the Department may deem the event a material breach/default of the Contract and grounds for Contract termination. For more information on the ECOS process, please see the following link: <https://www.vita.virginia.gov/services/catalog-services/enterprise-cloud-oversight-service/>

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

Each Offeror shall submit a separate Technical Proposal and a Cost Proposal in relation to the requirements described in this RFP. The following describes the general requirements for each proposal and the specific requirements for the Technical Proposal and the Cost Proposal.

General Requirements for Technical Proposals and Cost Proposals

4.1 Overview

This RFP was developed to provide all potential Suppliers with the information required to prepare proposals. This section outlines the administrative procedures and guidelines you must use and comply with when preparing a proposal. Nothing in this RFP constitutes an offer or an invitation to contract.

Only exceptions or recommended language revisions submitted with your proposal will be considered during negotiations. Please note, exceptions or recommended language revisions to the indemnification and liability provisions of the contract will not be considered at this time. If your firm is selected to go forward into negotiations, you will be required to state any exceptions to any liability provisions contained in the Request for Proposal and the Contract Template at that time via email to the procurement officer.

Both the Technical Proposal and the Cost Proposal shall be developed and submitted in accordance with the instructions outlined in this section. The Offeror's proposals shall be prepared simply and economically, and shall include a straightforward, concise description of the Offeror's capabilities that satisfy the requirements of the RFP. Although concise, the proposals should be thorough and detailed so that DMAS may properly evaluate the Offeror's capacity to provide the required services. All descriptions of services should include an explanation of proposed methodology, where applicable. The proposals may include additional information that the Offeror considers relevant to this RFP.

The proposals should be organized in the order specified in this RFP. A proposal that is not organized in this manner risks a lower score or elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed. The Department and the evaluators are not obligated to ask an Offeror to identify where a RFP requirement is addressed, and no Offeror should assume that it will have an opportunity to supplement its proposal or to assist the evaluators in understanding and evaluating its proposal.

4.2 Proposal Administration and Instructions

A. Virginia Public Procurement Act (VPPA)

This RFP is governed by the Virginia Public Procurement Act ("**VPPA**"), Code § 2.2-4300 *et seq.*, and other applicable laws.

B. Ethics in Public Contracting - § 2.2-4367 *et seq.*

By submitting its proposal, a Supplier certifies that its proposal is made without collusion or fraud; that the Supplier has not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer, or subcontractor in connection with its proposal; and that the Supplier has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged. In addition, a Supplier will disclose any actual or perceived conflicts of interest in its proposal and will notify DMAS if it becomes aware of a potential conflict of interest in the future.

C. Announcement of Award - § 2.2-4300 *et seq.*

If a contract is awarded or announced as a result of this RFP, the purchasing agency will post notice of the award decision on the DGS/DPS eVA web site (<http://www.eva.virginia.gov>) for a minimum of 10 days. No award decision will be provided verbally. Any final contract, including pricing, awarded as a result of this RFP will be made available for public inspection.

D. Prohibited Contributions and Gifts - § 2.2-4376.1

No Supplier that submits a proposal in response to this solicitation, and no individual who is an officer or director of the Supplier shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Secretary of Administration during the period between the submission of the proposal and the award of any resulting contract award with an expected value of \$5 million or more dollars.

E. Liability

The issuance of this RFP and the receipt of information in response to this RFP will not cause DMAS to incur any liability or obligation, financial or otherwise, to any Supplier. DMAS assumes no obligation to reimburse or in any way compensate a Supplier for expenses incurred in connection with its proposal.

F. Nondisclosure

All proposal information submitted by a Supplier will be treated as confidential prior to contract award and will not be disclosed except as required by law or by court order.

G. Proprietary Information

DMAS reserves the right to use information submitted in response to this document in any manner it may deem appropriate in evaluating the fitness of the solution(s) proposed. Ownership of all data, materials, and documentation originated and prepared for DMAS pursuant to the RFP shall rest exclusively with DMAS and shall be subject to public inspection in accordance with the § 2.2-4342 of the VPPA and the Virginia Freedom of Information Act.

Trade secrets or proprietary information submitted by a Supplier in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of § 2.2-4317 of the Code shall not be subject to the Virginia Freedom of Information Act (Code § 2.2- 3700 *et seq.*) if a Supplier:

- i). invokes the protections of this section in writing prior to or upon submission of the data or other materials,
- ii). identifies specifically the data or other materials to be protected, and
- iii). states the reasons why protection is necessary.

Please note that you may not designate as trade secrets or proprietary information (a) an entire bid, proposal, or prequalification application; (b) any portion of a bid, proposal, or prequalification application that does not contain trade secrets or proprietary information; or (c) line item prices or total bid, proposal, or prequalification application prices.

FAILURE TO COMPLY WILL RESULT IN THE DATA OR OTHER MATERIALS BEING RELEASED TO SUPPLIERS OR THE PUBLIC AS PROVIDED FOR IN THE VIRGINIA FREEDOM OF INFORMATION ACT.

You should provide as a separate appendix to your proposal a list of all pages in the proposal that contain proprietary information and the reason you deem the information proprietary. The classification of an entire proposal as proprietary or trade secret is not acceptable and will not be honored by DMAS or the Commonwealth.

The Commonwealth's procurement portal, <http://www.eva.virginia.gov>, provides information about Commonwealth solicitations and awards. Suppliers are encouraged to check this site on a regular basis

and, in particular, prior to submission of proposals to identify any amendments to the RFP that may have been issued.

H. Timetable

Table 1

Activity	Target Completion Date
RFP posted to eVA	March 27, 2020
Deadline for Letter of Intent	April 6, 2020
Deadline for all questions	April 27, 2020
Proposals due	June 15, 2020
Presentations and site visits (should DMAS Select)	TBD
Contract(s) awarded	TBD

The timetable above is provided for planning purposes only.

I. eVA Registration Required

By the date of award, the selected Supplier(s) is required to be registered and able to accept orders through eVA. To register with eVA, select the “Vendor” tab at the eVA website, <http://www.eva.virginia.gov>, for registration instructions and assistance.

J. Excluded Parties List

A Supplier will not be awarded a contract if it, or any of its affiliates or subcontractors, is an excluded entity on the federal government’s System for Award Management (“**SAM**”) at <https://www.vita.virginia.gov/supply-chain/scm-policies-forms/#sam>, or the Commonwealth’s Debarment List as provided by Code § 2.2-4321 at the time of award.

H. DEBARMENT STATUS

By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.

If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor.

I. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFPs

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. The Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

4.3 Procurement Contact

The principal point of contact for this procurement in DMAS shall be:

Whitney Wallace
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219
Email: RFP2020-02@dmass.virginia.gov

All communications with DMAS regarding this RFP should be directed to the principal point of contact or the DMAS Contract Management Officer named in the cover memo. All RFP content-related questions shall be in writing to the principal point of contact. An Offeror who communicates with any other employees or Contractors of DMAS concerning this RFP after its issuance may be disqualified from this procurement.

The Offeror must cross reference its Technical Proposal with each requirement listed within this RFP. The Offeror shall fully describe how it intends to meet all of the tasks and technical proposal requirement listed.

DMAS does not want a “re-write” of the RFP requirements. Specifically, the Offeror shall describe in detail its proposed approach for each of the required tasks and technical proposal requirements listed, including any staff, systems, procedures, or materials that will be used to perform these tasks. This includes how each task will be performed, what problems need to be overcome, what functions the staff will perform, and what assistance will be needed from DMAS, if any.

Note: DMAS welcomes new and innovative approaches to services. While fully addressing the objectives of this RFP, the Offeror may also include alternate approaches for DMAS consideration. Additional services can be addressed as long as a separate line item for the associated costs is submitted with the proposal.

4.4 Proof of Concept Demonstration

As required by § **32.1-319.1** of the *Code of Virginia*, selection of an Offeror is also dependent on a proof of concept demonstration. Offerors must successfully demonstrate their ability to handle and analyze Medicaid claims for erroneous or otherwise improper payments on a pass-fail basis. Further details will be provided on April 27, 2020 regarding the Proof of Concept Demonstration to each Offeror submitting a Letter of Intent.

4.5 Preparation of Proposal

4.5.1 The Technical Proposal shall be clearly labeled “RFP 2020-02 Technical Proposal”. The Cost Proposal shall be clearly labeled “RFP 2020-02 Cost Proposal”. The legal name of the organization submitting the proposal shall also appear on the covers of both the Technical Proposal and the Cost Proposal.

4.5.2 The proposals shall be typed, page-numbered, single-spaced with a 12-point font on 8 1/2” x 11” paper with 1” margins, and printed on one side only. It shall be acceptable for Offerors to use a larger font size for section headings or a smaller font size for footers, tables, graphics, exhibits, or similar sections. The proposal shall contain a Table of Contents (Reference requirements in Section 4.6).

4.5.3 The Offeror shall submit one (1) electronic copy MS Word format (Microsoft Word 2007 or compatible format) of the Technical Proposal and (1) electronic copy MS Word format (Microsoft Word 2007 or compatible format) of the Cost Proposal by the response date and time specified in

this RFP. In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy in PDF format of their Technical and their Cost Proposals.

4.6 Table of Contents

The proposals shall contain a Table of Contents that cross-references the RFP submittal requirements in Section 4 Technical Proposal Requirements. Each section of the Technical Proposal shall be cross-referenced to the appropriate section of the RFP that is being addressed. This will assist DMAS in determining uniform compliance with specific RFP requirements.

4.7 Submission Requirements

- 4.7.1 All information requested in this RFP shall be submitted in the Offeror's proposal. A Technical Proposal shall be submitted and Cost Proposals shall be submitted in the Offeror's collective response. The proposals will be evaluated separately. By submitting a proposal in response to this RFP, the Offeror certifies that all of the information provided is true and accurate.
- 4.7.2 All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFP, belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act. Confidential information shall be clearly marked in the proposal and reasons the information should be confidential shall be clearly stated.
- 4.7.3 Trade secrets or proprietary information submitted by an Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of Section 2.2-4342(F) of the *Code of Virginia*, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.
- 4.7.4 Any information to be disclosed, except to the Department, must be in summary, statistical, or other form, which does not identify particular individuals. PHI will not be disclosed to Offerors during the Proof of Concept Demonstration.
- 4.7.5 The proprietary or trade secret materials submitted shall be identified by some distinct method, such as highlighting or underlining, and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and, in the sole discretion of DMAS, may result in rejection and return of the proposal.** Attachment V of this RFP shall be used for the identification of proprietary or confidential information and submitted with the technical response.
- 4.7.6 All information requested by this RFP on ownership, utilization, and planned involvement of small businesses, small women-owned businesses, and small minority-owned business (Attachment III) **shall be submitted with the Offeror's Cost Proposals.**

4.8 Transmittal Letter

The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda (if issued).

At a minimum, the transmittal letter shall contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
 - a. The Offeror must identify any contracts or agreements they have with any state or local Government entity that is a Medicaid and/or Title XXI State Child Health Insurance Program prescribing practitioner or Contractor and the general circumstances of the contract or agreement. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
 - b. The Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its Subcontractors; and
 - c. The Offeror must be licensed to conduct business in the State of Virginia. See Attachment IV.
2. A statement that the Offeror has read, understands, and agrees to perform all of the Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, and the Contract and Addenda;
3. The Offeror's general information including the address, telephone number, and facsimile transmission number;
4. Designation of an individual to include their e-mail and telephone number, as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant contract; and
5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS.

4.9 Signed Cover Page of the RFP and Addenda

To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP, as well as the cover page of the Addenda (if issued), to the RFP; the "Certification of Compliance with Prohibition of Political Contributions and Gifts during the Procurement Process" form (Attachment XII); and The State Corporate Commission form (Attachment IV); and submit them along with its Technical Proposal.

4.10 Submission and Acceptance of Proposals

The proposals, shall be submitted electronically no later than 10:00 AM Eastern Time on June 15, 2020. The Offeror must be registered in eVA in order to submit an electronic proposal. Offerors must submit one (1) complete copy of the proposal and attachments electronically. DMAS shall be the sole determining party in establishing the time of arrival of proposals. Late proposals will not be accepted and will be automatically rejected from further consideration. The following are instructions for submitting an electronic bid:

- a. Go to www.eva.virginia;

- b. Click on “I Sell to Virginia”;
- c. Click on “eVA Vendor Training”; and
- d. Click on “Respond to IFBs-RFPs and more”.

If an Offeror needs assistance in submitting an electronic response, the Offeror must contact eVA Customer Care at (866) 289-7367 or email eVACustomerCare@dgs.virginia.gov.

DMAS reserves the right to reject all proposals. DMAS reserves the right to delay implementation of the RFP if a satisfactory Contractor is not identified or if DMAS determines a delay is necessary to ensure implementation goes smoothly without service interruption. Offerors must check the eVA VBO at <http://www.eva.virginia.gov> for all official postings of addendums or notices regarding this RFP. Posting of such notices will also be done on the DMAS website at <https://www.dmas.virginia.gov/#/procurement>, but the eVA VBO is the official posting site.

4.11 Oral Presentation and Site Visit

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- Review of Industry Research
- Offeror Presentations
- Site Visits
- Contact Offeror’s References
- Product Demonstrations
- Obtain a Dun and Bradstreet Report on the Offeror
- Obtain a Securities Exchange Commission Report on the Offeror
- Request Offerors to elaborate on or clarify specific portions of their proposals.

No Offeror is guaranteed an opportunity to explain, supplement, or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend, or clarify any aspect of their submitted proposals. Therefore, each Offeror is encouraged to ensure that its initial proposal contains and represents its best offering.

Offerors should be prepared to conduct product demonstrations, presentations, or site visits at the time, date, and location of DMAS’ choice should DMAS so request. DMAS may make one or more on-site visits to see the Offeror’s operation of another contract. DMAS shall be solely responsible for its own expenses for travel, food, and lodging. The following describes the required format, content, and sequence of presentations for the Technical Proposal

4.11.1 Chapter One Executive Summary:

The Executive Summary Chapter shall highlight the Offeror’s:

1. Understanding of the project requirements.
2. Qualifications to serve as the DMAS Contractor for the project.
3. Overall Approach to the project and a summary of the contents of the proposal.

4.11.2 Chapter Two: Supplier Profile:

Chapter Two shall present the Offeror’s qualifications and experience to serve as the Contractor for the project.

2. Corporate Experience:

- a. The Offeror's overall qualifications to carry out a project of this nature and scope.
- b. The Offeror shall describe the background and success of the Offeror's organization and experience as noted in Section 3.6

3. References:

- a. Two (2), non-Offeror owned customers who will substantiate the Offeror's qualifications and capabilities.

4. Financial Stability:

The Offeror shall submit evidence of financial stability. The Offeror shall submit one of the following financial reports (a or b):

- a. For a publicly held corporation, a copy of the most recent 3 years of audited financial reports and financial statements; or
- b. For a privately held corporation, sole proprietorship, limited liability company, partnership, or other organization or entity, financial information for the past 3 years, similar to that included in an annual report, to include at a minimum, an income statement; a statement of cash flows; a balance sheet; number of years in business; and telephone number of a contact in the Offeror's principal financial or banking organization and its auditor.

4.11.3 Chapter Three: Technical Approach:

The Offeror shall fully describe how it intends to meet all Technical Proposal requirements listed in this RFP. DMAS does not want a "re-write" of the RFP requirements. Specifically, the Offeror shall describe in detail its proposed approach for each of the required tasks listed in Sections 3 and 4, including any staff, systems, procedures, or materials that will be used to perform these tasks. This includes how each task will be performed, what problems need to be overcome, what functions the staff will perform, and what assistance will be needed from DMAS, if any.

4.11.4 Chapter Four: Supplier Personnel:

Reference Section 3.7 for proposal requirements.

4.11.5 Chapter Five: Project Work Plan:

Reference Section 3.8 for proposal requirements.

4.11.6 Chapter Eight: Required Forms:

This chapter shall contain the signatory documents as outlined in the RFP, which include the following:

- a. RFP Cover Sheet
- b. RFP Addenda (if issued)

- c. Offeror's Transmittal Letter
- d. Proprietary/Confidential Information Identification Form (Attachment V)
- e. State Corporation Commission Form (Attachment IV)

4.11.7 Appendices:

The Offeror shall submit all RFP required reports, plans, performance data, templates, personnel, and other materials in an appendix labeled to correspond with the required documents.

4.12 Cost Proposals

4.12.1 The Cost Proposals shall be in a separately sealed envelope/package and submitted along with the Offeror's Technical Proposal. The format in (Attachment VI) shall be used.

4.12.2 The Cost Proposals shall also include a separate budget for all start-up and implementation costs.

4.12.3 The Offeror's Small Business Subcontracting Plan (Attachment III) shall be included with the Offeror's Cost Proposal submission.

4.13 Proposal Evaluation Criteria

DMAS will conduct a comprehensive, fair, and impartial evaluation of the Technical and Cost Proposals received in response to this RFP. The evaluation team will be responsible for the reviewing and scoring of all Technical Proposals and the Office of Procurement and Contract Management will review and score the Cost Proposals and Small Business Subcontracting Plans. This group will be responsible for making the final recommendation to award to the DMAS Director.

The minimum requirements for a proposal to be given consideration are:

- **RFP Cover Sheet, Addenda (if issued), Transmittal Letter, Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process (Attachment XII), Proprietary/Confidential Information Identification Form (Attachment V), and State Corporation Commission Form (Attachment IV):** These shall be completed and properly signed by the authorized representative of the organization.
- **Closing Date:** The proposal and the number of copies specified in Section 4 will have been received by the closing date for acceptance of proposals.
- **Small Business Subcontracting Plan:** Summarize the planned utilization of Department of Minority Business Enterprise (DMBE) certified small businesses and small businesses owned by women and minorities under the contract to be awarded as a result of this solicitation (Attachment III). **The Small Business Subcontracting Plan, is a scored criteria and, if applicable, documents the Offeror and/or their planned Subcontractors as either a small business, small women-owned or small minority-owned business as certified by the Department of Minority Business Enterprises (DMBE). Offerors are encouraged to populate the table with their plans to utilize small businesses from joint ventures, partnerships, suppliers, etc. Regardless of planned Small Business utilization, all proposals must have this attachment included in their Cost Proposal.**

The broad criteria for evaluating proposals include the elements below:

Criteria	Weights
1. Experience of the Offeror in administration of the analytics engine and preventive review services.	20%
a) Experience of the Offeror utilizing the proposed analytic tool to interface with a claims processing system and conduct analytics of the type set forth in this RFP.	
b) Experience of the Offeror in conducting reviews of provider documentation of the type set forth in this RFP.	
c) Experience of the Offeror in providing an overall solution that integrates analytics and reviews.	
2. Technical Proposal - Demonstration in the written proposal of the Offeror's ability, facilities and capacity to provide all required services in a timely, efficient and professional manner.	35%
a) Clarity and thoroughness of the Offeror's proposal in addressing the components of the RFP and implementing them as described and in a timely fashion.	
b) Proposed project management of the resources available to the Offeror for meeting the requirements of the RFP.	
3. Supplier Personnel - Experience and expertise of specific staff assigned to the contract.	10 %
a) Prior experience of staff with similar projects.	
b) Qualifications of staff.	
c) Appropriateness of the relationship between staff qualifications and assigned responsibilities.	
4. Quality of References	5%
a) References who substantiate the Offeror's qualifications and capabilities to perform the services required by the RFP.	
5. Small Business Subcontracting Plan - Attachment III	20%
6. Cost Proposal	10%
a) The cost proposal – Attachment VI The Offeror with the lowest cost proposal shall be identified, and all other Offeror costs shall be evaluated in comparison to this price bid.	
7.) Proof of Concept Demonstration	
The Offeror successfully demonstrates the ability to handle and analyze Medicaid claims for erroneous or otherwise improper payments.	P/F

The cost proposal shall be evaluated and weighted but is not the sole deciding factor for the RFP. The lowest cost proposal shall be scored the maximum number of evaluation points for cost. All other cost proposals shall be evaluated and assigned points for cost in relation to the lowest cost proposal.

DMAS will select for negotiation those proposals deemed to be fully qualified and best suited based on the factors as stated in the RFP. Negotiations will be conducted with these Suppliers. After negotiations, DMAS may select the proposal(s) that, in its opinion, is the best proposal(s) representing best value and may award a contract to that Supplier(s). For purposes of this RFP, DMAS will determine best value based on the value relative to the cost of the Service/Solution, giving consideration to the project's budget objectives. If this is a cloud-based procurement (i.e., off-premise hosting), following DMAS' selection of the best proposal(s) representing best value to the commonwealth, Supplier's failure to successfully answer, negotiate, and/or comply with any resulting security exceptions that may arise in order to approve Supplier's cloud application, may result in removal from further consideration. Refer to Attachment IX of the RFP.

If any Supplier fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, DMAS may terminate negotiations with that Supplier at any time. DMAS reserves the right, at its sole discretion, to reject any proposal or cancel and re-issue the RFP. In addition, DMAS reserves the right to accept or reject in whole or in part any proposal submitted, and to waive minor technicalities when in the best interest of the Commonwealth.

4.14 Award

Selection shall be made *of two or more* Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Department shall select the Offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia, § 2.2-4359D*). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document shall be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated.

V. SPECIAL TERMS AND CONDITIONS:

NOTE: The information in the following Section will be incorporated into and made part of the final contract, and may be modified as appropriate, so long as such modifications do not conflict with Federal and/or State law and policy

CLARIFICATION OF TERMS: If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact Whitney Wallace at RFP2020-02@dmass.virginia.gov no later than 10:00 AM Eastern Time, on April 27, 2020. Any revisions to the solicitation will be made only by addendum issued by the buyer.

QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any bid if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS: Prior to award of the contract, the Supplier must be registered in eVA. Registration information can be found at the following link: <https://eva.virginia.gov/index.html>

Additional VITA Mandatory Terms & Conditions

The terms and conditions in documents posted to the aforementioned Department and VITA URLs in this RFP are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA or Department policy, adoption of revised eVA business requirements, or change to IRS Publication 1075. Supplier is responsible for verifying the correct and current version of this IRS publication and related safeguarding terms language and acknowledges that the Department will be held harmless. If a change is made

to the mandatory terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

1. DATA PRIVACY

In accordance with § 2.2-2009 of the Code of Virginia, during the performance of this contract, Supplier is required at all times to comply with all applicable federal and state laws and regulations pertaining to information security and privacy.

2. MANDATORY INTERNAL REVENUE SERVICE (IRS) PUBLICATION 1075 (REQUIRED FOR FTI ONLY):

If this Contract will or may include the entry, handling, processing, storage, movement, sharing of or access to Federal Tax Information (FTI) by Supplier or any subcontractor of Supplier in any manner, IRS Publication 1075 shall apply to that order, SOW and Contract. The Tax Information Security Guidelines for Federal, State and Local Agencies – Exhibit 7, Safeguarding Contract Language, as appropriate, and the requirements specified in Exhibit 7 in accordance with IRC 6103(n) are included by reference and are located at this URL:

http://www.vita.virginia.gov/uploadedFiles/VITA_Main_Public/SCM/Mandatory_IRS_Pub_1075_for_FTI_data.pdf. Supplier hereby acknowledges that it will comply with all applicable requirements of these terms and IRS Publication 1075 in its entirety. Non-compliance with the terms and IRS Publication 1075 may be determined, solely by VITADMAS, as a material breach of the Contract. FTI consists of federal tax returns and return information (and information derived from it) that is in the agency's (i.e., Authorized Users of this Contract, as defined herein DMAS') possession or control which is covered by the confidentiality protections of the Internal Revenue Code (IRC) and subject to the IRC 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as Sensitive but Unclassified information and may contain personally identifiable information (PII).

ACCESS TO PREMISES:

The Contractor shall allow duly authorized agents or representatives of the state or federal government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the state or federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor shall be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

The Department, the Office of the Attorney General of the Commonwealth of Virginia (including the Medicaid Fraud Control Unit or MFCU), the Auditor of Public Accounts of the Commonwealth of Virginia, the U.S. Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

ACCESS AND RETENTION OF RECORDS:

In addition to the requirements outlined below, the Contractor shall comply, and shall require compliance by its subcontractors with the security and confidentiality of records standards with respect to the Department's confidential records.

1. Access to Records

The Department, the Office of the Attorney General of the Commonwealth of Virginia (including the Medicaid Fraud Control Unit or MFCU), the Auditor of Public Accounts of the Commonwealth of Virginia, the Centers for Medicare and Medicaid Services (CMS), state and federal auditors, or any of their duly authorized representatives shall have access to and shall be allowed to inspect, copy, and audit any books, fee schedules, documents, papers, and records, including, medical and/or financial records, of the Contractor and any of its subcontractors.

2. Retention of Records

The Contractor shall retain all records and reports relating to this Contract for a period of five (5) years after final payment is made under this Contract. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records shall be maintained for a period of five (5) years following resolution of such action or longer if such action is still ongoing. All records shall be electronically scanned and stored in searchable format with OCR (optical character recognition) capabilities. Copies on electronic media or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the media or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law. The records, regardless of format, remain the property of DMAS.

CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION: The Contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and unless disclosure is required pursuant to court order, subpoena or other regulatory authority, will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

STATE CORPORATION COMMISSION IDENTIFICATION NUMBER: Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a Offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any Offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the Offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance

with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the Offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.

IDENTIFICATION OF BID/PROPOSAL ENVELOPE: If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____

Name of Offeror	Due Date	Time
Street or Box Number	RFP No.	
City, State, Zip Code	RFP Title	

DSBSD-certified Micro Business or Small Business No. _____

Name of Contract/Purchase Officer or Buyer: _____

If a proposal not contained in the special envelope is mailed, the Offeror assumes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

BUSINESS ASSOCIATE AGREEMENT (BAA):

The Contractor shall be required to enter into a DMAS-supplied Business Associate Agreement (BAA) with DMAS to comply with regulations concerning the safeguarding of protected health information (PHI) and electronic protected health information (ePHI). The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and regulations with regards to handling, processing, or using the Department's PHI and ePHI. This includes but is not limited to 45 CFR Parts 160 and 164 Modification to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act; Other Modifications to the HIPAA Rules; Final Rule, January 25, 2013 Medicaid requirements regarding Safeguarding Information on Applicants and Recipients of 42 CFR 431, Subpart F, and Virginia Code § 32.1-325.3; and related regulations as they pertain to this agreement.

The Contractor shall keep abreast of any future changes to the regulations. The Contractor shall comply with all current and future HIPAA regulations at no additional cost to DMAS, and agrees to comply with all terms set out in the DMAS BAA, including any future changes to the DMAS

BAA. The current DMAS BAA template is available on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx.

NONDISCRIMINATION OF CONTRACTORS (EO61):

A contractor shall not be discriminated against in the award of this agreement because of race, religion, sexual orientation, gender identity color, sex, national origin, age, political affiliation, disability, veteran status, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the vendor employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific agreement is not in its best interest. If the award of this agreement is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this agreement objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative Contractor.

CONTRACTOR INTERNAL CONTROLS REPORT

The Contractor shall provide the Department, at a minimum, a report from its external auditor on the effectiveness of its internal controls. If the report discloses deficiencies in internal controls, the Contractor shall include management's correction action plans to remediate the deficiency. If available, report shall be compliant with the AICPA Statement on Standards for Attestation Engagements (SSAE) No 16 (or latest version), Reporting on Controls at a Service Organization, Service Organizations Controls (SOC) 2, Type 2 Report, and include the Contractor and its third-party service providers. The internal control reports shall be provided annually each June 1st for the preceding calendar year

1. Emergency Preparedness Plan

The Contractor shall have an Emergency Preparedness Plan in place for its overall operations including, but not limited to, the Call Center, web based operations, and information systems. The plan must be based on and include a documented, facility-based and community-based risk assessment, using an all-hazards approach. The plan must be tested before the effective date of the contract and must meet the requirements of the Department and of any applicable state and federal regulations.

At a minimum, the following specific measures shall be included in the Emergency Preparedness Plan:

- Documentation of emergency procedures that include the steps to take in the event of a natural, human-caused or technological disaster.
- Employees at the site must be familiar with the emergency procedures;
- Smoking must be prohibited at the site;
- Heat and smoke detectors must be installed at the site both in the ceiling and under raised floors (if applicable). These devices must alert the local fire department as well as internal personnel;
- Portable fire extinguishers must be located in strategic and accessible areas of the site. They must be vividly marked and periodically tested;

- The site must be protected by an automatic fire suppression system;
- The site must be backed up by an uninterruptible power source system; and
- The system at the disaster recovery site must be tested and verified in accordance with VITA standards.

The following resources provide information on completing a risk based emergency plan:

- FEMA – CPG 101, Developing and Maintaining Emergency Operations Plans, Version 2
<https://www.fema.gov/media-library/assets/documents/25975>.
- FEMA – CPG 201: Threat and Hazard Identification and Risk Assessment Guide
<https://www.fema.gov/media-library/assets/documents/26335>.

The Emergency Preparedness Plan document shall be available to the Department, upon request, during implementation and at least 30 days prior to beginning operations. If any changes occur during the contract period, the Contractor shall notify the Department's Contract Administrator within 30 days prior to the change occurring.

CONTINUITY OF OPERATIONS (COOP) AND DISASTER RECOVERY PLAN:

The Contractor shall be required to provide written assurances that they have a Continuity of Operations (COOP) and Disaster Recovery Plan that relates to the services or functions provided by them under this contract. This documentation will include the capability to continue receiving calls, and other functions required in this RFP in the event that the central site is rendered inoperable. Additionally, the Contractor's business continuity/disaster recovery plan must include provisions in relation to the processing center telephone number(s).

The following resources provide key information to be included in the Contractor's COOP:

- VITA - ITRM Policies, Standards and Guidelines
<http://www.vita.virginia.gov/library/default.aspx?id=537>
- Virginia Department of Emergency Management (VDEM) templates
[VDEM Continuity Plan Template](#)
[VDEM Guide to Identifying Mission Essential Functions](#)
[Mission Essential Function Identification Worksheets](#)

In addition, the Contractor's COOP/Disaster Recovery Plan must include sufficient information to show that it meets the following guidelines and standards:

NIST Special Publication 800-34 Rev. 1 - Contingency Planning Guide for Federal Information Systems
<http://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-34r1.pdf>

NIST SP 800-66 R1, October 2008 - An Introductory Resource Guide for Implementing the Health Insurance Portability and Accountability Act (HIPAA) Security Rule at
<http://csrc.nist.gov/publications/nistpubs/800-66-Rev1/SP-800-66-Revision1.pdf> and the following requirements of the HIPAA Security Rule Standards and Implementation specifications:

- a. Contingency Plan 45 CFR § 164.308(a)(7)(i)
- b. Data Backup Plan 45 CFR § 164.308(a)(7)(ii)(A)
- c. Disaster Recovery Plan 45 CFR § 164.308(a)(7)(ii)(B)
- d. Emergency Mode Operation Plan 45 CFR § 164.308(a)(7)(ii)(C)
- e. Testing and Revision Procedures 45 CFR § 164.308(a)(7)(ii)(D)
- f. Applications and Data Criticality Analysis § 164.308(a)(7)(ii)(E)

- g. Facility Access Controls 45 CFR § 164.310(a)(1)
- h. Contingency Operations 45 CFR § 164.310(a)(2)(i)
- i. Device and Media Controls 45 CFR § 164.310(d)(1)
- j. Data Backup and Storage 45 CFR § 164.310(d)(2)(iv)
- k. Access Control 45 CFR § 164.312(a)(1)
- l. Emergency Access Procedure 45 CFR § 164.312(a)(2)(ii)

If requested, the COOP/Disaster Recovery Plan shall be available to the Department during implementation and at least 30 days prior to beginning operations. If any changes occur during the contract period, the Contractor shall notify the Contract Administrator at the Department within thirty (30) days after the change occurred.

CONTRACTOR CERTIFICATION:

The Contractor understands that all procurement procedures are to be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety. Va. Code § 2.2-4300.

By submitting this proposal and executing any resulting Contract, the Contractor makes the following certifications:

The Contractor did not solicit or receive, whether intentionally or unintentionally, any non-public information concerning this RFP from a DMAS employee, subcontractor, or any other source at any time prior to submittal of this proposal or the execution of any resulting Contract.

The Contractor understands that this is an ongoing certification, and if at any time the Contractor becomes aware that non-public information about the procurement was solicited or received from a DMAS employee, subcontractor, or any other source, the Contractor has a duty to inform DMAS in writing immediately.

EXCESSIVE DOWNTIME (IT):

(For non-Cloud Solutions ONLY) Unless otherwise agreed to in a Service Level Agreement in the contract, all hardware, software, solutions or systems furnished under the contract shall be capable of continuous operation. Should the hardware, software, solution or system become inoperable for a period of more than 24 hours, the Contractor agrees to pro-rate maintenance charges to account for each full day of inoperability. The period of inoperability shall commence upon initial notification by the procuring agency. Unless otherwise described in specific cure and remedy clauses in the contract, in the event the hardware, software, solution or system remains inoperable for more than consecutive calendar days, the Contractor shall promptly replace the hardware, software, solution, solution component or system at no charge upon request of the procuring agency. Such replacement shall be with new, unused product(s) of comparable quality, and must be installed and operational within days following the request for replacement.

QUALIFIED REPAIR PERSONNEL (IT):

All warranty or maintenance services to be performed on the items specified in this solicitation as well as any associated hardware or software shall be performed by qualified technicians properly

authorized by the manufacturer to perform such services. The Commonwealth reserves the right to require proof of certification prior to award and at any time during the term of the contract.

SUPPORT SERVICE (EXTENDED) (IT):

Due to the criticality of the applications for which the hardware and/or software is purchased, unless otherwise agreed to in writing between the Commonwealth and contractor, the Contractor shall provide 24 hours a day, 7 days a week, maintenance support, including state holidays. On-site response time shall be within hours following initial notification. All necessary repairs or corrections shall be completed within hours of the initial notification by Commonwealth.

SUPPORT SERVICE REPORTS (IT):

Upon completion of any maintenance call, the Contractor shall provide the agency with a signed service report that includes, at a minimum: a general statement as to the problem, action taken, any materials or parts furnished or used, and the number of hours required to complete the repairs.

SYSTEM ENVIRONMENT (IT):

Environmental specifications for any hardware or software to be delivered under the resulting contract shall be furnished in writing along with the vendor's bid or proposal, should any such requirements be applicable. These specifications must be in sufficient detail to permit all installed equipment to function efficiently from an environmental perspective. Unless otherwise stated in the solicitation, it will be the procuring agency's responsibility to prepare the site at its own expense to meet the environmental specifications provided.

ATTACHMENTS:

- I. References**
- II. Service Level Agreements**
- III. Small Business Subcontracting Plan**
- IV. Virginia State Corporation Commission Registration Information**
- V. Proprietary/Confidential Information Identification Form**
- VI. Cost Proposal**
- VII. Liquidated Damages**
- VIII. Cloud Services- Additional Terms and Conditions**
- IX. ECOS Assessment Form**
- X. Supplier Key Performance Indicators**
- XI. Solutions Contract**
- XII. Certification of Compliance with the Prohibition of Political Contributions and Gifts During the Procurement Process**

Attachment I: References

RFP 2020-02 References

Contract Name:	
Customer name and address:	
Customer contact and title:	
Contact Phone Number and Email Address:	
Scope of Services of Contract:	
Contract Type (fixed price, fee for service, capitation, etc.):	
Contract Size (# of facilities served , # of participants served, etc.):	
Contract Period:	
Number of Contractor staff assigned to contract:	
Any legal or adverse contractual actions against the Offeror related to the project:	
Annual Value of Contract:	

Attachment II – Service Level Agreement (SLAs)

(To be effective 30 days following commencement of the Services/Solution.)

NOTE: The SLA table below will be incorporated into and made part of the final contract, and may be modified as appropriate, so long as such modifications do not conflict with Federal and/or State law and policy.

Performance Standard	Measurement	Measurement period	% Level	Service Price	Remedy
Contractor will review of all FFS claims and MCO encounters submitted to the Department	Within 7 Business Days	Per Claim	99%		
Contractor's Analytics Engine identifies suspect relationships, patterns, trends, utilization and billing behavior for FFS/MCO claims	Correct identification of all suspect relationships, patterns, trends, utilization and billing behavior	Per Claim	99%		
Contractor to report preventive claims reviews, denials, or informational analytics to FADS Case Tracking System	Within 3 Business Days	Weekly	99%		
Contractor to provide support to the MFCU on matters relating to specific cases involving detected or suspected fraud	Support provided to MFCU	Per Case	99%		
Contractor to provide customer service to all provider questions	Within 1 Business Day	Monthly	100%		
Contractor to host and maintain Internet site on their server	Uptime of Internet site	Daily	99.9%		

Attachment III: Small Business and Subcontracting Plan

To Be Completed By Offeror and Returned With Your Cost Proposal

Note: The text of definitions section below comes directly from The Agency Procurement and Surplus Property Manual (APSPM) Annex 7-G. This text shall not be construed to reflect independent definitions or status decisions by the Department.

It is the goal of the Commonwealth that more than 42% of its purchases be made from small businesses. All potential bidders are required to submit a Small Business Subcontracting Plan. For evaluation purposes of this procurement, the Small Business and Subcontracting Plan should only include small businesses proposed to be used as subcontractors in performing the scope of work and paid with administrative dollars as outlined in the Offeror's Cost Details for Pricing (Attachment VI). Offerors will only be scored on this submission. Additionally, the winning Offeror will be required to report small business expenditures quarterly on both the administrative component and provider network utilization to meet the requirements of Special Terms and Condition entitled, "SUBMISSION OF A SMALL BUSINESS SUBCONTRACTING PLAN, EVIDENCE OF COMPLIANCE WITH SMALL BUSINESS SUBCONTRACTING PLAN, AND SUBCONTRACTOR REPORTING".

Small Business: "Small business (including micro)" means a business which holds a certification as such by the Virginia Department of Small Business and Supplier Diversity (DSBSD) on the due date for proposals. This shall also include DSBSD-certified women- and minority-owned businesses when they also hold a DSBSD certification as a small business on the proposal due date. Currently, DSBSD offers small business certification and micro business designation to firms that qualify.

Certification applications are available through DSBSD online at www.DSBSD.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____ **Date:** _____

Instructions

A. If you are certified by the DSBSD as a micro/small business, complete only Section A of this form. This includes but is not limited to DSBSD-certified women-owned and minority-owned businesses when they have also received DSBSD small business certification.

B. If you are not a DSBSD-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to DSBSD-certified small business for the initial contract period in Section B.

Offerors which are small businesses themselves will receive the maximum available points for the small business participation plan evaluation criterion, and do not have any further subcontracting requirements.

Offerors which are not certified small businesses will be assigned points based on proposed expenditures with DSBSD-certified small businesses for the initial contract period in relation to the Offeror's total price for the initial contract period.

Points will be assigned based on each Offeror's proposed subcontracting expenditures with DSBSD certified small businesses for the initial contract period as indicated in Section B in relation to the Offeror's total price.

Section A

If your firm is certified by the Department of Small Business and Supplier Diversity (DSBSD), provide your certification number and the date of certification):

Certification Number: _____ Certification Date: _____

Section B

Populate the table below to show your firm's plans for utilization of DSBSD-certified small businesses in the performance of this contract for the initial contract period in relation to the bidder's total price for the initial contract period. Certified small businesses include but are not limited to DSBSD-certified women-owned and minority-owned businesses that have also received the DSBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc. It is important to note that these proposed participations will be incorporated into the subsequent contract and will be a requirement of the contract. Failure to obtain the proposed participation percentages may result in breach of the contract

B. Plans for Utilization of DSBSD-Certified Small Businesses for this Procurement

Micro/Small Business Name & Address DSBSD Certificate #	Status if Micro/Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract (\$ or %)

Totals \$					

Attachment IV: State Corporation Commission Form

Virginia State Corporation Commission (SCC) registration information. The Offeror:

is a corporation or other business entity with the following SCC identification number

_____ **-OR-**

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Offeror's out-of-state location) **-OR-**

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned Offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the *Code of Virginia*.

****NOTE**** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver):

To Be Completed by Offeror and Returned with Your Technical Proposal

Signature

Title

Date

Attachment V: Proprietary/Confidential Information Identification Form

To Be Completed By Offeror and Returned With Your Technical Proposal

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of § 2.2-4342F of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and states the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must include only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of such information shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal may be scored lower or eliminated from further consideration.

Name of Firm/Offeror: _____, invokes the protections of § 2.2-4342F of the *Code of Virginia* for the following portions of my proposal submitted on _____.

Date

Signature: _____ Title: _____

DATA/MATERIAL TO BE PROTECTED	SECTION NO., & PAGE NO.	REASON WHY PROTECTION IS NECESSARY

Attachment VI: Cost Proposal

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Cost Proposal is included in Accompanying Excel Document

Attachment VII: Liquidated Damages

DMAS may impose any or all of the liquidated damages below upon the Department's reasonable determination that the Contractor fails to comply with any corrective action plan (CAP) or is otherwise deficient in the performance of its obligations under the RFP, provided, however, that the Department only imposes those damages it determines to be appropriate for the deficiencies identified. The Department may impose intermediate damages on the Contractor simultaneously with the development and implementation of a corrective action plan if DMAS determines that the deficiencies are severe or numerous.

Reports and Deliverables (Section 3):

For each day that an agreed upon report or deliverable is late, incorrect, or deficient, the Contractor shall be liable to the Department for liquidated damages in the amount of \$100 per work day per report or deliverable, except that if DMAS determines the delivery be delayed by any act, negligence, or default on the part of the Commonwealth, public enemy, war, embargo, fire, or explosion not caused by the negligence or intentional act of the Contractor or his supplier(s), or by riot, sabotage, or labor trouble that results from a cause or causes entirely beyond the control or fault of the Contractor or his supplier(s), a reasonable extension of time as the procuring public body deems appropriate may be granted. Upon receipt of a written request and justification for any extension from the Contractor, the purchasing office may extend the time for performance of the contract or delivery of goods herein specified, at the purchasing office's sole discretion, for good cause shown.

Liquidated damages for late reports shall begin on the fifteenth day the report is late. Liquidated damages for incorrect reports (except ad hoc or on-request reports), or deficient deliverables shall begin on the sixteenth day after notice is provided from the Department to the Contractor that the report remains incorrect or the deliverables remain deficient; provided, however, the length of time to correct the report or deliverable shall be appropriate to the complexity and severity of the issue but shall generally not be more than fifteen (15) calendar days. If fifteen (15) calendar days is not a reasonable time frame to correct the report or deliverable, the parties will mutually agree on an appropriate time frame. For the purposes of determining liquidated damages in accordance with this Section, reports or deliverables are due in accordance with the following schedule, unless otherwise specified elsewhere in this RFP:

DELIVERABLES	DATE AGREED UPON BY THE PARTIES
Preventive reviews	The Contractor shall complete all preventive reviews within the timeframes to be agreed to by both parties.
Preventive reviews Report	The Contractor shall produce reports on all completed preventive reviews within the time frames and in the manner agreed to by both parties

Program Issues

Liquidated damages for failure to perform specific responsibilities as described in this RFP are shown below

PROGRAM ISSUES	DAMAGE
Failure to submit appeal summaries.	Contractor shall be liable for any and all costs that DMAS incurs as a result of the Contractor's noncompliance, including any monetary loss suffered by the Agency in relation thereto, including loss of the right to collect overpayments, litigation costs and attorney fees.
Failure to attend or defend the Contractor's decisions at provider appeal hearings.	Contractor shall be liable for any and all costs that DMAS incurs as a result of the Contractor's noncompliance, including any monetary loss suffered by the Agency in relation thereto, including loss of the right to collect overpayments, litigation costs and attorney fees.
Failure to complete or comply with corrective action plans as required by the Department.	\$500 per calendar day for each day the corrective action is not completed or complied with as required.

Payment of Liquidated Damages

It is further agreed by the Department and the Contractor that any liquidated damages assessed by the Department shall be due and payable to the Department within thirty (30) calendar days after Contractor's receipt of the notice of damages and if payment is not made by the due date, the amount of said liquidated damages may be withheld from future payments by the Department without further notice. It is agreed by the Department and the Contractor that the collection of liquidated damages by the Department shall be made without regard to any appeal rights the Contractor may have pursuant to this RFP; however, in the event an appeal by the Contractor results in a decision in favor of the Contractor, any such funds withheld by the Department will be immediately returned to the Contractor. The due dates mentioned above may be delayed if the Contractor can show good cause as to why a delay should be granted. The Department has sole discretion in determining whether good cause exists for delaying the due dates.

The Contractor shall be liable for all liquidated damages imposed by DMAS. Any dispute between the Contractor and any provider/subcontractor regarding responsibility for any events giving rise to the imposition of liquidated damages shall not relieve the Contractor of their liability for said damages.

Attachment VIII: Cloud Services
Additional Contract Terms and Conditions

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Included in Accompanying WORD Document

Attachment IX : ECOS Assessment Form

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Included in Accompanying WORD Document

Attachment X: SUPPLIER KEY PERFORMANCE INDICATORS

- % of claims reviews completed and results reported to DMAS within 14 days of receiving provider claim and supporting documentation
- % of preventive review results verified by DMAS as accurate on first submission from the Contractor. (i.e- Is the initial review correct the first time it is sent to DMAS? - DMAS will review and approve each contractor review before passing it on for the claim to be processed/denied)
- Contractor meets all work plan deliverables each month of the Contract Year (Meeting this performance indicator is contingent on DMAS acceptance of work plan requirements).
- Contractor meets all reporting requirements (weekly, monthly, quarterly) Meeting this performance indicator is contingent on DMAS acceptance of reporting requirements).
- %/instances Contractor files a written case summary explaining the factual basis for the judgement rendered by the Contractor for reconsideration of payment within thirty (30) calendar days of all notices of informal appeals
- %/instances Contractor meets required response time of (1) business day or sooner to inquiries from DMAS or the OAG upon Court Review of a formal notice of appeal

ATTACHMENT XI: Solutions Contract

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Included in Accompanying WORD Document

**ATTACHMENT XII: Certification of Compliance with the Prohibition of Political Contributions and Gifts
During the Procurement Process**

For contracts with a stated or expected value of \$5 million or more except those awarded as the result of competitive sealed bidding.

I, _____, a representative of _____,
Please Print Name Name of Offeror
am submitting a bid/proposal to _____ in response to
Name of Agency/Institution
_____, a solicitation where stated or expected contract value is
Solicitation/Contract #
\$5 million or more which is being solicited by a method of procurement other than competitive sealed
bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of §2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The Offeror shall not knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
2. No individual who is an officer or director of the Offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater.

Signature

Title

Date

To Be Completed By Offeror and Returned With the Technical Proposal