

**ARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING**

Pursuant to Ark. Code Ann. 19-11-1010 et. seq., the selected contractor shall comply with performance based standards. Following are the performance based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

| Service Criteria ⁱ | Acceptable Performance | Damages for Insufficient Performance ⁱⁱ |
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| <p>A) The contractor will work to improve the quality of care to Arkansas Medicaid beneficiaries by identifying potential areas for quality improvement. The contractor will provide clinical support, education, tools and materials in reference to the specific Quality Projects agreed to between the Contractor and DMS. The projects are to have an agreed upon evidence based matrix that can be shown to complete the deliverable.</p> | <ol style="list-style-type: none"> 1. Contractor will submit three topics with abstract for QI project and request with rationale and work plan to carry over previous project to DMS by end of 1st quarter of contract year. DMS will provide feedback within 15 business days of receiving the draft work plan. 2. The contractor will submit a final work plan for approval to DMS. DMS will provide feedback or approval for the final work plan within 30 business days of the submission. 3. Contractor will provide drafts of all educational materials and tools for QI project packet and submit to DMS within 60 business days of approval of the final work plan. DMS will provide feedback or approval of submission within 30 business days of receipt. 4. Reports provided for DMS at quarterly meetings and in quarterly electronic submission on any past project that has reportable follow-up information and data. 5. Academic detailing is provided to at least 15% of the relevant provider community not to exceed 250 providers unless mutually agreed upon. 6. Quality Project updates completed. 7. Ad hoc quality improvement activities are performed as requested by DMS and according to a negotiated timeframe. Ad hoc projects will not exceed 30 staff hours in a contract year. 8. QI tools distribution reported quarterly to DMS. 9. Contractor and DMS meeting dates for each quarter. 10. Electronic copies of quarterly report submitted to DMS. 11. One new project may be selected or current projects may carry over to the next year for intentional statewide spread. Quality Improvement Projects are identified based on national data, state specific data related to the Medicaid population Projects are presented and agreed upon by Division of Medical Services (DMS) within the first six months of the contract year. 12. The contractor will present up to three | <p>\$500 per day penalty for each State Work Day the agreed upon outcome matrix is not met.</p> |

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| <p>B) The contractor will manage quality incentive programs, primarily the Inpatient Quality Incentive Program (IQI). The contractor will provide educational information and technical assistance to each hospital eligible for IQI, oversee data validation, measures implementation,</p> | <p>topics of interest with one page informational abstract for each topic. Contractor will work with DMS to determine the QI project or carry over project for each contract year.</p> <p>13. A work plan is developed for an approved topic. The work plan will include a project overview, research, objectives, target audience, timelines, proposed strategies, proposed tools, materials, resources and measures to assess effectiveness of the project.</p> <p>14. Projects may carry over from the prior year if target audience has not been reached or current project is being carried over for statewide spread. Visits may occur if or when requested by providers related to any past Medicaid projects.</p> <p>15. Training is provided by qualified health care professionals who have knowledge and experience in clinical quality improvement and academic detailing.</p> <p>16. Previous Quality Project may be updated each State Fiscal Year (SFY).</p> <p>17. Ad hoc quality improvement activities are performed as requested by DMS and according to a negotiated timeframe. Ad hoc projects will not exceed 30 staff hours in a contract year.</p> <p>18. QI tools are distributed to providers and stakeholders through varied means such as mail, electronic copy or in person as applicable to achieve measurable improvement.</p> <p>19. Medicaid Quality Improvement, team and DMS meet at least quarterly or more upon request.</p> <p>20. Electronic copies of quarterly reports will be submitted to DMS by the last day of the month following each quarter.</p> | <p>\$5,000 penalty for failure to achieve agreed upon outcome from the incentive program.</p> |
| | <p>1. IQI Manager will work with DMS staff each year to determine measures.</p> <p>2. IQI functions are administered as outlined by an approved timeline presented to DMS in the first quarterly meeting.</p> <p>3. The contractor organizes and facilitates an IQI advisory board.</p> <p>4. The contractor is responsible for receiving and responding to inquiries and preparing and disseminating all IQI related materials and correspondence subject to the approval of DMS.</p> | |

and data calculations. The contractor will also create and maintain the database of Medicaid specific measures reported by hospitals. DMS and Contractor will have an agreed upon outcome for the incentive plan.

5. The contractor keeps all stakeholders informed using various publications such as the Arkansas Hospital Association newsletter.

6. IQI events and awards are publicized in an effective manner.

7. IQI data is validated, measures are implemented, and a database of Medicaid specific measures as reported by hospitals created and maintained.

8. The Contractor provides on-site visits if necessary.

9. The contractor provides DMS with an IQI summary highlighting experiences and successes statewide each contract year.

The contractor is responsible for this deliverable even if the contract agreement is not continued into the next year.

10. Other incentive programs as needed are managed and administered with mutually agreed upon timeframes.

11. Inpatient Quality Incentive (IQI) Project is managed to the satisfaction of DMS.

12. IQI Manager works with DMS staff each year to determine measures to be used.

New measure for the following state fiscal year are finalized by May 1st of each contract year based on performance data available. The process is as follows:

a. The contractor will convene an open forum of hospital stakeholders via email or face to face to obtain feedback related to IQI programs and proposed changes or new measures for the upcoming year by October 30th.

b. The contractor will convene the IQI Advisory Board to discuss potential measures for the next fiscal year and to review the forum feedback by January 15th.

c. A draft document of proposed measures will be presented to DMS for feedback and approval within 30 calendar days of submission.

d. Based on recommendations from DMS, the contractor will reconvene the Advisory Board for continued discussions, edits, and updates.

e. After any changes are made, the criteria will be resubmitted to DMS by March 15th for final approval.

f. IQI notifications regarding new measures are issued to hospitals by June 1st of each contract year.

13. IQI advisory board meets at least twice a year, once before measures are finalized

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| | <p>and again before notifications regarding measures are issued.</p> <p>14. The contractor responds to all inquiries within 5 working days.</p> <p>15. The contractor will prepare and disseminate all IQI related materials and correspondence subject to the approval of DMS.</p> <p>16. In addition to the IQI notifications and recognition letters, the contractor issues at least two (2) stakeholder publications each contract year.</p> <p>17. IQI events and awards are publicized in an effective manner subject to the approval of DMS.</p> <p>18. IQI data is validated, measures are implemented, and a database of Medicaid specific measures reported by hospitals created and maintained.</p> <p>19. The Contractor provides on-site visits if necessary, to support participating hospitals not to exceed an average of 1 visit per participating hospital per contract year.</p> <p>20. The contractor provides DMS with an IQI summary highlighting experiences and successes statewide by September 15th each contract year for the prior year's program. The contractor is responsible even if it is not the continued contractor for the following year.</p> <p>21. Other incentive programs as needed are managed and administered to the satisfaction of DMS according to mutually agreed upon timeframes.</p> | |
| <p>C) The contractor will effectively monitor and assess the Patient-Centered Medical Homes (PCMH) primary care quality incentive component of the APII to ensure that the quality of care is improved and that the practice support payments and incentives for quality care adhere to the program requirements. The contractor will monitor and revise the program requirements as necessary to continuously improve the health outcomes of Arkansas. The contractor will provide Medicaid</p> | <ol style="list-style-type: none"> 1. The contractor will produce a work plan acceptable to DMS which identifies the strategy, process, and benchmarks for successful completion. 2. The contractor will design, develop, implement and manage the process and methodology for ensuring the integrity of the PCMH program. 3. The contractor will hire and maintain qualified staff to provide each of these performance indicators. 4. The contractor will design, develop and implement a statistically sound process for data collection and validation of non-claims based benchmarks and measures required by the PCMH. 5. The contractor will provide data analytics for non-claims based benchmarks and measures. The contractor will provide the analyzed data in an acceptable format to | <p>\$500 per day penalty for each State Work Day the agreed upon outcome matrix is not met</p> |

**beneficiaries and
providers resources for
quality improvement.**

the DMS fiscal agent for reporting and payment purposes.

6. The contractor will receive and evaluate data and attestations provided to DMS by PCMHs through the PCMH portal. The contractor will design and implement an audit protocol to review self-reported data.

7. The contractor will design, implement and manage a process meeting the DMS provider manual requirements to notify the provider of remediation and corrective action, and if necessary, recommend the provider for termination in the PCMH program. All notice language must be approved by the DHS Office of Chief Counsel (OCC) and the contractor will work with OCC to obtain that approval.

8. The contractor will review corrective action plans and recommend to DMS any additional action.

9. Prior to making shared savings incentive payments, the contractor will assist the DMS fiscal agent in the quality assurance process to ensure that payments are made only to eligible practices based on the successful attainment of program objectives. As part of this process the contractor will verify that practices have met shared savings incentive payment requirements by reviewing claims based data provided by the data support vendor. The contractor will provide the final list of practices eligible for continued practice support payments and shared savings incentive payments to the DMS fiscal agent.

10. The contractor will prepare shared savings incentive determination notices and deliver them to DMS. DMS will mail these notices to providers. The contractor will provide subject matter experts and testimony in all appeals and hearings related to an adverse action resulting from the contractor's monitoring and data analysis and the quality assurance process.

11. The contractor will provide summary reports to DMS regarding the self-reported data. Additionally, the contractor will provide an annual summary of the successes and challenges of the program after the incentive determination and all measures have been analyzed.

12. In addition to the qualified staff to fulfill these performance indicators, the contractor will provide a full-time equivalent employee to serve as the PCMH Quality Assurance

Manager. Should there be a need for the employee to attend conferences, meetings, or other events which are not strictly related to PCMH Quality Assurance work, such attendance will be subject to DMS' approval. The employee will manage the entire PCMH quality assurance operation including the direction and management of the off-site contractor staff. The PCMH Quality Assurance Manager will be housed at DMS, depending on the operational need. In general "the operational need" will be determined by the PCMH Quality Assurance Manager. The PCMH Quality Assurance Manager will be available to DMS for in-person consultations as directed by DMS.

13. The PCMH Quality Assurance Manager will serve as the liaison between the contractor, DMS, and other DMS vendors associated with the PCMH.

14. The PCMH QI Advisory group will meet apart or during regularly scheduled PCMH Implementation Team meetings. The contractor will research and develop a response to any Centers for Medicare and Medicaid Services (CMS) reporting requirements or inquiries that relate to provider performance on PCMH requirements and quality assurance processes. The contractor will also research and develop responses to legislative and media inquiries regarding provider performance on PCMH requirements and quality assurance processes. The PCMH Quality Assurance Manager will provide testimony or presentations for legislative members as it relates to the Quality Assurance process of the PCMH program.

15. The contractor will develop and deliver broad-based quality improvement projects based on its quality assurance activities, with the approval of DMS. For example, if practices are consistently struggling to meet a benchmark or a PCMH activity, the contractor will develop and execute a statewide QI project to address that area of need. Once initiated, project interactions may be by phone, on-site visits, or virtual visits to assess provider's progress and the success of the intervention. This QI project is distinct and different from individual practice coaching provided by the DMS practice transformation vendor and is aimed at improving the quality and

performance of the program as a whole rather than the performance of an individual practice.

16. In addition to any contractor staff performing PCMH provider outreach, the PCMH Quality Assurance Manager will be part of the PCMH customer service team to manage provider communications as it relates to the contractor's quality assurance and quality improvement activities.

17. Upon validation of the qualification for the incentive and completion of the payment calculation, the results, successes and challenges of the PCMH primary care quality incentive component of the Arkansas Payment Improvement Initiative (APII) will be submitted to DMS so that the results may be effectively publicized and communicated to stakeholders.

18. The contractor will develop and implement an education and awareness strategy for providers regarding the Quality Assurance process and will ensure that providers are fully informed of all QA activities.

19. The contractor will develop a semi-annual evaluation process for DMS and the contractor to assess contractor performance overall and the performance of the PCMH Quality Assurance Manager.

20. The contractor will maintain SharePoint site in which the provider reports are readily available to DMS. Additionally, all progress reports, tracking spreadsheets, communication logs, meeting schedules, meeting minutes, etc. will be accessible to DMS via the site.

21. Within 15 calendar days from the effective date of the contract or amendment, a work plan setting due dates for the above performance indicators is presented to DMS. The work plan also includes the staffing model and qualifications of each employee performing the above services.

22. Within 30 calendar days, the work plan, staffing model, and target dates for each performance indicator have been approved by DMS.

23. The contractor will provide to DMS a staff listing including the Full-Time Equivalent (FTE) percentages of each staff funded by this contract and the percentage required due to this specific deliverable.

24. Within 60 calendar days from the effective date of the contract or amendment,

a PCMH Quality Assurance Manager is hired and present at DMS.

25. Within 180 calendar days from the effective date of the contract or amendment, the contractor has the ability to receive data submitted through the portal.

26. Within 180 calendar days, staff members for each position outlined in the staffing model have been hired. The contractor has provided a staff listing including the FTE percentage of each staff funded by this contract and the percentage due to this specific deliverable.

27. Within 270 calendar days from the effective date of the contract or amendment, the contractor has begun the implementation phase of the deliverable and is reviewing practices for compliance.

28. Within 300 calendar days from the effective date of the contract or amendment, the contractor has provided complete and accurate data in an acceptable format to the DMS fiscal agent to be included in provider reports.

29. Provider and stakeholder inquiries regarding the quality assurance activities and quality improvement activities are addressed within 2 business days of the inquiry, and resolved in an expedient manner. The inquiry responses will be communicated to the provider by the vendor. The inquiry and resolution will be logged and available for review by DMS.

30. The contractor provides DMS with a PCMH summary highlighting experiences and successes statewide no later than October 1 of each calendar year for the prior calendar year's program.

31. The contractor must receive an evaluation from DMS at least twice annually and the contractor must receive a highly satisfactory rating regarding the performance of both the contractor overall and the PCMH Quality Assurance Manager.

32. The contractor will provide data analytics for non-claims based benchmarks and measures. The contractor will provide the analyzed data in an acceptable format to the DMS fiscal agent for reporting and payment purposes. The contractor will design, implement and manage a process meeting the DMS provider manual requirements to notify the provider of remediation and corrective action, and if necessary, recommend the provider for

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| <p>D) The contractor maintains consistent level of expertise as described in the contractor's response to the Invitation for Bid . All Medicaid data is maintained according to State and Federal regulations.</p> | <p>termination in the PCMH program. All notice language must be approved by the DHS Office of Chief Council (OCC) and the contractor will work with OCC to obtain that approval. Prior to making shared savings incentive payments, the contractor will assist the DMS fiscal agent in the quality assurance process to ensure that payments are made only to eligible practices based on the successful attainment of program objectives. As part of this process the contractor will verify that practices have met shared savings incentive payment requirements by reviewing claims based data provided by the data support vendor.</p> <p>33. The contractor will provide the final list of practices eligible for continued practice support payments and shared savings incentive payments to the DMS fiscal agent.</p> <ol style="list-style-type: none"> 1. An annual report is prepared each contract year assessing QI project impact on beneficiary health status, needs, and access to the Medicaid Program. 2. Ad hoc projects are performed to the satisfaction of DMS. 3. Data is maintained in a secure manner with limited access. 4. Project managers have Medicaid knowledge and experience working with Medicaid programs and demonstrate expertise in clinical quality improvement, academic detailing, and data analysis as related to quality measures and quality improvement. 5. Project staff and consultants include Medical Doctors, Registered Nurses, and Certified Professionals in Healthcare Quality 6. Electronic copies of quarterly reports are received by DMS Contract Oversight Unit and the Contract Administrator by the last day of the first month of each quarter (i.e. July – September is received by October 31st). 7. An annual report assessing QI project impact on beneficiary health status, needs, and a performance measure is completed and submitted to DMS by May 31st each contract year. 8. Ad hoc projects are completed according to the negotiated timeframe not to exceed 30 hours for the MQI contract. 9. Data is maintained in a secure manner with limited access and is Health Insurance Portability and Accountability Act (HIPAA) | <p>\$500 for each violation of State or Federal data regulation.</p> |
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| <p>E) The contractor will develop and implement an education and awareness strategy for providers regarding the Quality Assurance process and will ensure that providers are fully informed of all QA activities. The contractor will develop a semi-annual evaluation process for DMS and the contractor to assess contractor performance. The contractor will maintain SharePoint site in which the provider reports are readily available to DMS. Additionally, all progress reports, tracking spreadsheet communication logs, meeting schedules, meeting minutes, etc. will be accessible to DMS via the site.</p> | <p>and Health Information Technology for Economic and Clinical Health Act (HITECH) compliant.</p> <p>10. A Data Use Agreement is in place between the Contractor and DMS.</p> <p>11. Project managers have Medicaid knowledge and experience working with Medicaid programs and demonstrate expertise in clinical quality improvement, academic detailing, and data analysis as related to quality measures and quality improvement and this level of expertise is maintained throughout the duration of the contract.</p> <p>12. Project staff and consultants include Medical Doctors, Registered Nurses, and Certified Professionals in Healthcare Quality. Staffing vacancies are filled within a timeframe acceptable to DMS.</p> <p>Within 15 calendar days from the effective date of the contract or amendment, a work plan setting due dates for the performance indicators is presented to DMS. The work plan also includes the staffing model and qualifications of each employee performing the above services. Within 30 calendar days, the work plan, staffing model, and target dates for each performance indicator have been approved by DMS.</p> <p>The contractor will provide to DMS a staff listing including the Full-Time Equivalent (FTE) percentages of each staff funded by this contract and the percentage required due to this specific deliverable. Within 60 calendar days from the effective date of the contract or amendment, the contractor has begun the implementation phase of the deliverable and is reviewing practices for compliance. Within 90 calendar days from the effective date of the contract or amendment, the contractor has provided complete and accurate data in an acceptable format to the DMS fiscal agent to be included in provider reports.</p> | <p>\$500 per day penalty for each State Work Day the agreed upon outcome matrix is not met</p> |
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| F) Upon receipt of notification of DHS's intent to transfer the contract functions to another contractor, the Contractor must provide a Turnover Plan to DHS within the seven (7) business days. Time lines for turnover activities will be specified by DHS. | The Transition Plan must include, but is not limited to the following: 1. Approved approach to turnover 2. Tasks and subtasks for turnover 3. Approved schedule for turnover 4. Detailed chart depicting the Contractor's total operation 5. Transfer of Medicaid documents to DHS or its designated agent | One hundred percent (100%) compliance with the performance indicators, or a penalty of 15% of the previous month's billed amount may be imposed if this performance indicator is not met. |
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Failure to meet the minimum Performance Standards as specified **shall** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to the insufficiency. The State **shall** have the right to waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

¹ Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

¹ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.