# STATE OF ARKANSAS

**Department of Human Services**
**Office of Procurement**
**700 Main Street,**
**Little Rock, AR 72201**

## INVITATION FOR BID

BID SOLICITATION DOCUMENT

| SOLICITATION INFORMATION | | | |
|---|---|---|---|
| Bid Number: | 0710-19-1002 | Solicitation Issued: | 10/09/2018 |
| Description: | Prior Authorization Reviews, Retrospective Reviews and Medical Reviews/Consults | | |
| Agency: | Department of Human Services (DHS)/Division of Medical Services (DMS) by Office of Procurement (OP) | | |

| SUBMISSION DEADLINE FOR RESPONSE | | | |
|---|---|---|---|
| Submission Date: | 11/01/2018 | Bid opening Time: | 10:00 a.m. CDT |

Bids **shall not** be accepted after the designated bid submission date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of vendors to submit proposals at the designated location on or before the bid submission date and time. Bids received after the designated bid submission date and time **shall** be considered late and **shall** be returned to the vendor without further review. It is not necessary to return "no bids" to the Office of Procurement (OP).

| DELIVERY OF RESPONSE DOCUMENTS | |
|---|---|
| Delivery Address:<br>Drop off (walk in): | Arkansas Department of Human Services<br>Attn: Office of Procurement<br>700 Main Street Slot W345<br>Little Rock, AR 72201 |
| United States mail (USPS): | Arkansas Department of Human Services<br>Attn: Office of Procurement<br>P.O. Box 1437 Slot W345<br>Little Rock, AR 72203-1437 |
| Commercial Carrier (UPS, FedEx or USPS Exp): | Arkansas Department of Human Services<br>Attn: Office of Procurement<br>112 West 8th Street, Slot W345<br>Little Rock, AR 72201<br><br>Delivery providers, USPS, UPS, and FedEx deliver mail to OP's street address on a schedule determined by each individual provider. These providers will deliver to OP based solely on the street address. |
| Bid's Outer Packaging: | Outer packaging **must** be sealed and should be properly marked with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for bid identification purposes.<br>☐ Bid number<br>☐ Date and time of bid opening<br>☐ Vendor's name and return address |

| Department of Human Services CONTACT INFORMATION | | | |
|---|---|---|---|
| OP Buyer: | Nawania Williams | Buyer's Direct Phone Number: | 501-320-6511 |
| Email Address: | Nawania.williams@dhs.arkansas.gov | DHS's Main Number: | 501-682-1001 |
| DHS Website:<br>OPS Website: | http://humanservices.arkansas.gov/Pages/default.aspx<br>http://www.arkansas.gov/dfa/procurement/bids/index.php<br>https://medicaid.mmis.arkansas.gov/default.aspx | | |

# SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

## 1.1 PURPOSE

To obtain pricing and a contract with a qualified vendor to provide clinical support for the primary purpose of reviewing prior authorization requests, conducting retrospective reviews and providing medical reviews/consults to determine the proper utilization and medical necessity of an array of medical services for Medicaid Beneficiaries and other DHS clients, directly or indirectly, in addition to related support functions.

## 1.2 TYPE OF CONTRACT

A. A Term contract will be awarded to a single vendor.

B. Any resultant contract of this *Bid Solicitation* **shall** be subject to State approval processes which mayinclude Legislative review.

C. The term of this contract **shall** be for one (1) year. The anticipated starting date for the contract is 01/01/2019. Upon mutual agreement by the vendor and agency, the contract may be renewed by OP on a year-to-year basis, for up to six (6) additional one-year terms or a portion thereof not to exceed a total aggregate contract term of seven (7) years.

## 1.3 ISSUING AGENCY

The Office of Procurement (OP), as the issuing office, is the sole point of contact throughout this solicitation process. Vendor questions regarding this Bid Solicitation should be made through the State's buyer as shown on page two of this document. Vendor's questions will be answered as a courtesy and at vendor's own risk.

## 1.4 BID OPENING LOCATION

Bids submitted by the opening time and date **shall** be opened at the following location:

Department of Human Services
Office of Procurement
700 Main Street
Little Rock, AR 72201

Vendors wishing to attend the bid opening must report to the main entrance location, Arkansas Department of Human Services, Donaghey Plaza South Building, 700 Main Street, Little Rock, Arkansas 72201 and check in with the receptionist. All attendees are required to obtain security clearance upon entrance to the building by submitting a current, valid photo ID, preferably a driver's license, to the Security Officer at the reception area. The Security Officer will issue a visitor's badge which must be worn at all times. Before leaving the bid opening visitors are required to return the visitor's badge to the Security Officer and retrieve their ID.

The receptionist is to contact the buyer, for the vendor, for more detailed directions to the bid opening location.

## 1.5 DEFINITION OF REQUIREMENT

A. The words "**must**" and "**shall**" signify a Requirement of this solicitation and that vendor's agreement to and compliance with that item is mandatory.

B. Exceptions taken to any Requirement in this *Bid Solicitation*, whether submitted in the vendor's bid orin subsequent correspondence, **shall** cause the vendor's bid to be disqualified.

C. Vendor may request exceptions to NON-mandatory items. Any such request **must** be declared on, or as an attachment to, the appropriate section's *Agreement and Compliance Page*. Vendor **must** clearly explain the requested exception and should reference the specific solicitation item number to which the exception applies. (See *Agreement and Compliance Page.*)

## 1.6 DEFINITION OF TERMS

A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and will attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.

B. The words "bidder," "vendor," and "contractor" are used synonymously in this document.

C. The terms "Invitation for Bid", "IFB" and "Bid Solicitation" are used synonymously in this document.

## 1.7 RESPONSE DOCUMENTS

*A. Bid Response Packet*

1. An official authorized to bind the vendor(s) to a resultant contract **must** sign the *Bid Signature Page*.

2. Vendor's signature on this page **shall** signify vendor's agreement that either of the following **shall** cause the vendor's bid to be disqualified

   a. Additional terms or conditions submitted intentionally or inadvertently.
   *b.* Any exception that conflicts with a Requirement of this *Bid Solicitation.*

3. The following items **shall** be submitted with the *Bid Response Packet in a sealed envelope*.

   a. EO 98-04 Disclosure Form (Attachment A).
   b. Copy of Vendor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
   c. Signed addenda to this IFB, if applicable. (See Requirement of Addendum.)
   d. Documentation that vendor meets the minimum qualifications outlined in this IFB. (See *Minimum Qualifications*.)

**4.** **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information. **Submit one (1) electronic copy of the response packet, excluding the *Official Bid Price Sheet*, preferably on a flash drive and one (1) hard copy. To the extent possible, all electronic files should be a single document in PDF format.**

*B. Official Bid Price Sheet*. (See *Pricing.)*

1. Vendor's original *Official Bid Price Sheet* **must** be submitted in hard copy format.
2. Vendor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, preferably on a flash drive, in a single PDF file.
3. The *Official Bid Price Sheet*, including the hard copy and electronic copy, must be separately sealed from the *Bid Response Packet* and should be clearly marked as "Pricing." Vendor must not include any pricing in the hard copies or electronic copies of the *Bid Response Packet*.

## 1.8 AGREEMENT AND COMPLIANCE PAGES

A. Vendor **must** sign all *Agreement and Compliance Pages* relevant to each section of the *Bid Solicitation Document.* The *Agreement and Compliance Pages* are included in the Bid *Response Packet*.

B. Vendor's signature on these pages **shall** signify agreement to and compliance with all requirements within the designated section.

## 1.9 CLARIFICATION OF BID SOLICITATION

A. Contractor may submit written questions requesting clarification of information contained in this *Bid Solicitation*. Written questions should be submitted by 4:00 p.m., Central Time on 7/25/2018. Submit written questions by email to the buyer as shown on page one (1) of this *Bid Solicitation*.

B. The attached response template (*Attachment B*) **must** be used for submission of all written questions. All questions should include the information specified in the response template. Written questions submitted in a different format may not be answered by DHS.

C. Contractor's written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OP website by the close of business on 08/01/2018.

D. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at contractor's risk.

**1.10 SUBCONTRACTORS**

A. Vendor **must** complete, sign and submit the *Proposed Subcontractors Form* included in the *Bid Response Packet* to indicate vendor's intent to utilize, or to not utilize, subcontractors.

B. Additional subcontractor information may be required or requested in following sections of this *Bid Solicitation*. **Do not** attach any additional information to the *Proposed Subcontractors Form*.

C. The utilization of any proposed subcontractor is subject to approval by the State agency

**1.11 PRICING**

A. Vendor(s) **must** include all pricing on the Official Bid Price Sheet(s) only**.** Any cost not identified by the successful vendor but subsequently incurred in order to achieve successful operation **shall** be borne by the vendor. The *Official Bid Price Sheet* is provided in the Bid Response Packet.

B. A justification of prices quoted should be attached to the *Official Bid Price Sheet*.

C. To allow time to evaluate bids, prices **must** be valid for 120 days following the bid opening.

D. Failure to complete and submit the *Official Bid Price Sheet* **shall** result in disqualification.

E. All bid pricing **must** be in United States dollars and cents.

F. The Official Bid Price Sheet may be reproduced as needed.

G. The *Official Bid Price Sheet* and accompanying price justification **must** be separately sealed from the *Bid Response Packet*.

**1.12 PRIME CONTRACTOR RESPONSIBILITY**

A. A joint bid submitted by two (2) or more vendors is acceptable. However, a single vendor **must** be identified as the prime contractor.

B. The prime contractor **shall** be held responsible for the contract and **shall** be the sole point of contact.

**1.13 INDEPENDENT PRICE DETERMINATION**

A. By submission of this bid, the vendor certifies, and in the case of a joint response, each party thereto certifies as to its own organization, that in connection with this bid:

- The prices in the bid have been arrived at independently, without collusion.
- No prior information concerning these prices has been received from, or given to, a competitive company.

B. Evidence of collusion **shall** warrant consideration of this bid by the Office of the Attorney General. All vendors **shall** understand that this paragraph may be used as a basis for litigation.

**1.14 PROPRIETARY INFORMATION**

A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA).

B. In accordance with FOIA and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.

C. Prospective Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by submitting a redacted copy of the response.

D. By so redacting any information contained in the response, the Prospective Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of the Rules and Statutes set forth above.

E. Under no circumstances will pricing information be designated as confidential.

F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Bid Response Packet*. A CD is also acceptable. Do not submit documents via email or fax.

G. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.

H. The Prospective Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.

I. The redacted copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Prospective Contractor.

J. If a redacted copy of the submission documents is not provided with Prospective Contractor's *Bid Response Packet*, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).

K. If the State deems redacted information to be subject to FOIA, the Prospective Contractor will be contacted prior to release of the documents.

L. The State has no liability to a Prospective Contractor with respect to the disclosure of Prospective Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

**1.15 CAUTION TO VENDORS**

A. Prior to any contract award, all communication concerning this *Bid Solicitation* **must** be addressed through OP.

B. Vendor **must not** alter any language in any solicitation document provided by the State.

C. Vendor **must not** alter the Official Bid Price Sheet.

D. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract.

E. Bids **must** be submitted only in the English language.

F. The State **shall** have the right to award or not award a contract, if it is in the best interest of the State to do so.

G. Vendor **must** provide clarification of any information in their response documents as requested by OP.

H. Bids **must** meet or exceed all defined specifications as set forth in this *Bid Solicitation*.

I. Bids **must** meet all terms and conditions of this Invitation for Bid and the laws of the State of Arkansas.

J. Vendors may submit multiple bids.

**1.16 REQUIREMENT OF ADDENDUM**

A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OP.

B. An addendum posted within three (3) calendar days prior to the bid opening **shall** extend the bid opening and may or may not include changes to the Bid Solicitation.

C. The vendor **shall** be responsible for checking the following websites for any and all addenda up to bid opening:
http://www.arkansas.gov/dfa/procurement/bids/index.php,
http://humanservices.arkansas.gov/about-dhs/op/procurement-announcements
https://medicaid.mmis.arkansas.gov/default.aspx

**1.17 AWARD PROCESS**

A. Vendor Selection

1. Award **shall** be made on an ALL OR NONE basis to the lowest responsive bidder. Bidders must meet minimum qualifications. Bids must meet or exceed all defined specifications. Bids must meet all terms and conditions of this Invitation for Bid and the laws of the State of Arkansas.

2. Contract award, extension, or renewal is contingent upon approval by officials of DHS, subsequent approval by the DHS Office of Procurement, review by the Legislative Council and the availability of State funds. Changes to any non-financial portion of this agreement may be made with the agreement of both DHS and the Contractor.

B. Negotiations

1. If the State so chooses, negotiations may be conducted with the lowest responsive bidder. Negotiations are conducted at the sole discretion of the State.

2. If negotiations fail to result in a contract, the State may begin the negotiation process with the next lowest responsive bidder. The negotiation process may be repeated until the lowest responsive vendor has been determined, or until such time the State decides not to move forward with an award.

C. Anticipation to Award

1. Once an anticipated successful vendor has been determined, the anticipated award will be posted on the following websites:
http://www.arkansas.gov/dfa/procurement/pro_intent.php
http://humanservices.arkansas.gov/about-dhs/op/procurement-announcements
https://medicaid.mmis.arkansas.gov/default.aspx

2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Vendors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen day posting period.

3. OP **shall** have the right to waive the policy of Anticipation to Award when it is in the best interest of the State.

4. It is the vendor's responsibility to check the above referenced websites for the posting of an anticipated award.

D. Issuance of Contract

1. Any resultant contract of this Bid Solicitation shall be subject to State approval processes which may include Legislative review.

2. An Office of Procurement Official will be responsible for award and administration of any resulting contract.

**1.18 MINORITY AND WOMEN-OWNED BUSINESS POLICY**

A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business owned by a lawful permanent resident of this State who is:

- African American
- American Indian
- Asian American
- Hispanic American
- Pacific Islander American
- A Service Disabled Veteran as designated by the United States Department of Veteran Affairs

B. A women-owned business is defined by Act 1080 of the 91st General Assembly Regular Session 2017 as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.

C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the *Bid Signature Page*.

**1.19 EQUAL EMPLOYMENT OPPORTUNITY POLICY**

A. In compliance with Arkansas Code Annotated § 19-11-104, the State is required to have a copy of the anticipated Contractor's *Equal Opportunity (EO) Policy* prior to issuing a contract award.

B. EO Policies should be included as a hardcopy accompanying the solicitation response.

C. The submission of an *EO Policy* to OSP is a one-time Requirement. Vendors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that must also comply with this statute.

D. Vendors, who are not required by law by to have an *EO Policy*, **must** submit a written statement to that effect.

**1.20 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS**

A. Pursuant to Arkansas Code Annotated § 19-11-105, prior to the award of a contract, selected vendor(s) **must** have a current certification on file with the Office of State Procurement (OSP) stating that they do not employ or contract with illegal immigrants.

B. OP will notify the selected vendor(s) prior to award if their certification has expired or is not on file. Instructions for completing the certification process will be provided to the vendor(s) at that time.

**1.21 RESTRICTION OF BOYCOTT OF ISRAEL**

A. Pursuant to Arkansas Code Annotated § 25-1-503, a public entity **shall not** enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel.

B. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.

C. By checking the designated box on the Bid Signature Page of the response packet, a Prospective Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

**1.22 PAST PERFORMANCE**

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a vendor's past performance with the State may be used to determine if the vendor is "responsible". Proposals submitted by vendors determined to be non-responsible **shall** be disqualified.

**1.23 TECHNOLOGY ACCESS**

A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. The Prospective Contractor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.

B. Accordingly, the Prospective Contractor expressly represents and warrants to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT)(see Attachment J) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.

2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.

3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.

5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact.

6. Integrating into networks used to share communications among employees, program participants, and the public.

7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies must evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency must provide written documentation supporting the selection of a different product, including any required reasonable accommodations.

D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.

E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

**1.24 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM**

The respondent's solution must comply with the state's shared Technical Architecture Program which is a set of policies and standards that can be viewed at: http://dis.publishpath.com/policies-standards. Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

**1.25 VISA ACCEPTANCE**

A. Awarded vendor should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment.

B. Price changes or additional fee(s) **shall not** be levied against the State when accepting the p-card as a form of payment.

C. VISA is not the exclusive method of payment.

**1.26 PUBLICITY**

A. Vendors **shall not** issue a news release pertaining to this *Bid Solicitation* or any portion of the project without OP's prior written approval.

B. Failure to comply with this Requirement **shall** be cause for a vendor's bid to be disqualified.

**1.27 RESERVATION**

The State **shall not** pay costs incurred in the preparation of a bid.

**1.28 SCHEDULE OF EVENTS**

| | |
|---|---|
| **DRAFT** Public Notice of IFB | 07/11/18 |
| Deadline for Receipt of Written Questions | 08/25/18 |
| Response to Written Questions on or about | 09/12/18 |
| Public Notice of IFB | 10/09/18 |
| Date and time for Opening Bids | 11/01/18 |
| Intent to Award Announced, On or About | 11/08/18 |
| Contract Start, (Subject to State Approval) | 1/1/19 |

**1.29 STATE HOLIDAYS**

Holidays are those days as declared legal state holidays by authority of Act 304 of 2001. Those days are as follows:

| | |
|---|---|
| New Year's Day | January 1 |
| Dr. Martin Luther King Birthday | Third Monday in January |
| George Washington Birthday | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |
| Veteran's Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

Additional days can be proclaimed as holidays by the Governor through executive proclamation. State offices are normally closed on holidays; however there are occasions (i.e. during legislative sessions) when it may become necessary to keep state offices open on holidays. The Contractor shall maintain adequate staff on such working holidays.

# SECTION 2 – MINIMUM REQUIREMENTS

## 2.1 INTRODUCTION

This Invitation for Bid (IFB) is issued by the Office of Procurement (OP) for the DHS Division of Medical Services, to obtain pricing and a contract with a qualified vendor to provide clinical support for the primary purpose of reviewing prior authorization requests, conducting retrospective reviews and providing medical reviews/consults to determine the proper utilization and medical necessity of an array of medical services for Medicaid Beneficiaries and other DHS clients, directly or indirectly, in addition to related support functions.

## 2.2 MINIMUM QUALIFICATION

Vendor must meet the following requirements:

A. Vendor must have seven (7) years' combined contractual experience in performing prior authorization reviews, retrospective reviews and medical reviews as well as other types of medical-related consults specified in this IFB. For verification purposes, Vendor must provide an overview of prior work meeting this requirement, including scopes of work, estimated volume of reviews, contract amounts, and contact information for contract managers who can verify experience. Contact information for contract managers must include the following: current phone number, mailing address, email address, title, and printed name. Proposals may be disqualified from respondents whose references do not respond within five (5) business days of the request for verification.

B. Vendor must provide a current certification or accreditation from the National Committee for Quality Assurance (NCQA) or Utilization Review Accreditation and Certification (URAC) with a health utilization management designation, or similar national healthcare-related certification or accreditation recognized by the Centers for Medicare and Medicaid Services (CMS).

C. Vendor must provide at least three (3) letters of reference that must attest to Vendor's prior authorization, retrospective review and medical review/consultation experience.

1. Two (2) letters of reference must be from public or private entities other than the Arkansas Department of Human Services (DHS); and

2. An additional letter of reference must be from any state Medicaid division, which may include the Division of Medical Services (DMS) within Arkansas DHS.

All letters of reference must meet the following criteria:

- They shall be on official letterhead of the party submitting recommendation;
- They shall be from entities with recent (within the last three [3] years) contract experience with the respondent;
- They shall be from individuals who can directly attest to the respondent's qualification(s) relevant to this IFB;
- They shall be limited to organizational recommendations, not personal recommendations;
- They shall be dated not more than six (6) months prior to the proposal submission date;
- They shall include the current phone number, mailing address, email address, title, printed name, and signature of the individual of the party submitting the recommendation; and
- ~~They shall not be from current DHS employees.~~

DHS reserves the right to contact the references submitted as well as any other references which may attest to the respondent's work experience. Proposals may be disqualified from respondents whose references do not respond within five (5) business days of the request for verification.

D. Vendor must certify that Vendor has not received any sanctions or corrective actions by a state or Federal government within the last ten (10) years. However, failure to certify may not disqualify a Vendor's

Bid submission if Vendor provides detailed documentation of each sanction and any corresponding corrective action received from a state or Federal government within the last ten (10) years. Documentation must include status of all corrective actions within the last ten (10) years, including correction actions completed to the satisfaction of the issuing government agency.

E. Vendor and all sub-Vendors must certify that Vendor and all sub-Vendors have read the Organizational or Personal Conflict of Interest Clause (see Attachment G) and that Vendor and all sub-Vendors have no actual, apparent, or potential conflicts of interest with the current DHS Independent Assessment (IA) vendor or Provider-Led Arkansas Shared Savings Entities (PASSE). If Vendor or any sub-Vendor does have an actual, apparent, or potential conflict of interest, Vendor must disclose all relevant information pertaining to such conflict of interest. Vendors disclosing a potential, actual or apparent conflict of interest must submit a conflict of interest mitigation plan at the time of bid. DHS, in its sole discretion, will determine if a conflict exists and whether it can be mitigated or waived. Bidders with conflicts of interest that cannot be mitigated or waived shall be disqualified.

F. Vendor must submit a Letter of Bondability from an admitted Surety Insurer with its bid submission. The letter should unconditionally offer to guarantee to the extent of one-hundred percent (100%) of the contract price the bidder's performance in all respects of the terms and conditions of the IFB and the resultant contract.

## 2.3 SCOPE OF WORK

The Department of Human Services (DHS), Division of Medical Services (DMS) is seeking bids, pricing and a contract with a qualified Vendor to provide clinical support for the primary purpose of reviewing prior authorization requests, conducting retrospective reviews and providing medical reviews/consults to determine the proper utilization and medical necessity of an array of medical services for Medicaid Beneficiaries and other DHS clients, directly or indirectly, in addition to related support functions listed below.

A. Scope of Work Terminology

1. The collective term "Prior Authorization" (PA) shall apply to reviews of medical data in order to approve certain services for payment, either prior to services being rendered by a Medicaid Provider, for the continuation of services, or for the authorization of services within a specified timeframe after the receipt of those services has begun. As applied in this IFB, the term "Prior Authorizations" shall include without limitation the following: Extensions of Benefits, Continuations of Care, Continuing Stay Authorizations, Certifications of Need, Concurrent Reviews and Authorization for Services. Prior Authorizations may be given after the Date of Service (DOS) in certain instances, including without limitation services rendered under urgent/emergency care or over a weekend or holiday, and done in the best interest of the patient/Beneficiary.

2. The collective term "Retrospective Review" (RR) shall apply to all reviews of submitted or paid claims based on medical necessity, proper standard of care or other standard for review.

3. The collective term "Medical Review/Consultation" (MRC) shall apply to any situation in which clinical personnel are requested to render a medical opinion based on applicable rules and regulations, including those set forth by DHS; applicable and appropriate national guidelines; the latest medical literature; and professional judgment.

4. "Required documentation" means the minimum documentation necessary to competently perform any type of review, reconsideration, appeal, reply to correspondence or any other process dependent upon such documentation for completion.

5. "Provider Manual" refers to the Arkansas Medicaid Provider Manuals which can be found at https://medicaid.mmis.arkansas.gov/Provider/Docs/Docs.aspx.

6. "MMIS" refers to the Arkansas Medicaid Management Information System which processes Medicaid claims and provides additional functionality through MMIS/interChange. The entire system and all aspects thereof are collectively referred to as "MMIS."

7. "Fiscal Agent" refers to DXC (formerly HP and HPE), the current Fiscal Agent and Provider of the

MMIS/interChange system for payment of Medicaid claims in Arkansas.

8. "PASSE" refers to the Provider-Led Arkansas Shared Savings Entity (PASSE) Model of Care involving Risk-Based Provider Organizations. The PASSE Model will be implemented in two (2) phases. Phase II involves full-risk management of attributed beneficiaries' care at the Tier Two (2) or Tier Three (3) levels after an Independent Assessment (IA). Phase II is currently scheduled to begin on January 1, 2019. Additional information can be found at: https://medicaid.mmis.arkansas.gov/general/programs/passe.aspx.

B. Vendor shall perform Prior Authorization (PA) and/or Retrospective Reviews (RR) for an array of services and claims including, but not limited to:

1. Inpatient and Outpatient Services;
2. Durable Medicaid Equipment (DME);
3. Personal Care (under twenty-one [21] years of age);
4. Targeted Case Management (TCM);
5. Physician-Administered Drugs;
6. ARWorks Mid-Year Transition Requests;
7. Emergency Room/Emergency Department (ER/ED) Retrospective Reviews;
8. Hospital Admissions/Inpatient Services Retrospective Reviews; and
9. Neonatal Intensive Care Unit (NICU) Retrospective Reviews

C. Vendor shall perform Medical Reviews and Consultations (MRC) and Ad Hoc Reviews for an array of services and claims. Such reviews of claims and services, shall include without limitation the following which may be under either category as defined by DHS:

1. Out of State Referrals,
2. Suspended Claims,
3. Emergency Transportation,
4. Transplants,
5. EPSDT (Early and Periodic Screening, Diagnostic and Treatment) Extension of Benefits,
6. Emergency Medicaid Eligibility
7. Denial of certain applications for program services, including but not limited to TEFRA and Autism Waiver services.

~~Vendor shall perform Ad Hoc Reviews for an array of services and claims including, but not limited to:~~

8. DMS Internal PA Review Procedures, including:

a. Formula, Sole source nutrition, Enteral nutrition, Hyperalimentation (if not included on a list of pre-approved formula/nutrition),

b. Hearing Aids (other than batteries or broken equipment),

c. Home Health (Post-surgical in-home nursing care),

d. Medical Supplies (extension of benefits);

e. Private Duty Nursing,

f. Non-covered Services,

g. Code Set Reviews, and

h. Standard of Care Reviews.

D. Vendor shall perform related functions and processes including, but not limited to:

1. Verification Processes;

2. Reconsiderations of review determinations requested by Providers ~~or Beneficiaries~~;

3. Resolution of complaints made by Providers or Beneficiaries related to review determinations;

4. Participation in all activities related to administrative appeals of adverse actions and litigation based in whole or in part on Vendor's acts or omissions;

5. Required and ad hoc reporting;

6. Development and provision of all forms and documents related to the above mentioned processes;

7. Development and implementation of various Quality Assurance and Performance Improvement projects;

8. Conduct all communications in a secure and HIPAA-compliant manner;

9. Secure repository and maintenance of all data related to the above mentioned processes; and

10. Any other tasks necessary to provide all the Deliverables as set forth herein.

E. Vender shall adhere to the following Standard requirements applicable to all process types include, including without limitation:

1. Perform all functions under this contract in conformity with applicable laws, policies, regulations and guidelines, including those set forth by DHS, and including without limitation, Due Process as to all processes, timeframes, forms and notifications.

2. Adhere to all state and federal privacy and security laws and requirements.

3. Use only DHS pre-approved forms and letters for any and all correspondence, including legal notifications, and perform Provider and Beneficiary denial notifications as described herein. All correspondence must comply with all laws, rules and regulations, including those set forth by DHS, and including but not limited to Due Process. Vendor shall:

a. Seek and receive approval from DHS within sixty (60) days from the contract award date on all forms used in performance of this contact prior to use by Vendor. Standard denials forms shall be submitted for approval by DHS within (15) days of the contract award date.

b. All forms must notify recipients of Due Process rights under applicable law, including applicable time frames for preserving any Reconsideration or Appeal rights.

c. All PA forms must include minimum standard information including, but not limited to, the following without limitation:

i. Date of request;

ii. Type of request; and

iii. Name of requestor and Medicaid Provider ID if applicable.

d. Vendor shall develop and provide all required DHS-approved forms/correspondence, including without limitation the following:

i. Provider and Medicaid Beneficiary notification of determinations pertaining to the following:

a) Initial review process;

b) Reconsideration process; and

c) Appeals Process.

ii. All forms and correspondence related to complaint processes as set forth in IFB 710-19-1002 Section 2.11

4. Adhere to the timeframes for each review type set forth in Attachment I.

a. All timeframes shall begin upon receipt of a request for review.

b. Unless specifically noted, the hours or days shall not include weekends and any legal holidays observed by the Federal or Arkansas State government in the computation thereof.

c. Adherence to timeframes must be reported to DHS in monthly reports, and shall be considered in Vendor's Quality Assurance/Performance Improvement activities set out herein.

5. All reviews shall be conducted by clinical reviewers meeting the minimum education requirements specified in Attachment I.

6. Vendor shall ~~develop and implement a process for~~ ~~monitoring and~~ notify DHS within five (5) business days of instances wherein vendor has identified instances of a provider not meeting established standards of care if noted during the course of carrying out PA, RR, MR/C and Ad Hoc review functions under this contract. DHS shall work with Vendor to establish the proper method of communicating such instances of non-standard care to DHS.

~~1. Vendor shall notify DHS in writing within five (5) business days of instances found in the review process not meeting recognized standards of care.~~

~~2. If DHS agrees with Vendor's determination, Vendor shall notify the Provider of the determination as directed by DHS.~~

~~3. Vendor shall provide educational materials and references to the Provider at the request of DHS in order to explain a finding of non-standard care.~~

7. Vendor shall complete, file, retain, and make available to DHS upon request ~~all~~ records related to this IFB in a secure, Health Insurance Portability and Accountability Act (HIPAA)-compliant manner. Such records shall exclude documents uploaded to MMIS/InterChange, but shall include, without limitation, documents utilized by Vendor in providing services to DHS under this IFB, including those created by Vendor.

8. Documentation, clinical support and correspondence related to all approvals, partial approvals, and denials must be maintained by Vendor in accordance with the Arkansas Records Retention Policy or at the conclusion of an appeal or litigation, whichever is longer.

## 2.4 USE OF ARKANSAS MEDICAID MMIS (INTERNAL PROCESSES) AND EXTERNAL PROCESSES

~~A. MMIS/InterChange Processes~~

1. For PAs, RRs and certain MRCs, Vendor's clinicians, other medical professionals and supervisors shall log in to Arkansas Medicaid MMIS in order to work through an assigned workflow queue and perform other tasks.

2. the MMIS Provider Portal, and through an escalation process for a second level of review.

3. Workflow queues for RRs and certain MRCs will be populated via standardized claim selection processes or other methods determined by Vendor and DHS, and may also include an escalation process for a second level of review.

3. User roles, security levels, workflow queues, messaging and other functionality shall be based on user ID/email and qualifications.

4. Vendor shall make notes on a file, send and receive messages, send and receive files/claims/requests for review, and perform other tasks for completion of work required under this IFB.

5. In collaboration with DHS, Vendor shall finalize user roles, security levels, messaging, workflow queues and other functions, and conduct a readiness review/functionality testing prior to Vendor becoming fully operational.

6. All actions will be automatically date- and time-stamped in MMIS to assist Vendor and DHS with tracking timeframes related to all activities.

C.

1. Workflow queues for PAs will be populated via PAs submitted by Providers via:

3. Vendor shall make notes on a file, send and receive messages, send and receive files/claims/requests for review, and perform other tasks for completion of work required under this IFB.

4.

D. Requests Initiated Outside MMIS interChange

1. Certain PAs, RRs, MRCs and Ad Hoc requests will not originate via the MMIS Provider Portal.

2. In collaboration with DHS, Vendor shall develop a process to allow requests to be made by providers, including hospitals, via telephone, US mail or facsimile.

3. In such instances, Vendor shall:

a. Have the capacity to receive requests so initiated,

b. Create the PA, RR, MRC or Ad Hoc in MMIS interChange,

c. Follow the same process as though the PA, RR, MRC or Ad Hoc request was initiated through the MMIS Provider Portal.

4. Vendor and DHS shall determine a secure methodology for assignments to be communicated to Vendor.

4. Emergency PAs, MRCs and Ad Hoc requests may be initiated utilizing this method, and Vendor shall develop an internal process to receive and prioritize emergency requests.

A. Generally

1. DHS utilizes MMIS/InterChange for the PA process;

2. At the start of the contract term, other processes will be initiated and conducted primarily external to MMIS/InterChange. This includes RRs, MRCs and Ad Hoc review requests.

3 DHS anticipates that the current processes external to MMIS/InterChange may be modified in the future to increase efficiency and decrease costs without adversely affecting the integrity of the processes:

a. DHS expects Vendor to work expeditiously and in good faith with DHS in such process improvement projects;

b. Use of MMIS/InterChange functionality may include the whole process or any portion thereof.

4. All file transfers, data retention, including documents in support of requests and reviews, shall be transferred and retained in a secure and HIPAA-compliant manner.

B. MMIS/InterChange Use Generally

1. Vendor's clinicians, other medical professionals and supervisors shall log into Arkansas Medicaid MMIS/InterChange in order to work through an assigned workflow queue and perform related tasks.

2. User roles, security levels, workflow queues, messaging and other functionality shall be based on user ID/email and qualifications.

3. In collaboration with DHS and DXC, Vendor shall:

a. Finalize user roles, security levels, messaging, workflow queues and other functions,

b. Receive training on all functionality permissible within MMIS/InterChange prior to contract implementation, and

c. Conduct a readiness review/functionality testing prior to Vendor becoming fully operational under this contract.

4. All actions taken inside of MMIS/InterChange shall be automatically date- and time-stamped to assist Vendor and DHS with tracking timeframes related to all PA activities.

C. PA Process Generally

1. Workflow queues for PAs will be populated with PAs submitted by Providers via:

a. The Provider Portal or

b. Directly to DHS or the Vendor, and the Vendor shall input the PAs into MMIS for completion.

2. Within MMIS/InterChange, Vendor shall be able to make notes on a file, send and receive messages, send and receive files/claims/requests for review, and perform other tasks for completion of work required under this IFB. These functions will be based on user roles and security levels.

3. At the time that Vendor is able to make a determination on a PA request:

a. Vendor shall select the appropriate option within MMIS/InterChange reflect Vendor's determination.

b. Each selection will result in automatic processes within InterChange that will trigger appropriate actions including letter generation and mailing.

c. DHS will finalize all current processes with Vendor prior to the contract start date.

D. PA Requests Initiated Outside of MMIS/InterChange

1. Certain PAs will not originate via the MMIS/InterChange Provider Portal.

2. In collaboration with DHS, Vendor shall develop a process to allow requests to be made by providers, including hospitals, via telephone, encrypted email/secure messaging, US mail or facsimile.

3. In such instances, Vendor shall:
   a. Have the capacity to receive requests so initiated,
   b. Create the PA request in MMIS/InterChange,
   c. Follow the same process as though the PA request was initiated through the MMIS/InterChange Provider Portal.

4. Emergency PAs may be initiated utilizing this method, and Vendor shall develop an internal process to receive and prioritize emergency requests.

E. RR Process

1. As part of the RR process, Vendor shall interface with the following vendor systems as follows to allow for data transfer:

| Send or Receive | Vendor | Information |
|---|---|---|
| Receive | Optum<br>DHS's current DSS (Decision Support System and Service) Lab vendor | Weekly claims data |
| Send | DXC<br>DHS's current MMIS/InterChange vendor and Fiscal Agent | Recoupment Determinations |
| Receive | | -A/R Report<br>-Error Report |

2. RR Technical specifications
   a. Attachment L sets out the file layouts to receive claims data sent by Optum

   b. Attachments M, N, and O set out interface file layouts with DXC for the RR processes. All three (3) file interface processes apply to each of the following current identified RR processes:

      i. Emergency Department;
      ii. Hospital Admissions/Inpatient Services; and
      iii. Neonatal Intensive Care.

   c. Files shall be sent from Optum, and between Vendor and DXC, via a secure file-transfer interface methodology. DHS shall work with Vendor to finalize this process prior to the contract start date.

F. MRC and Ad Hoc Reviews

1. These processes shall be external to MMIS/InterChange.

2. DHS shall work with Vendor to finalize these processes prior to the contract start date.

## 2.5 PRIOR AUTHORIZATION REVIEWS

A. All PA reviews shall be conducted according to the following specifications without limitation:

1. The PA process shall commence upon Vendor's receipt of a request from a Provider or Beneficiary in the appropriate MMIS workflow queue.

a. The Provider's request may be initiated via the MMIS/InterChange Provider Portal and be placed directly into the MMIS/InterChange workflow queue, or:

b. The Providers' request may come from the Provider directly or come from the Provider via DHS, and Vendor shall expeditiously enter the PA into the MMIS/InterChange workflow queue no later than the next business day after receiving such a PA request.

2. In the event that Vendor receives a PA request from a Beneficiary, Vendor shall direct the Beneficiary to contact his or her provider to initiate the PA process.

3. All PA reviews shall be completed in accordance with the timeframes and conducted by personnel meeting specified educational credentials as set forth in Attachment I.

4. Vendor shall submit ~~electronic approval, denial or modification~~ determinations of a PA request via MMIS no later than the next business day after a PA review determination is made.

~~a. PA approval or modification shall cause a PA authorization code to be entered into MMIS, thereby notifying the Fiscal Agent that related claims are authorized for payment.~~

~~b. Vendor shall also authorize notification to be given to the Provider and Beneficiary through the appropriate means (electronic or US Mail) according to the Notification section of this IFB~~

5. All PA reviews shall determine the medical necessity and quality of care of a service being sought, unless otherwise noted. Determinations of medical necessity, quality of care or other review standard shall be based upon required documentation submitted by the Provider ~~or Beneficiary~~, and shall be reviewed by Vendor according to pre-approved criteria established within the general guidelines of the Medicaid manual, applicable and appropriate national guidelines, and in conjunction with DHS, but not excluding professional judgment.

6. If a Provider ~~or Beneficiary~~ fails to provide the "Required Documentation" necessary to perform a PA review, Vendor must notify the Provider ~~or Beneficiary~~ within forty-eight (48) hours in order for the review to be conducted in a timely manner. If the Provider ~~or Beneficiary~~ fails to submit the required documentation within a reasonable time determined on a case-by-case basis with input from DHS, said failure shall be a justifiable cause for Vendor to deny a PA review. In its denial, Vendor shall note the missing required documentation and steps undertaken to obtain the missing documentation.

7. If applicable, Vendor may modify any pending PA approval that has not yet expired; however, Vendor shall not modify a PA approval that has expired.

8. Vendor shall conduct PA reviews at two (2) levels:

a. An initial review for medical necessity is conducted as a Level I review;

b. If the Level I reviewer determines that the PA review should be denied, the Level I reviewer shall refer the PA review to a Level II reviewer/physician advisor for the final determination of medical necessity.

9. Vendor shall not deny the PA because a service or procedure has been provided under emergency/urgent circumstances and/or over a weekend or holiday observed by the Federal or Arkansas State government, and medical necessity will remain the basis for the determination.

B. MMIS/InterChange Process

1. Within MMIS/Interchange, Vendor shall select from the appropriate list of actions, including, but not limited to:

a. Approve;

b. Partially Approve;

c. Modify;

d. Deny;

e. Request more information;

f. Void

2. Based on the selection made, certain automated processes specific to the selection are initiated within MMIS/InterChange. These include but are not limited to the following examples:
   a. Approval:

      i. Generates and mails approval letter to the Provider;

      ii. Creates a PDF version of the approval letter to the Provider and places it in the Provider Portal for viewing by the Provider;

      iii. Fiscal Agent is notified that the PA has been approved by use of a vendor-specific control number;

      iv. However, no letter is generated or mailed to the Beneficiary.

   b. Denial:

      i. Generates and mails denial letter (notification) to the Provider:

         a) The letter template allows Vendor to insert text or codes to describe the basis for denial;

         b) The letter shall serve as official notification of the PA Denial to the Provider and shall apprise the Provider that he/she may seek a Due Process Reconsideration and/or an Appeal;

      ii. Creates a PDF version of the denial letter to the Provider and places it in the Provider Portal for viewing by the Provider;

      iii. Generates and mails denial letter (notification) to Beneficiary.

         a) The letter shall serve as official notification of the PA Denial to the Beneficiary and apprises the Beneficiary that he/she may seek an Appeal;

         b) Notifications to Beneficiaries will be mailed automatically, and Vendor shall not cause a Beneficiary notification letter to be held for any reason.

   c. Similar processes are triggered for all actions selected by Vendor within MMIS/InterChange.

3. Within the PA process, postage paid by DXC in mailing letters to Providers and Beneficiaries will not be passed through to Vendor at this time.

4. PA requests should be voided in specific instances, including but not limited to erroneous, multiple or withdrawn requests for a PA.

5. Vendor shall work with DHS to finalize all PA processes prior to the contract start date, including

notification of errors/corrections to PA determinations.

C. Verification Process

1. Vendor shall compare all PA requests to available information contained in and through MMIS to determine whether the Beneficiary:

   a. Is currently eligible for Medicaid;

   b. Has a current PA for the same services, and the current PA has the same or overlapping timeframes; and

   c. Has received an IA and is qualified to receive Tier Two (2) or Tier Three (3) services, or has been assigned to a PASSE.

2. If the Beneficiary is not currently eligible for Medicaid, Vendor shall notify the requesting Provider within twenty-four (24) hours of the determination;

3. If the Beneficiary has a current PA for the same services, Vendor shall deny the pending PA request within twenty-four (24) hours and state the reason therefor;

4. If the Beneficiary has received a Tier Two (2) or Tier Three (3) determination after an IA, or if the Beneficiary has been assigned to a PASSE, within twenty-four (24) hours:

   a. If the Beneficiary has been assigned to a PASSE, Vendor shall notify the Provider and DHS so that the Provider and the PASSE can take appropriate actions to provide services to the Beneficiary. ~~transfer the PA to the assigned PASSE;~~

   b. If Beneficiary has received a Tier Two (2) or Tier Three (3) determination but has not yet been assigned to a PASSE, Vendor shall:

      i. Treat the PA as a request one for Tier 1/Fee For Service (FFS) services so that the Beneficiary may receive the necessary services; and

      ii. Notify the Provider and DHS of the information so the appropriate steps may be taken in the future.

   c. Vendor shall work with DHS to finalize all procedures prior to contract start date.

D. Payment Integrity

1. On a regular schedule determined by Vendor and DHS, Vendor shall work with DHS to compare all PA requests to subsequent claims data to determine whether the Provider filed claims that reflected the requested services.

2. Vendor shall notify DHS of any instances in which the PA request and claims data are inconsistent in regular reports.

E. Notification of the PA determination to the affected Providers and Beneficiaries shall be performed according to the Notifications section below.

F. Vendor may communicate with Providers via encrypted email/secure messaging regarding the PA process, including but not limited to notification of approval, modification or denial of a PA request.

G. The right to Due Process Reconsideration/Appeal by a Provider or Beneficiary can be based upon Vendor's determination, and Vendor shall be required to participate in the Due Process Reconsideration/Appeal process.

H. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress PAs.

I. Reports and Invoices

1. Reports will be available or can be created within MMIS/InterChange to tracks various data points. Utilizing these reports and other information, Vendor shall submit to DHS a regular monthly report pertaining to all PA and PA-related activities performed under this section.

2. Vendor may be able to submit monthly invoices to DHS for PA reviews processed based at least in part on the available reports.

3. Vendor shall work with DHS and DXC to finalize all aspects of reporting and invoicing.

## 2.6 RETROSPECTIVE REVIEWS

A. All Retrospective Reviews (RR) shall meet certain criteria for review, including but not limited to medical necessity, proper utilization, compliance with program requirements, conformity with professionally recognized standards of health care, and applicable and appropriate national guidelines.

B. The criteria for review are set forth in Attachment H; the minimum education levels and timeframes related to each RR are set forth in Attachment I. Vendor shall work with DHS to further define the scope of all RRs and actions thereunder.

C. All RRs must properly identify claims for which recoupment will be undertaken by DHS and possible referral to the DHS Payment Integrity Unit and/or the Arkansas Medicaid Office of Inspector General (OMIG).

D. RR Process

1. The general RR workflow will occur primarily external to MMIS/Interchange.

2. Vendor will receive a weekly claims feed from DHS's DSS Lab Vendor, Optum, according to the file layout contained in Attachment L. Vendor shall store the claims in a secure and HIPAA-compliant manner.

3. On a schedule agreed upon by DHS and Vendor (monthly or quarterly), Vendor shall utilize an internal process, use software, or both, to select a valid random sample of claims meeting the agreed-upon criteria in the RR categories. The cost of any software shall be borne by Vendor.

4. Within ten (10) business days of claims selection, Vendor shall notify the selected Providers of cases/claims selected for review, and may request additional documentation/information as necessary to conduct a review of the claims according to criteria agreed upon by DHS and Vendor.

5. Vendor may communicate with Providers via encrypted email/secure messaging during the RR process.

6. Vendor shall determine if the services provided to the identified Medicaid Beneficiaries were medically necessary.

7. Based on its review, Vendor shall identify non-medically-necessary claims for recoupment.

8. Vendor shall prepare its recoupment determinations according to the interface file layout specifications contained in Attachment O, and transfer the determinations to DXC according to the agreed-upon schedule and methodology.

9. Once received, DXC shall process Vendor's recoupment determinations.
   a. As a result, DXC will either create an accounts receivable (AR) file to initiate a recoupment, or encounter an error. These files, created according to Attachments M and N, will be sent to the Vendor according to the agreed-upon schedule and methodology.

   b. Vendor's recoupment determinations shall act as notification to the Fiscal Agent of Vendor's determinations.

10. By creating an A/R in MMIS/InterChange:
    a. A letter will automatically be generated and mailed by DXC to notify the Provider of the recoupment. This letter will serve as official notification to the Provider of the recoupment;

b. The cost for this postage incurred by DXC within the RR process will not be passed through to Vendor at this time.

11. DXC will return disposition reports to Vendor via an agreed-upon methodology:
    a. A/R Report (Attachment N); and

    b. Errors Report (Attachment M).

12. Vendor shall review the Errors Report and make appropriate corrections. Vendor shall prepare its corrected recoupment determinations according to the interface file layout specifications contained in Attachment O, and transfer the determinations to DXC according to the agreed-upon schedule and methodology.

13. Vendor shall continue the above process with DXC until all errors have been resolved.

14. Vendor shall work with DHS to finalize all RR processes prior to the contract start date, including notification of errors/corrections to RR determinations.

~~D. Notification~~

1. ~~Within ten (10) business days of selection, Vendor shall notify Providers of cases selected for RRs and request documentation to support the medical necessity of services provided to the identified Medicaid Beneficiaries within.~~

2. ~~Vendor shall transmit to DHS all RR determinations via an agreed-upon methodology.~~

3. ~~Notification of the RR determination to the affected Providers and Beneficiaries shall be performed according to the Notifications section below.~~

E. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress RRs.

F. The right to Due Process Reconsideration/Appeal by a Provider can be based upon Vendor's determination or on recoupment of a paid claim based on Vendor's determination. Vendor shall be required to participate in the Due Process Reconsideration/Appeal process.

G. Reports and Invoices

1. Vendor shall submit to DHS a regular monthly report pertaining to all RR and RR-related activities under this section. Vendor may use the disposition reports from DXC to assist with the reporting process, including the RR and Data Correction reports.

2. Vendor may be able to submit monthly invoices to DHS for RR reviews processed based at least in part on the sample-selection process utilized by Vendor.

3. Vendor shall work with DHS to finalize all aspects of reporting and invoicing.

## 2.7 MEDICAL REVIEWS/CONSULTATIONS AND AD HOC REVIEWS

~~A. All Medical Reviews/Consultations (MRC) shall be conducted according to the following specifications without limitation:~~

1. ~~Upon request by DHS, Vendor shall perform medical reviews or consultations to confirm denial or approval of a benefit or service made through a PA request or an application, which may include a non-standard request.~~

2. ~~Vendor shall be notified of a medical review/consult via the agreed-upon methodology which may include utilization of the MMIS workflow queue process.~~

3. ~~Vendor shall consult with DHS to develop criteria for physicians to conduct medical reviews/consults, including reviewer's required knowledge of these services, the population requesting the services, and eligibility criteria; and~~

4. ~~Requirements for medical reviews/consults are attached hereto as Attachments H & K, including applicable time frames for review, and the minimum education of the reviewers.~~

~~B. Special or Ad Hoc Medical Reviews/Consultations~~

~~1. Vendor shall establish a system for employing or engaging ad hoc consultants with credentials specified by DHS for specific reviews;~~

~~2. Special or Ad Hoc PA Consultation/Reviews shall be completed in a timeframe stated at the time of the request.~~

~~C. Notification of the MRC determination to the affected Providers and Beneficiaries shall be performed according to the Notifications section below.~~

~~D. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress MRCs.~~

~~E. Vendor shall submit to DHS a regular monthly report pertaining to MRCs and MRC-related activities under this section.~~

A. All Medical Reviews/Consultations (MRC) and Ad Hoc Reviews shall be conducted according to the following specifications without limitation:

1. All MRC and Ad Hoc reviews shall be conducted external to MMIS/InterChange.

2. Upon request by DHS, Vendor shall perform a wide variety of medical reviews/consultations or ad hoc reviews. The types of reviews that may be conducted by Vendor are attached hereto as Attachment H.

3. Vendor shall establish a system for employing or engaging consultants with credentials specified by DHS for specific reviews.

   a. Vendor shall consult with DHS to develop criteria for physicians to conduct MRC/Ad Hoc reviews, including reviewer's required knowledge of these services, the population requesting the services, and eligibility criteria;

   b. Requirements for the reviewers and review process are attached hereto as Attachment I, which includes the applicable time frames for review and the minimum education of the reviewers.

4. Vendor shall be notified of a MRC/Ad Hoc review via an agreed-upon methodology, which may include but is not limited to use of a SharePoint site, encrypted email/secure messaging, in-person consultations conducted at the state facility or other enumerated means that are secure and HIPAA-compliant.

5. Depending on the type of review being conducted, Vendor may:
   a. Approve the claim, requested service/claim or application;

   b. Deny the claim, requested service/claim or application;

   c. Modify the claim or requested service/claim; or

   d. Need additional information.

6. Vendor shall communicate its initial determination to DHS via an agreed-upon methodology that is secure and HIPAA-compliant.

7. After receiving Vendor's initial determination, and upon request by DHS, Vendor may be asked to work directly with the Provider or Beneficiary to, where applicable:

   a. Seek additional information to reach a determination;

b. Send an approval, modification or denial notice;

8. Vendor shall continue the determination process after receipt of requested additional information and communicate to DHS its final determination.

9. After receiving Vendor's final determination, and upon request by DHS, Vendor may be asked to, where applicable, send an approval, modification or denial notice directly to the Provider/Beneficiary.

10. Provider may have filed, or will file, claim(s) related to the determination made by Vendor. DHS shall instruct DXC to approve, modify or deny the claim based on Vendor's determination; however, currently, Vendor is not required to be involved in this segment of the MRC/Ad Hoc review process, including notifying the Fiscal Agent of Vendor's determination.

B. Vendor may communicate with Providers via encrypted email/secure messaging during the MRC/Ad Hoc review processes.

C. The right to Due Process Reconsideration/Appeal by a Provider/Beneficiary may be based directly upon Vendor's determination or upon denial of a claim based on Vendor's determination. Vendor shall be required to participate in the Due Process Reconsideration/Appeal process.

D. In the event that a Beneficiary seeks a MRC/Ad Hoc review, Vendor shall direct the Beneficiary to contact his or her provider to initiate the MRC/Ad Hoc review process.

E. Reports and Invoices

1. Vendor shall submit to DHS a regular monthly report pertaining to all MRC/Ad Hoc review-related activities under this section. Vendor may use requests from DHS and Vendor determinations to assist with the reporting process.

2. Vendor may be able to submit monthly invoices to DHS for MRC/Ad Hoc reviews processed based at least in part on the requests made by DHS.

3. Vendor shall work with DHS to finalize all aspects of reporting and invoicing.

F. Vendor shall work with DHS to finalize all MRC/Ad Hoc review processes prior to the contract start date, including notification of errors/corrections to MRC/Ad Hoc determinations.

G. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress MRC/Ad Hoc reviews.

## 2.8 NOTIFICATIONS

Vendor must notify the Provider, Beneficiary, and Fiscal Agent of PA, RR and MRC/Ad Hoc review request determinations as specified below.

A. General Specifications

1. All notifications of review determinations shall be sent ~~on the same day~~ no later than the next business day after making the determination or in accordance with the procedures set out herein ~~that the determination is made~~.

2. All notifications must be made in compliance with the applicable Medicaid Manuals and federal and state law.

3. Vendor's notice templates must be approved by DHS prior to use within and external to MMIS/InterChange, and must conform to the requirements of federal and state law and the controlling Medicaid Manual(s).

4. PA notices to Providers and Beneficiaries shall include the following information without limitation:

a. The procedure code,

b. The total number of service-time increments/units of service for each PA,

c. The PA control number,

d. The approval beginning and ending date of service, and

e. Signature of Vendor's reviewer including credentials for the determination and date.

5. Under current Arkansas Medicaid policy, after denial of a claim/service, Providers are entitled to seek a Due Process Reconsideration (DPR) and Appeal, and Beneficiaries are entitled to seek an Appeal. Required notifications to Providers and Beneficiaries must contain information sufficient for the Provider or Beneficiary to timely seek a Request for Due Process Reconsideration (DPR) and/or Appeal as applicable. The notification, at a minimum, must apprise the Provider or Beneficiary that:

   a. Any Request for DPR or Appeal must contain at least a clearly-stated basis for the DPR and/or Appeal and should provide documentary support for the basis for review;

   b. Be made within the applicable timeframe which is within thirty (30) days from the date of the PA, RR or MRC/Ad Hoc review determination;

   c. Be made by a method specified in the Arkansas Medicaid Provider Manuals; and

   d. Be made to ~~Vendor at~~ a specific location for valid receipt of the DPR and/or Appeal.

6. Notices of adverse determinations shall include:
   a. A case-specific rationale based on the type of review conducted, which may be based at least in part on medical necessity, and

   b. A statement of Provider's right to an Administrative Reconsideration and Appeal, and when applicable, a statement of Beneficiary's right to an Appeal under Arkansas Administrative Procedure Act.

7. Vendor's data submissions shall have an error rate of no more than five percent (5%).

8. Errors or omissions in notifications to Providers or Beneficiaries must be corrected and notice submitted electronically or by telephone to the Provider and Beneficiary within forty-eight (48) hours of the discovery of the error or omission, with a follow-up written notice to the Provider and Beneficiary within five (5) business days if the initial notice is by telephone.

9. All notifications and correspondence with Providers and/or Beneficiaries sent directly by Vendor must be maintained by Vendor as specified herein regarding data retention and maintained in a secure and HIPAA-compliant manner. Vendor shall not be responsible for storing and maintaining notifications and correspondence contained within MMIS/InterChange, including those uploaded/appended to a claim or generated by MMIS/InterChange.

10. Contractor must develop and maintain means of legal proof that notices were sent in accordance with the timeframes set forth herein.

B. Notices to Beneficiaries

~~1. Within MMIS interChange, Vendor shall be able to create the appropriate notification to the affected Beneficiary.~~

~~2. Notices shall be sent by U.S. postal mail.~~

~~3. Notices of adverse decisions shall include a case-specific rationale based on medical necessity and a statement of Beneficiary's right to an administrative hearing under Arkansas Administrative Procedure Act. Vendor shall respond by letter to any informal (i.e., not part of a reconsideration or appeal) communication resulting from adverse decisions.~~

~~4. Vendor shall send a written acknowledgement of PA change request to the Beneficiary by close of business on the next business day after receipt of the request.~~

1. All notices to Beneficiaries shall be sent by U.S. postal mail within three (3) business days from the date of a determination unless otherwise noted herein.

2. Vendor may be able to send notices to Beneficiaries via MMIS/InterChange or directly depending on the review process undertaken.
   a. Postage paid by DXC in mailing letters to Beneficiaries will not be passed through to Vendor at this time.

   b. Postage for notices sent directly to Beneficiaries will be the responsibility of Vendor.

C. Notices to Providers

~~1. Within MMIS interChange, Vendor shall be able to create the appropriate notification to the requesting Provider.~~

~~2. MMIS interChange will generate and mail the Notice.~~

~~3. For reviews that originated via the MMIS Provider Portal, the Provider will receive an electronic message that a Notice has been generated.~~

~~4. For reviews that originated via telephone, US Mail or facsimile, Vendor shall work with DHS to create a process to notify the requesting Provider via a secure electronic method.~~

~~5. Notices of adverse decisions shall include a case-specific rationale based on medical necessity and a statement of Providers' right to an administrative hearing the Arkansas Administrative Procedure Act.~~
~~6. Vendor shall respond by letter to any informal (i.e., not part of a reconsideration or appeal) communication resulting from adverse decisions.~~

~~7. Vendor shall send a written acknowledgement of PA change request to the Provider by close of business on the next business day after receipt of the request.~~

1. Notices to Providers may be sent within the timeframes noted herein by U.S. postal mail, encrypted email/secure messaging or other methods approved by DHS within the timeframes noted herein.

2. For the PA process within MMIS interChange, Vendor shall be able to create the appropriate notification to the requesting Provider.

   a. MMIS/InterChange will:

      i. Automatically generate and mail the Notice;

      ii. Create a PDF version of the Notice to the Provider and place it in the Provider Portal for viewing by the Provider

   b. Postage paid by DXC in mailing letters to Providers will not be passed through to Vendor at this time.

3. Outside of MMIS/InterChange, notices to Providers may be sent via encrypted email/secure messaging or by US postal mail. Postage costs will be the responsibility of Vendor.

F. Notification to DHS Fiscal Agent

1. As part of the automated PA process in MMIS/InterChange, notices of approved PAs are transmitted electronically to the Fiscal Agent via MMIS. ~~This shall include without limitation:~~

~~a. Closing and end-dating current PAs and opening new PAs for a modification or Provider change; and~~

~~b. Closing and end-dating current PAs upon request.~~

2. Notification to the Fiscal Agent in the RR, MCR/Ad Hoc review processes are set out in the individual sections. ~~Vendor, DHS and the Fiscal Agent shall consult on a process for notification and necessary action or actions related to recoupment of claims as the result of a RR or MRC process.~~

3. Vendor's data submissions shall have an error rate of no more than five percent (5%).

4. Vendor shall correct errors and omissions in data and transmit to the Fiscal Agent ~~via MMIS~~ within twenty-four (24) hours of discovery. This shall include without limitation instances of incorrect starting and ending dates for PA request authorizations, incorrect payment authorization, incorrect non-payment authorization, incorrect recoupment authorization and incorrect non-recoupment authorization. Vendor shall work with DHS and DXC to finalize all error correction processes prior to the contract start date.

## 2.9 DUE PROCESS RECONSIDERATION PROCEDURES

A. Overview

1. Vendor shall provide Due Process Reconsideration (DPR) of a PA, RR or MRC/Ad Hoc review determination to Providers ~~and Medicaid Beneficiaries~~ per the controlling Medicaid Manual(s), applicable laws, policies, regulations, guidelines, and other criteria approved by DHS.

2. A Provider ~~and Beneficiary~~ shall be afforded the opportunity for only one (1) DPR per denial of a PA, RR or MRC/Ad Hoc review determination.

3. In the event that Vendor receives a DPR request from a Beneficiary, Vendor shall direct the Beneficiary to contact his or her provider to initiate the DPR process.

4. Vendor's DPR procedure must comply with all Due Process procedures and standards under applicable law.

5. Vendor may not bill DHS for any Provider or Beneficiary requests for a DPR or work related thereto.

5. ~~Vendor shall respond to any informal inquiry related to an adverse PA, RR or MRC determination that is not a part of the official DPR.~~

B. Due Process Reconsideration Procedure

1. Any Notice sent to the Provider ~~and Beneficiary~~ regarding denial of benefits or services as the result of a PA, RR or MRC/Ad Hoc review, and described in the Notifications sections herein, shall apprise the Provider ~~and Beneficiary~~ that a DPR request must:

   a. Clearly define the basis for DPR;

   b. Provide additional documentation in support of the basis for review; and

   c. Be made within the appropriate timeframe, by methods allowed under the Arkansas Medicaid Provider Manuals, and to the appropriate location/entity for valid receipt of the DPR.

2. If a Provider's ~~or Beneficiary's~~ request for a DPR is untimely, sent to an incorrect location, both, or suffers from another procedural defect, that procedural defect shall not in itself be good cause to deny the DPR request. Instead, Vendor shall consult with DHS as to the proper course of action, which may include proceeding with the DPR request.

3. Vendor shall base a DPR determination on criteria as required by the applicable Arkansas Medicaid Provider Manual and on the entire record available, including credible documentation submitted by the Provider ~~or Beneficiary~~ requesting the DPR, using pre-approved standards established within the general

guidelines of the Medicaid manual but not excluding professional judgment.

4. Vendor must complete DPR determinations within fifteen (15) calendar days from receipt of the request for DPR and in accordance with the Arkansas Medicaid Policy or within guidelines set forth by DHS, state or federal statute or rules, including the Code of Federal Regulations (CFR), Arkansas Medicaid Policy and the Medicaid Fairness Act (MFA).

5. Vendor's DPR determination may affirm, modify or reverse a PA, RR or MRC/Ad Hoc review determination.

6. Vendor's notice template of a DPR determination to a Provider ~~or Beneficiary~~ must be approved by DHS prior to use, and must conform to the requirements of federal and state law, and the controlling Medicaid Manuals, and must include proper notice of the right to appeal an adverse action.

7. Vendor must notify the Provider ~~and Beneficiary by US Mail~~ within three (3) business days of the DPR determination. The notice must include the outcome of all DPR requests, and must accurately state the reviewing physician's rationale for any requested service that was not approved. The rationale must be case-specific; general or generic rationale is not acceptable.

8. Vendor must notify DHS and the Fiscal Agent of a reversal or modification, in whole or in part, of a PA, RR or MRC/Ad Hoc review ~~adverse~~ determination. The notification must be made within twenty-four (24) hours of determination. Vendor shall work with DHS and the Fiscal Agent to determine ~~shall consult on~~ a process for notification and necessary action/or actions related to reversal/modification of a determination and recoupment of claims as the result thereof. ~~a RR or MRC process.~~

C. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress DPRs.

D. Vendor shall submit to DHS a regular monthly report pertaining to DPRs and DPR-related activities under this section.

## 2.10 APPEALS OF ADVERSE DECISIONS

Vendor shall participate in all activities related to any appeal of its determinations or actions, and make documents and witnesses available for the defense of adverse decisions and litigation based in whole or in part on Vendor's acts or omissions.

A. Vendor must advise Providers and Medicaid Beneficiaries of their right (as appropriate) to appeal an adverse action involving a PA denial, RR or MRC/Ad Hoc review adverse determination, or an adverse Due Process Reconsideration (DPR) determination. Notification procedures are set forth above.

B. Provider Requests for Appeal are made to the Arkansas Department of Health, and Beneficiary Requests for Appeals are made to the DHS Office of Hearings and Appeals. If Vendor improperly receives a Request for Appeal, Vendor shall notify DHS the same day and shall consult with DHS as to the proper course of action.

C. DHS will notify Vendor of all Notice of Appeals filed. Vendor shall prepare and submit to DHS a written hearing statement, to be created in a form and format approved by DHS, within fifteen (15) calendar days of receiving notice of an Appeal being filed.

D. Vendor shall provide witnesses (registered nurses, physicians, or both as necessary) who are familiar with and can explain the adverse determination for depositions and hearings as scheduled and which may be held in person or by phone, at the discretion of the administrative law judge, hearing officer, or DHS.

E. DHS may request additional information or documents related to the Appeal. Vendor shall supply additional information or documents to DHS within five (5) business days of a specific request.

F. Vendor shall respond, upon request, to DHS in letter format to any communication resulting from any adverse decision ~~which is not part of the formal appeal~~ within a timeframe specified by DHS.

G. Vendor shall be responsible for taking any required actions transpiring within the specified timeframes related to an appeal, including attending a hearing.

H. In the event a case is remanded for payment due to Vendor error or neglect, Vendor shall be held responsible for any re-payment of the claim required by CMS.

I. Vendor shall work with the incumbent vendor to transition and expedite actions and services related to in-progress Appeals.

J. Vendor shall submit to DHS a regular monthly report pertaining to Appeals and Appeal-related activities under this section.

## 2.11 CONTACT/CORRESPONDENCE AND COMPLAINT RESOLUTION

A. Vendor shall operate as an effective liaison, as determined by DHS, between DHS, Providers and Beneficiaries by maintaining active feedback and assisting Providers, Beneficiaries, other persons or entities, and DHS with contacts, correspondence and complaints related to all processes under this contract.

B. Contact/Correspondence

1. Vendor shall respond ~~by letter~~ to any informal (i.e., not part of a formal DPR or Appeal) inquiry or communication whether or not resulting directly or indirectly from a PA, RR or MRC/Ad Hoc review. ~~determination.~~

2. ~~Vendor shall respond by letter to any correspondence resulting from any review determination.~~ Correspondence with Beneficiaries shall be by U.S. Postal Mail. Correspondence with Providers can be by U.S. Postal Mail, encrypted email/secure messaging or other method approved by DHS.

C. Complaint Resolution

1. Vendor shall establish a complaint resolution process to respond to written or verbal ~~inquiries~~ complaints which shall be approved by DHS.

2. Vendor shall reply in writing within five (5) calendar days of receipt to all ~~written~~ complaints received directly by Vendor, and shall send a copy of the complaint (if written) and the response to DHS.

3. Correspondence with Beneficiaries shall be by U.S. Postal Mail. Correspondence with Providers can be by U.S. Postal Mail, encrypted email/secure messaging or other method approved by DHS.

D. ~~Vendor shall work with DHS and DXC to develop workflow queues that will allow required letter correspondence to be initiated from MMIS, including standard and non-standard language.~~ Vendor shall be responsible for postage under this section.

E. Vendor shall maintain a call log for five (5) years documenting any verbal communications received and/or made, including the identity of the caller, contact information for follow-up, the basis for the call, a summary of discussions, and disposition of the call. Follow-up may include written correspondence as required by the IFB.

F. Vendor shall maintain electronic versions of all correspondence, including but not limited to letters and encrypted email/secure messaging, sent outside of MMIS/InterChange, which shall be retrievable on demand. Additionally, Vendor shall maintain all correspondence and underlying information that served at the basis of the correspondence according to the data maintenance and retention requirements and schedule. This does not include documentation maintained in MMIS/InterChange.

G. On a monthly basis, Vendor shall report to DMS the number of letters and/or communications with Providers, Beneficiaries or others by volume, topic addressed and other information as set forth in this IFB.

## 2.12 QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT

A. Vendor shall create and maintain a Quality Assurance (QA) and Quality Assurance/Performance Improvement (QAPI) program. The QAPI program shall be designed to promote qualitative improvements to

services provided under this contract, including but not limited to reviews conducted, reports created and submitted to DHS, and required data generated and maintained by Vendor. At a minimum, Vendor must assess all aspects of reviews undertaken and develop, implement, and monitor through ongoing measurements and interventions, sustained improvements to these processes intended to have a favorable effect on the PA review process.

B. Vendor shall also develop and implement proactive Performance Self-Improvement Projects, which are opportunities for improvement identified by internal data and information, such as internal workflow or systemic improvements.

1. Vendor shall examine the services, processes and data being provided for completeness, adequacy, appropriateness, quality and efficiency, and shall integrate continuous QAPI processes, such as tracking and trending of issues, throughout all areas of the organization. When reviewing services provided and trends, the QAPI must:

a. Assess and document whether services meet the needs of DHS, Providers and Beneficiaries/recipients with respect to the following and any other applicable standards identified by DHS:

i. Timeliness: Reviews shall be conducted within specified timeframes, and required reporting shall be received on or before scheduled due dates;
ii. Accuracy: Reviews, reports and data shall be gathered, prepared and maintained in strict conformity with appropriate authoritative sources and/or DHS-defined standards; and
iii. Completeness: All required information and processes shall be fully disclosed in a manner that is both responsive and pertinent for the appropriate intent with no material omissions.

b. Through monitoring and data collection, identify review needs that are unmet or could be improved upon, including but not limited to processes, education, access to resources and staffing.

c. Establish and implement plans to improve the areas identified above based on the following steps in a cycle or similar process:

i. Identify an area that requires or would benefit from improvement, which may include but is not limited to language contained in forms, Vendor's correspondence process, use and functionality of MMIS, and the integration of Vendor's workflow with DHS's workflow.
ii. Identify/develop objective quality indicators to measure baseline performance and performance improvement.
iii. Implement system of interventions to achieve improvement in quality.
iv. Evaluate the effectiveness of the interventions by comparing the results and analyzing the assessment.
v. Plan and initiate activities for increasing or sustaining improvement.
vi. Report activities DMS, including QAPI activities related to DHS/CMS standards.

2. Based on its self-assessment, Vendor may establish and implement a quality improvement plan. Any quality improvement plan must include:

a. Evidence-based practices.

b. Use of contract-wide outcomes measures to improve the review process. Documentation shall include:

i. Measured outcomes, and
ii. Reports, which may be modified by DHS as necessary

c. Requirements for informing and including all Vendor employees and subcontractors in the QAPI process.

d. Vendor shall use the quality improvement plan to develop improvements to any PA process and to continually evaluate work conducted by employees and subcontractors, including but not limited to those comprising the PA reviewers, both individually and as part of a review

team. All suggested improvements shall be presented to DHS according to timeframes agreed upon by DHS and Vendor and in a DHS-approved format.

e. The QAPI function should involve person(s) with experience in utilization and quality control peer review settings.

C. Vendor shall work with DHS on DHS-suggested changes to implement improvement to a process or processes, including but not limited to the Reconsideration and Appeal processes.

D. Vendor shall submit to DHS a regular quarterly report pertaining to QAPI and QAPI-related activities under this section.

## 2.13 REPORTS

A. Overview

1. Vendor shall provide regular monthly, quarterly and special and/or ad hoc reports to DHS.

2. Monthly reports shall be submitted to DHS no later than the fifteenth (15th) day after the end of the month, quarter or other timeframe for which the report will be based.

3. DMS will identify deadlines for special and/or ad hoc reports.

4. Vendor shall base all reports on data, records and information utilized, collected or maintained by Vendor in the course of fulfilling this contract.

5. Reports shall be submitted to DHS via the agreed-upon secured HIPAA-compliant methodology in Excel format or another format approved by DHS.

B. Monthly Reports

1. Review Process: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Overall number of reviews,

b. Review type (numbers overall, and by category/sub-category),

c. Provider type (numbers overall and by category),

d. Disposition (numbers overall, and by category/sub-category),

e. For the RR report, the amount recouped (amount overall, and by procedure code),

f. Relevant dates, and

g. Timeframe for disposition

2. Due Process Reconsideration: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Overall number of DPRs,

b. Initial review type, i.e., PA, RR, MRC (numbers overall, and by category/sub-category),

c. Provider type (numbers overall and by category),

d. Basis for DPR request (numbers overall, and by category/sub-category),

e. Basis for DPR resolution (numbers overall, and by category/sub-category),

f. Relevant dates,

g. Timeframe for disposition,

h. Whether the DPR has been appealed (if known at the time of the report), and

i. Identifiable trends or patterns

3. Appeal of Adverse Decision: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Number of Appeals,

b. Initial review type, i.e., PA, RR, MRC (numbers overall, and by category/sub-category),

c. Provider type (numbers overall and by category),

d. Basis for Appeal request (numbers overall, and by category/sub-category),

e. Basis for Appeal resolution (numbers overall, and by category/sub-category),

f. Relevant dates,

g. Timeframe for disposition,

h. Whether the matter had initially been a DPR, and

i. Identifiable trends or patterns.

4. Non-standard Care: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Each instance of non-standard care documented by Vendor (numbers overall, and by category/sub-category),

b. The type of review being conducted when non-standard care was identified (numbers overall, and by category/sub-category),

~~c. Follow up activities with the Provider, Beneficiary or others (numbers overall, and by category/sub-category),~~

c. Relevant dates, and

~~d. Timeframe for disposition, and~~

d. Identifiable trends or patterns

5. Contact/Correspondence: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Number of instances requiring contact or correspondence, other than standard/form communications (numbers overall, and by category/sub-category), i.e., communication via phone calls, letters, facsimile not related to or part of a reconsideration or appeal of a specific review,

b. Type of review or activity being conducted when correspondence was required (numbers overall, and by category/sub-category),

c. Follow up activities with the Provider, Beneficiary or other (numbers overall, and by category/sub-category, including whether the matter was resolved and in what manner),

d. Relevant dates,

e. Timeframe for disposition, and

f. Identifiable trends or patterns.

6. Complaint Process: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

   a. Number of instances wherein Vendor received a complaint (numbers overall, and by category/sub-category),

   b. Type of review or activity related to the complaint (numbers overall, and by category/sub-category),

   c. Follow up activities with the Provider, Beneficiary or other (numbers overall, and by category/sub-category, including whether the matter was resolved and in what manner),

   d. Relevant dates,

   e. Timeframe for disposition,

   f. Identifiable trends or patterns.

7. Verification Process (to determine whether Beneficiaries are Medicaid-eligible, have been assessed under the IA process, have been assigned to a PASSE, and whether the Beneficiary received services under the Fee-For-Service Medicaid program): Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted (this may be appended to the Review Process report or be a self-contained report):

   a. Verifications conducted (numbers overall),

   b. Review type being conducted requiring verification (numbers overall, and by category/sub-category),

   c. Provider type (numbers overall and by category),

   d. Disposition (numbers overall, and by category/sub-category),

   e. Relevant dates,

   f. Timeframe for disposition, and

   g. Identifiable trends or patterns

8. Payment Integrity Process (to determine whether PA requests and subsequent claims are consistent/inconsistent): Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted (this may be appended to the Review Process report or be a self- contained report):

   a. Payment Integrity procedures conducted (numbers overall),

   b. Review type being conducted requiring Payment Integrity process (numbers overall, and by category/sub-category),

   c. Provider type (numbers overall and by category),

   d. Disposition (numbers overall, and by category/sub-category),

   e. Relevant dates,

f. Timeframe for disposition, and

g. Identifiable trends or patterns

9. Data Correction: Vendor's monthly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Data elements corrected (numbers overall, and by category/sub-category),

b. Relevant Dates,

c. Timeframe for disposition, and

d. Identifiable trends or patterns

C. Quarterly Reports

1. QAPI Activities: Vendor's quarterly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Any requested metrics to be tracked (numbers overall and by category/sub-category),

b. Any QAPI activities undertaken, and

c. Any QAPI proposals.

2. Trending and Utilization: Vendor's quarterly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Roll-up of trends/patterns identified in monthly reports and any additional insights into trends/patterns,

b. Rolling annual review of patterns described herein;

c. Top five percent (5%) of the most expensive Medicaid Beneficiaries and demographic information related to said Beneficiaries (numbers overall and by category/sub-category),

d. Identification of outlier Providers based on billed outpatient procedure codes and determining the potential savings assuming the outlier's distribution of billing resembled the rest of the state (numbers overall, by provider type and by category/sub-category), and

e. Recommendations for further reviews, e.g., by Provider, Beneficiary, or type of review.

3. Staffing: Vendor's quarterly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Name and Number of Review Staff (overall and by category/sub-category),

b. Number of Reviews Performed per Staff Member (numbers overall, and by category/sub-category), and

c. Resolution of Reviews (numbers overall and by category).

4. Provider Training: Vendor's quarterly reports to DHS shall include, but are not limited to, the following elements and are able to be sorted:

a. Provider training conducted (numbers overall, by topic/sub-topic, and by method),

b. Participating Providers (numbers overall, by topic/sub-topic, and by method),

c. Provider Evaluation (numbers overall, by category and written comments), and

d. Inclusion of Specific Providers (those identified through standard-of-care or outlier involvement).

D. Special and Ad Hoc Reports

1. Any additional reporting requirements or special/ad hoc reports will be determined by DHS in conjunction with Vendor and shall identify fields/variables to be included and how calculations will be made.

2. Annual Reports, including Record Retention Compliance reports and any other annual reports requested by DHS, shall be submitted to DHS on or before a date agreed upon by DHS and Vendor.

E. Vendor shall maintain all reports and underlying data that served at the basis of the reports according to the data maintenance and retention requirements and schedule.

## 2.14 STAFFING

A. Overview

1. Within thirty (30) days of the contract start date, Vendor must submit to DHS an organizational chart showing all proposed staffing to perform the services specified in the scope of work and to meet the following minimum staffing requirements without limitation. During the course of the contract term, Vendor may propose additional positions and/or education requirements, provided that these meet or exceed the specifications listed below.

2. Vendor shall maintain at least the minimum number of personnel required in order to perform the scope of all work under the contract, and report any revisions to staffing quotas immediately to DHS.

3. Vendor shall have staff available at all required meetings with DHS.

4. Vendor shall have staff available at all required educational training sponsored by DHS.

5. Vendor shall incur any expenses related to initial and continuing training in audit techniques and any in-house training as required herein.

B. Leadership and Support Staff

1. Vendor shall provide one (1) Full-Time Equivalent (FTE) Project Manager with an advanced degree and five (5) years' experience in a utilization and quality control peer review setting.

2. Vendor shall provide one (1) FTE Provider Training and Support Program Director with a minimum of a Bachelor's degree in a health, human services, or policy field with five (5) or more years of experience in clinical practice evaluations and at least three (3) years of management experience.

3. Vendor shall provide one (1) or more master's degree or higher educational-level statisticians to select record samples to be retrospectively reviewed and to be able to provide testimony in the event of any legal proceeding.

4. Vendor shall provide or designate staff to timely handle emergency PA, MRC or Ad Hoc requests and enter such requests into MMIS.

5. Sufficient administrative staff person/people to assist the Project Manager, clinical reviewers, or physician advisor with any clerical or research assistance needed.

C. Clinical Review Staff

1. Vendor must provide the services and sufficient staffing of medical professionals to accommodate reviews and consults related to any service provided to beneficiaries who receive Medicaid and other services and to perform all contract functions according to the specifications listed in this IFB and attachments thereto, including but not limited to Attachment I, Minimum Reviewer Education Levels and Applicable Timeframes and Attachment H, Prior Authorization Reviews, Retrospective Reviews and Medical Reviews/Consults.

2. Vendor shall provide fully-qualified medical consultants for every specialty to effectively and accurately review various services within DHS and effectively and accurately make coverage determinations:

   a. Licensed physicians with a minimum of five (5) years post-graduate practice, board certified or board eligible in each specialty, and who have active clinical practice within their specialty field for the last five (5) out of seven (7) years and have experience with the types of PA reviews, Retro reviews and Medical reviews/consults described herein.

   b. Registered nurses with a minimum of three (3) years of experience in a healthcare-related field.

   c. Physician advisor who is an Arkansas-licensed medical physician, to be located in the Contractor's Little Rock office and available via phone and email, at a minimum of .75 full-time equivalent (FTE) per month. At a minimum, the physician advisor must:

      1) Be currently engaged in clinical practice, or who have active clinical practice within their specialty field, for the last five (5) out of seven (7) years;

      2) Be experienced in population health;

      3) Be experienced in development of coverage criteria and guidelines;

      4) Be familiar with current national coding publications;

      5) Participate in coding updates;

      6) Perform medical review for prior authorizations;

      7) Provide testimony in the event of any appeal as a result of a negative determination;

      8) Be cognizant of current standards of care and evidenced-based medicine practices;

      9) If the provided licensed medical physician should be unable to fulfill the minimum .75 FTE, the Contractor shall supply another licensed medical physician, knowledgeable in Medicaid, at no cost to DHS.

   d. Peer Staff for review activities related to the entire Medicaid scope of services.

   e. Adjunct reviewers may be necessary in certain instances. In such instances, Vendor must be able to secure the services of medical professionals to accommodate reviews and consults related to any service provided to beneficiaries who receive Medicaid and other services.

3. All clinical review staff must possess experience in proper investigative techniques and in writing review deficiencies, or be properly trained in each area for which Vendor makes review determinations.

4. All clinical review staff must be licensed in Arkansas in their disciplines.

5. Vendor shall provide or designate clinical review staff to timely determine emergency PA, MRC or Ad Hoc requests.

6. Vendor shall maintain a list of back-up/on-call staff or develop a process to expedite locating back-up/on-call staff to be used as clinical review staff when vacancies arise. Vendor shall provide a copy of the list or process to DHS within sixty (60) days of the contract start date. The purpose of this requirement is to ensure that review determinations continue to be completed even if clinical review staff members leave or unable to work for whatever reason.

D. Internal Training and Education
   1. Internal Manual:
      a. Vendor shall maintain an up-to-date internal manual that addresses each function under this contract.

b. Vendor shall review and update its manual, no later than five (5) business days of the effective date provided in the notification, in response to amendments in the Arkansas State Medicaid Plan and applicable Medicaid Provider Manuals.

2. Internal Training and Education:
   a. All reviewers shall regularly review all relevant medical literature applicable to the types of PA, RR and MRC reviews within his or her purview.

   b. Vendor shall submit a tentative schedule of educational workshop topics and opportunity services to be provided to reviewers.

   c. DHS may attend any or all such scheduled events.

3. Privacy Training and Compliance:
   a. Vendor shall create and enforce a Corporate Compliance/Program Integrity Program.

   b. All Vendor employees, agents and subcontractors shall receive training and comply with the provisions of all applicable security and privacy laws, including but not limited to:

      i. HIPAA;
      ii. HITECH; and
      iii. PIPA (Arkansas Personal Information Protection Act), Act 1526 of 2005 (Ark. Code Ann. §4-110-101 et seq.)

   c. The training and compliance must include, at a minimum, the HIPAA Privacy Rule, the HIPAA Security Rule, compliance and enforcement, sanctions/remedies, recognizing and reporting a breach, mitigation strategies following a breach or incident, safeguarding PHI and PII in any form, including in verbal, documentary and electronic forms;

E. Vendor shall submit to DHS a regular quarterly report pertaining to staffing/internal education and training and all related activities under this section.

## 2.15 PROVIDER TRAINING

A. Vendor shall provide training and technical support for providers and State Staff with regards to Vendor's PA, RR and MRC processes, and Medicaid rules and procedures related to PA, RR and other request types.

B. Within thirty (30) days of contract start date, Vendor shall propose for DHS approval a training plan which may include a combination of the following components without limitation:

1. In-Person Regional Trainings,

2. On-Site Coaching,

3. Web-based training,

4. Provider Helpline, and

5. Training Manual.

6. With regarding to instances of non-standard care or outliers, Vendor may utilize general Provider training to address practice variations and best practices that might be noted during the course of carrying out PA, RR, MR/C and Ad Hoc review functions under this contract.

~~C. Vendor shall submit to DHS a regular quarterly report pertaining to provider training and education, and all related activities under this section.~~

## 2.16 PROVISION OF OFFICE SPACE

A. Vendor's office must be open from 8:00 a.m. to 5:00 p.m., Central Standard Time, Monday through Friday. Vendor must have an automated method of receiving messages and information from providers after business hours, on holidays and during all other office closures.

B. Vendor must provide a physical location within the State of Arkansas sufficient to house all core staff within ninety (90) days of the contract start date. Although clinicians must be licensed in the State of Arkansas, they need not be located in the State of Arkansas.

C. All computers, equipment and other resources necessary to fulfill the terms of this contract shall be at Vendor's expense and shall be properly maintained to minimize any negative impact on performance of duties.

D. Vendor shall furnish and maintain facilities and equipment to be able to utilize the MMIS/interChange system, as well receive requests via encrypted email/secure messaging, telephone, US mail and facsimile. The fax machine must accept a minimum of fifty (50) pages at a time.

## 2.17 DATA MAINTENANCE AND RETENTION

A. Historical Data. In order to provide a workable database containing historical data from the beginning of this contract, Vendor shall make a good faith effort to work with the incumbent vendor to extract data to serve as a baseline for Vendor's database of historical data.

B. Data Errors and Corrections

1. Vendor shall be responsible for updating MMIS/interChange with any data corrections within twenty-four (24) hours.

2. Vendor shall notify the requesting Provider and the Fiscal Agent of any corrections within forty-eight (48) hours.

3. Vendor shall report monthly to DHS any data corrections and timeframes for required notification.

4. Vendor's data submissions shall have an error rate of no more than five percent (5%)

C. Required Interfaces/Communications and Data/Information Flows:

1. Vendor shall be able to interface/communicate with all persons, entities and systems necessary to comply with all requirements herein, including but not limited to:

a. Providers,

b. Beneficiaries,

c. DHS,

d. Arkansas Medicaid MMIS/interChange,

e. Fiscal Agent (currently DXC),

~~f. Independent Assessment (IA) vendor (currently Optum),~~

~~g. IA portal (ARIA, currently through Optum),~~

~~h. PASSEs during Phase II of the PASSE model.~~

2. Certain interfacing/communicating may require Vendor to log in to another vendor's system or receive a feed from another vendor. Vendor and DHS shall work to identify any necessary interface/communication processes and the current vendor's requirements. Vendor shall work expediently and in good faith with each current vendor in order to have all necessary interfaces/ communication processes operational prior to the contract start date.

3. Vendor shall create or make available additional means of interfacing/communicating with DHS,

Providers, Beneficiaries, etc., via encrypted email/secure messaging, telephone, facsimile, etc., and shall disclose to DHS such methods prior to the contract start date and receive DHS approval for use of the communications method appropriate to the recipient.

D. Data Security and Breaches

1. All data stored in Vendor's database shall be secure and comply with all state and federal laws, including but not limited to HIPAA.

2. Vendor shall notify DHS immediately of any compliance violations or breach, incident, issue, complaint, sanction or occurrence related to Protected Health Information (PHI), Personal Identifying Information (PII), HIPAA transactions and code sets, or similar matters as identified by Vendor or DHS.

3. A data breach or privacy violation shall be grounds for imposition of sanctions and/or remedies, including but not limited to cause for termination of the contract.

E. Data Retention and Disposal

1. Vendor shall comply with all applicable laws regarding retention of records, data and information relating to this contract.

2. Documentation related to all processes set out herein shall be maintained by Vendor in accordance with the Arkansas Records Retention Policy or at the conclusion of an Appeal or litigation, whichever is longer.

3. At the end of this contract, or upon DHS's request, Vendor shall work with DHS to transfer all the data contained in its database.

4. All data received and developed by Contractor shall be owned by DHS; Contractor shall not utilize data for any purpose other than those specified in this IFB unless specifically requested in writing by DHS.

5. After Vendor has complied with any data transfers requested by DHS, Vendor shall comply with HIPAA requirements regarding data destruction.

6. Vendor shall complete, file, retain, and make available upon request all program records in a secure, HIPAA-compliant manner.

7. Documentation of all approvals, partial approvals, and denials must be maintained by Vendor in accordance with the Arkansas Records Retention Policy or at the conclusion of an appeal or litigation, whichever is longer.

F. Business Continuity and Recovery Plan

1. Vendor shall develop a Business Continuity and Recovery Plan to deal with unexpected events that may affect its ability to perform any or all functions under this contract;

2. Vendor shall perform, at a minimum, a complete back-up of all internal data at least every three (3) business days, and data must be able to be recovered within three (3) business days.

## 2.18 PERFORMANCE STANDARDS

A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. *Attachment C: Performance Based Contracting* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards a vendor **must** meet in order to avoid assessment of damages.

B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration.

C. 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 Vendor so as to establish standards that are reasonably achievable.

D. All changes made to the Performance Standards **shall** become an official part of the contract.

E. Performance Standards **shall** continue throughout the term of the contract.

F. Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages or termination of the contract.

G. In the event a Performance Standard is not met, the vendor will have the opportunity to defend, respond to, or cure to as determined by the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services or it is in the best interest of the State. 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.

# SECTION 3 – GENERAL CONTRACTUAL REQUIREMENTS

☐ ***Do not*** *provide responses to items in this section.*

## 3.1 PAYMENT AND INVOICE PROVISIONS

A. All invoices **shall** be forwarded to: (See Attachment K).

B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance goods and services by the agency.

C. The State **shall not** be invoiced in advance of delivery and acceptance of any goods or services.

D. Payment will be made only after the vendor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.

E. The vendor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.

F. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.

G. Selected vendor **must** be registered to receive payment and future *Bid Solicitation* notifications. Vendors may register on-line at https://www.ark.org/vendor/index.html.

## 3.2 GENERAL INFORMATION

A. The State **shall not** lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a 30 day written notice to the vendor/lessor in the event funds are not appropriated.

B. The State **shall not** contract with another party to indemnify and defend that party for any liability and damages.

C. The State **shall not** pay damages, legal expenses or other costs and expenses of any other party.

D. The State **shall not** continue a contract once any equipment has been repossessed.

E. Any litigation involving the State **must** take place in Pulaski County, Arkansas.

F. The State **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

G. The State **shall not** enter a contract which grants to another party any remedies other than the following:

- The right to possession.
- The right to accrued payments.
- The right to expenses of deinstallation.
- The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
- The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

H. The laws of the State of Arkansas **shall** govern this contract.

I. A contract **shall not** be effective prior to award being made by a State Procurement Official.

J. In a contract with another party, the State will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when:

- The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss, and

- The contract has required the State to carry insurance for such risk.

**3.3 CONDITIONS OF CONTRACT**

A. The vendor **shall** at all times observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.

B. The vendor shall indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

C. The Contractor agrees to the Performance Based Contracting standards as presented in Attachment C, DHS Standard Terms and Conditions as presented in Attachment D, a pro forma contract as presented in Attachment E, the Business Associate Agreement as presented in Attachment F, and the Organizational or Personal Conflict of Interest policy as presented in Attachment G.

**ALL VENDOR STAFF MAY BE MANDATED REPORTERS UNDER STATE AND FEDERAL MANDATES**

**3.4 STATEMENT OF LIABILITY**

A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of vendor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The vendor **shall** retain total liability for equipment, software and technical and business or operations literature. The State **shall** not at any time be responsible for or accept liability for any vendor-owned items.

B. The vendor's liability for damages to the State **shall** be limited to the value of the Contract or $5,000,000, whichever is higher. The foregoing limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. The vendor and the State **shall not** be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

C. Language in these terms and conditions **shall not** be construed or deemed as the State's waiver of its right of sovereign immunity. The vendor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas State Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

**3.5 PERFORMANCE BONDING**

A. The Contractor shall be required to obtain performance and payment bonds when necessary to protect the State's interest, as determined by the state.

1. The Vendor shall obtain a performance bond as follows:

   a. The amount of the performance bonds shall be one hundred percent (100%) of the original contract price, unless the State determines that a lesser amount would be adequate for the protection of the State; and

   b. The State may require additional performance bond protection when a contract price is increased or modified.

2. The Contractor shall submit documentation to the satisfaction of the State that a performance bond has been obtained. The contractor shall notify the State of any changes, modification, or renewals for the performance bond during the term of the contract.

**3.6 RECORD RETENTION**

A. The vendor **shall** maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, access **shall** be granted to State or Federal Government entities or any of their duly authorized representatives.

B. Financial and accounting records **shall** be made available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

**3.7 PRICE ESCALATION**

A. Price increases will be considered at the time of contract renewal.

B. The vendor **must** provide to OP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OP **shall** have the right to require additional information pertaining to the requested increase.

C. Increases **shall not** be considered to increase profit or margins.

D. OP **shall** have the right to approve or deny the request.

**3.8 CONFIDENTIALITY**

A. The vendor, vendor's subsidiaries, and vendor's employees **shall** be bound to all laws and to all Requirements set forth in this *Bid Solicitation* concerning the confidentiality and secure handling of information of which they may become aware of during the course of providing services under a resulting contract.

B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State **shall** have the right to cancel the contract on these grounds.

C. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

**3.9 CONTRACT INTERPRETATION**

Should the State and vendor interpret specifications differently, either party may request clarification. However if an agreement cannot be reached, the determination of the State **shall** be final and controlling.

**3.10 CANCELLATION**

A. For Cause. The State may cancel any contract resulting from this solicitation for cause at the discretion of DHS. The State shall give the vendor written notice of cancellation, specifying the terms and the effective date of contract termination.

B. For Convenience. The State may cancel any contract resulting from the solicitation by giving the Contractor written notice of such cancellation no less than thirty (30) days prior to the date of cancellation.

C. If upon cancellation the Contractor has provided commodities or services which the State of Arkansas has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

**3.11 SEVERABILITY**

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the agency and the vendor **shall** be relieved of all obligations arising under such

provision. If the remainder of the contract is capable of performance, it **shall not** be affected by such declaration or finding and **shall** be fully performed.

## SECTION 4 – STANDARD TERMS AND CONDITIONS

☐ ***Do not*** *provide responses to items in this section.*

1. **GENERAL**: Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION**: The State **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
3. **BID SUBMISSION**: Original Bid Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Bid Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Multiple bids **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
4. **PRICES**: Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
5. **QUANTITIES**: Quantities stated in a *Bid Solicitation* for term contracts are estimates only, and are not guaranteed. Contractor **must** bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
6. **BRAND NAME REFERENCES**: Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
7. **GUARANTY**: All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The Contractor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES**: Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the Contractor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor's expense.
9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE**: Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the Contractor.
10. **AMENDMENTS**: Contractor's bids cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS**: Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD**: Term Contract: A contract award will be issued to the successful Contractor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful Contractor.
13. **DELIVERY ON FIRM CONTRACTS**: This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost **shall** be borne by the Contractor.

14. **DELIVERY REQUIREMENTS**: No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.

15. **STORAGE**: The ordering agency is responsible for storage if the Contractor delivers within the time required and the agency cannot accept delivery.

16. **DEFAULT**: All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting Contractor. The Contractor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the Contractors list or suspension of eligibility for award.

17. **VARIATION IN QUANTITY**: The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.

18. **INVOICING**: The Contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.

19. **STATE PROPERTY**: Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the Contractor hereunder or in contemplation hereof or developed by the Contractor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the Contractor's expense to the F.O.B. point provided by the agency or by OSP. Contractor **shall** properly identify items being returned.

20. **PATENTS OR COPYRIGHTS**: The Contractor **must** agrees to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.

21. **ASSIGNMENT**: Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.

22. **CLAIMS:** Any claims the Contractor may assert under this Agreement **shall** be brought before the Arkansas State Claims Commission ("Commission"), which **shall** have exclusive jurisdiction over any and all claims that the Contactor may have arising from or in connection with this Agreement. Unless the Contractor's obligations to perform are terminated by the State, the Contractor **shall** continue to provide the Services under this Agreement even in the event that the Contractor has a claim pending before the Commission.

23. **CANCELLATION:** In the event, the State no longer needs the commodities or services specified for any reason, (e.g., program changes; changes in laws, rules or regulations; relocation of offices; lack of appropriated funding, etc.), the State **shall** have the right to cancel the contract or purchase order by giving the Contractor written notice of such cancellation thirty (30) days prior to the date of cancellation.

    Any delivered but unpaid for goods will be returned in normal condition to the Contractor by the State. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation the Contractor has provided services which the State has accepted, the Contractor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF THE STATE'S RIGHT TO SOVEREIGN IMMUNITY.**

24. **DISCRIMINATION**: In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the Contractor agrees that: (a) the Contractor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the Contractor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.

25. **CONTINGENT FEE**: The Contractor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the Contractor for the purpose of securing business.

26. **ANTITRUST ASSIGNMENT**: As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Bid Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this

assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.

27. **DISCLOSURE**: Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any Contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.