

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

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

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

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<p>A. Evaluation Overview</p> <p>1. Vendor shall evaluate the Arkansas Medicaid expansion program known as Arkansas Works_s (ARWorks) as specified in the Invitation for Bid (IFB).</p> <p>2. The evaluation to be conducted shall comport with the evaluation plan submitted to The Center for Medicare and Medicaid Services (CMS) in 2014 and 2017(see Attachments G and H).</p>	<p>1. Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by the Division of Medical Services (DMS).</p>	<p>1st Incident: A Corrective Action Plan acceptable to the Arkansas Department of Human Services (DHS) shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the vendor file and may opt for contract termination.</p>
<p>B. Evaluation and Evaluation Hypotheses</p> <p>Vendor shall evaluate the following hypotheses:</p> <p><u>Access to Care</u></p> <p>1. Access to Care addresses whether ARWorks beneficiaries will have equal or better access to health care compared with what they would have otherwise had in the Medicaid Fee-For-Service (FFS) system over time.</p> <p>2. Vendor shall evaluate access to care using the following measures:</p> <ul style="list-style-type: none"> a. Use of primary care and specialty physician services, including analysis of provider networks. b. Use of emergency room services (including emergent 	<p>1. Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DMS.</p>	<p>1st Incident: A Corrective Action Plan acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the</p>

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<p>and non-emergent use).</p> <p>c. Potentially preventable emergency department and hospital admissions.</p> <p>d. Early and Periodic Screening, Diagnosis and Treatment benefit access for young, eligible adults.</p> <p>e. Non-Emergency Transportation access.</p> <p><u>Improved Outcomes</u></p> <p>1. Improved Outcomes addresses whether ARWorks beneficiaries will have equal or better care and healthcare outcomes compared with what they would have otherwise had in the Medicaid FFS system over time.</p> <p>2. Vendor shall evaluate outcomes using the following measures:</p> <p>a. Use of preventive and health care services.</p> <p>b. Experience with the care provided (patient satisfaction).</p> <p>c. Use of emergency room services (including emergent and non-emergent use).</p> <p>d. Potentially preventable emergency department and hospital admissions.</p> <p><u>Continuity of Care</u></p> <p>1. Continuity of Care addresses whether ARWorks beneficiaries will have better continuity of care compared with what they would have otherwise had in the Medicaid FFS system over time.</p> <p>2. Vendor shall evaluate the continuity of care using the following measures:</p>		<p>vendor file and may opt for contract termination.</p>

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<p>a. Gaps in insurance coverage.</p> <p>b. Maintenance of continuous access to the same health plans.</p> <p>c. Maintenance of continuous access to the same providers.</p> <p><u>Lowered Costs</u></p> <p>1. Lowered Costs addresses whether services provided to ARWorks beneficiaries will prove to be cost effective.</p> <p>2. Vendor shall evaluate cost effectiveness using findings above in combination with the following costs determinations:</p> <p>a. Administrative costs for the ARWorks beneficiaries, including those who become eligible for Marketplace coverage.</p> <p>b. Overall premium costs in the Marketplace.</p> <p>c. Cost for covering ARWorks beneficiaries compared with costs expected for covering the same expansion group in Arkansas FFS Medicaid.</p>		
<p>C. Evaluation Metrics, Data and Design</p> <p>Vendor shall utilize metrics and data for each hypothesis to be evaluated, which may include one or more of the following metrics, available data, federal and state requirements and data obtained via various methods:</p> <p>1. Enrollment data</p> <p>a. Enrollment with each carrier (e.g., market penetration).</p> <p>b. Enrollment within each</p>	<p>1. Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DMS.</p>	<p>1st Incident: A Corrective Action Plan acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p>

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<p>plan (e.g., plan differentiation).</p> <p>c. Enrollment within each market (e.g., geographic uptake variation).</p> <p>d. Actual and expected enrollment comparison (e.g., program uptake).</p> <p>2. Claims data (including Pharmacy).</p> <p>Exceptional Health Care Needs Assessment Screening.</p> <p>3. Selected Measures from Initial Core Set of Health Care Quality Measures for Adults Enrolled in Medicaid (Health Effectiveness Data and Information Set or HEDIS 2016 Codebook for ICD-10 Codes will be used to calculate measures):</p> <p>a. Flu Shots for Adults Ages fifty (50) through sixty-four (64) (National Committee for Quality Assurance or NCQA).</p> <p>b. Breast Cancer Screening (NCQA).</p> <p>c. Cervical Cancer Screening (NCQA).</p> <p>d. All-Cause Readmission Rate (NCQA).</p> <p>e. Diabetes Short-Term Complications Admission Rate (Agency for Healthcare Research and Quality or AHRQ).</p> <p>f. Chronic Obstructive Pulmonary Disease (COPD) Admission Rate (AHRQ).</p> <p>g. Congestive Heart Failure (CHF) Admission Rate (AHRQ).</p> <p>h. Adult Asthma Admission Rate (AHRQ).</p> <p>i. Follow-Up After Hospitalization for Mental Illness (NCQA).</p> <p>j. Annual HIV/AIDS Medical Visit (NCQA).</p>		<p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the vendor file and may opt for contract termination.</p>

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<ul style="list-style-type: none"> k. Comprehensive Diabetes Care: LDL-C Screening (NCQA). l. Comprehensive Diabetes Care: Hemoglobin A1c Testing (NCQA). m. Antidepressant Medication Management (NCQA). n. Adherence to Antipsychotics for Individuals with Schizophrenia (NCQA). o. Postpartum Care Rate (NCQA). <p>4. Selected Measures from Healthcare Effectiveness Data and Information Set (HEDIS) 2016:</p> <ul style="list-style-type: none"> a. Regression Discontinuity Analysis. b. Stabilized Inverse Probability of Treatment (Propensity Score) Weighting Analysis. c. Pre–Post Comparisons. d. Provider Network Adequacy. e. Qualitative Research. f. Primary Data Analysis. g. Interviews, Surveys and Assessments. 		
<p>D. Data Interfaces/ Communication, AND DATA Maintenance and Retention</p> <p>1. Vendor shall have the ability to send/receive data security and interface/communicate with various persons, entities and systems, as well as maintain and retain data, as specified in:</p> <ul style="list-style-type: none"> a. Section 2.3 (Scope of Work). b. Section 2.4 (Data Interfaces, Maintenance and Retention). c. Section 2.4(A) (Data Interfaces, Maintenance and Retention; Interfaces/Communicatio 	<p>1. Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DMS.</p> <p>2. No later than five (5) days after the contract start date, Vendor shall provide to DHS for prior approval all methods to be utilized for communication with necessary persons and entities. Vendor shall submit any updated lists with additional communication methods to DHS for prior approval.</p> <p>3. Within fifteen (15) days of the</p>	<p>1st Incident: A Corrective Action Plan acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without</p>

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<p>ns).</p> <p>d. Section 2.4(B) (Data Interfaces, Maintenance and Retention; Data Maintenance and Retention).</p> <p>2. Vendor shall be able to communicate via a secure and Health Insurance Portability and Accountability Act (HIPAA)-compliant method (pursuant to the Health Insurance Portability and Accountability Act) with all necessary persons, entities and systems, including but not limited to:</p> <ul style="list-style-type: none"> a. Beneficiaries (ARWorks and Traditional FFS Medicaid). b. Providers (ARWorks and Traditional FFS Medicaid). c. QHP Insurance Carriers. d. DHS and DMS. e. AID. f. Arkansas Medicaid MMIS/interChange (directly or via the DSS [Decision Support System and Service] Lab). g. All Payer Claims Database. <p>3. Vendor shall work with DHS and other DHS vendors to establish necessary protocols to obtain and send data as needed, including but not limited to utilization of the DHS-provided Secure File Transfer Protocol (SFTP) to transfer data.</p> <p>4. Vendor shall maintain all data securely and at all times remain in compliance with all state and federal laws, including but not limited to HIPAA.</p>	<p>contract start date, Vendor and DHS shall begin work to ensure Vendor's access to all necessary systems for interface, communications and data retrieval purposes.</p> <ul style="list-style-type: none"> a. Vendor and DHS may enter into a BAA (Business Associate Agreement) prior to the contract start date to begin this process. b. All data obtained by Vendor shall be maintained in a secure, HIPAA-complaint manner. c. Any data obtained by Vendor shall be the property of DHS, and Vendor shall not utilize any data obtained under this contract for any purpose other than explicitly allowed under this IFB. Use of DMS data by Vendor in any manner not consistent with this RFP and the activities thereunder shall be grounds for or imposition of sanctions and/or remedies, including but not limited to cause for termination of the contract. <p>4. With regard to notification of data breaches, the term "immediately" shall mean upon discovery of the breach, even though DMS expects Vendor to perform a thorough review of the extent of the breach (duration, amount/content of data, source of the breach).</p> <ul style="list-style-type: none"> a. After Vendor performs a review of the breach, Vendor shall update its notification to DMS, including steps taken or to be taken to i) mitigate any current damage and ii) prevent a future breach under the same circumstances. 	<p>limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the vendor file and may opt for contract termination.</p>

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<p>4. Vendor shall notify DHS upon discovery 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.</p> <p>5. 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 and shall submit it within sixty (60) days of the contract start date. As part of the Business Continuity and Recovery Plan, 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.</p> <p>6. If incumbent Vendor is not awarded a subsequent procurement for these services, Vendor shall transition data to the next selected vendor and to DHS within ten (10) calendar days of request by DHS.</p>	<p>b. A data breach or privacy violation, or failure to immediately report 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.</p> <p>5. Vendor shall submit to DHS its Business Continuity and Recovery Plan within thirty (30) days of the contract start date.</p>	
<p>E. Staffing</p> <p>1. Vendor shall provide staffing to conduct the work specified in the IFB:</p> <ul style="list-style-type: none"> a. Section 2.3 (<i>Scope of Work</i>). b. Section 2.5 (<i>Staffing and Office Location</i>). <p>2. Vendor shall maintain at least the same number of personnel set forth in its organizational chart submitted with its bid proposal, but may propose changes thereto with prior approval and input from DHS. In addition, within three (3)</p>	<p>1. Acceptable performance is defined as ninety-five percent (95%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DMS.</p> <p>2. Within thirty (30) days of the contract start date, Vendor shall submit to DHS an organizational chart showing all proposed staffing to perform the services specified in the IFB, including but not limited to:</p> <ul style="list-style-type: none"> a. One (1) Full-Time Equivalent (FTE) Project Manager (PM) who meets the 	<p>1st Incident: A Corrective Action Plan acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the</p>

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<p>business days, Vendor shall notify DHS of any changes to key personnel and leadership associated with this contract.</p> <p>3. Vendor shall have staff available at all required meetings with DMS whether in person, by phone or utilizing another method.</p> <p>4. All staff (direct and through subcontractors) shall have sufficient knowledge, skills and abilities to competently perform their tasks under this contract.</p> <p>5. Vendor shall remove any staff member responsible for deliverable under this contract upon request by DHS.</p> <p>6. Privacy Training and Compliance. 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:</p> <ul style="list-style-type: none"> a. HIPAA. b. HITECH. c. PIPA (Arkansas Personal Information Protection Act), Act 1526 of 2005 (Ark. Code Ann. §4-110-101 et seq.). <p>7. 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.</p>	<p>minimum educational and experience requirements set forth in the IFB who may also be the Contract Manager.</p> <ul style="list-style-type: none"> b. ARWorks Evaluation Contract Manager (CM) for DHS who may also be the PM. c. Sufficient evaluation and administrative staff person/people to assist the PM and other personal with performing tasks as needed. <p>3. The PM shall be responsible for the following deliverables as set forth under this IFB:</p> <ul style="list-style-type: none"> a. Coordinate evaluation activities throughout the design, evaluation development and finalization of all reports and other deliverables. b. Participate in meetings as requested by DHS to maintain communication, and to discuss progress, barriers, and any other related issues relevant to the evaluation activities. c. Designate appropriate staff to meet with DHS and program staff to provide clarification or direction in relation to evaluation activities. d. Facilitate meetings to include: providing an agenda, minute taking, and creation and distribution of informational materials. e. Facilitate and prepare oral presentation of evaluation findings, recommendations, corrective action plans, 	<p>right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the vendor file and may opt for contract termination.</p>

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	<p>and technical assistance to DHS and/or program staff.</p> <ul style="list-style-type: none"> f. Ensure all final reports and other deliverables are timely, well written, accurate, and complete. g. Assist DHS in responding to any questions from CMS or other stakeholders about any report or deliverables. h. Prepare and deliver Vendor activity reports to DHS, including any due dates, milestones and project status: <ul style="list-style-type: none"> i. The project status report should include, but is not limited to, overall project status, schedule, scope, resources, organizational change management (OCM), due dates/milestones, risks/issues/concerns , and brief narrative updates/comments for each area. ii. By symbol or colors (e.g., red, yellow and green), Vendor shall also indicate the current status of each area. iii. Vendor shall work with DHS to determine the frequency of the reports. 	
F. Office Space	1. Acceptable performance is	1st Incident: A Corrective Action

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<p>1. Vendor shall maintain an office space in Central Arkansas, as specified in the IFB: •Section 2.5(C) (<i>Staffing and Office Location; Office Location and Local Presence</i>).</p> <p>2. The Little Rock, Arkansas office location must be established within ninety (90) days of the contract start date and must house all key staff members. Key staff are the Project Manager and Contract Manager, which may be the same person.</p> <p>3. Vendor shall provide all computers, equipment and other resources necessary to fulfill the terms of this contract, and such computers, equipment and other resources shall be at Vendor's expense. Vendor's computers, equipment and other resources shall be properly maintained to minimize any negative impact on performance of duties.</p>	<p>defined as ninety-five percent (95%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DMS.</p> <p>2. Vendor's office must be open from 8:00 a.m. to 5:00 p.m., Central Standard Time, Monday through Friday when DHS offices are open. Vendor shall follow the State of Arkansas Inclement Weather policy and holiday schedule.</p> <p>3. Vendor shall have an automated method of receiving messages and information after business hours, on holidays and during all other office closures.</p> <p>4. Vendor shall notify DMS in advance of any planned downtimes for its equipment, office(s) or personnel, such notice being at least seven (7) business days prior to such downtimes.</p>	<p>Plan acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report in the vendor file and may opt for contract termination.</p>
<p>G. Damages Assessed by CMS</p> <p>Any damages assessed by CMS due to the negligence or fault of Vendor will be the responsibility of Vendor.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report maintained in the vendor file.</p> <p>Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.</p>
<p>H. Conflict of Interest Mitigation</p> <p>During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to DHS within five (5) days of having knowledge of them. The</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the</p>

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Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.		mitigation plan shall be twice the amount of the immediately preceding violation fine.
<p>I. Transition Planning</p> <p>Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>	The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report maintained in the vendor file.</p> <p>Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.</p>

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

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of 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 of 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.

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

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