



STATE OF ARKANSAS
Department of Human Services
Office of Procurement
700 Main Street
Little Rock, Arkansas 72201

REQUEST FOR PROPOSAL
RFP SOLICITATION DOCUMENT

SOLICITATION INFORMATION			
Solicitation Number:	710-22-0018	Solicitation Issued:	April 25, 2022
Description:	Self-Directed Financial Management and Counseling Services		
Agency:	Department of Human Services, Division of Provider Services and Quality Assurance		
SUBMISSION DEADLINE			
Proposal Submission Date and Time	June 1, 2022 1:00 p.m., Central Time	Proposal Opening Date and Time:	June 1, 2022 2:00 p.m., Central Time
<p>Proposals shall not be accepted after the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of Contractors to submit proposals at the designated location on or before the bid opening date and time. Proposals received after the designated bid opening date and time shall be considered late and shall be returned to the Contractor without further review. It is not necessary to return "no bids" to the Office of Procurement (OP).</p>			
DELIVERY OF RESPONSE DOCUMENTS			
Drop off Address:	Arkansas Department of Human Services Attn: Office of Procurement 700 Main Street Slot W345 Little Rock, AR 72201		
United States mail (USPS):	Arkansas Department of Human Services Attn: Office of Procurement P.O. Box 1437 Slot W345 Little Rock, AR 72203-1437		
Commercial Carrier (UPS, FedEx or USPS Exp):	Arkansas Department of Human Services Attn: Office of Procurement 112 West 8 th Street, Slot W345 Little Rock, AR 72201		
	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. Prospective Contractors assume all risk for timely, properly submitted deliveries.		
Proposal's Outer Packaging:	Seal outer packaging and properly mark with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for proposal identification purposes. ■ Solicitation number ■ Date and time of proposal opening ■ Contractor's name and return address		
OFFICE OF PROCUREMENT CONTACT INFORMATION			
OP Buyer:	Margurite Al-Uqdah	Buyer's Direct Phone Number:	501-682-8743
Email Address:	DHS.OP.Solicitations@dhs.arkansas.gov	OP's Main Number:	501-683-4162
DHS Website:	https://humanservices.arkansas.gov/do-business-with-dhs		
OSP Website:	http://www.arkansas.gov/dfa/procurement/bids/index.php		

SECTION 1 – GENERAL INFORMATION AND INSTRUCTIONS

- **Do not** provide responses to items in this section unless specifically and expressly required.

1.1 INTRODUCTION

The Department of Human Services (DHS) Division of Provider Services and Quality Assurance (DPSQA) seeks a contract with a qualified Contractor to provide financial management, counsel, payroll administration, and other fiscally related services for the Department of Human Services (DHS) programs that provide a self-directed model.

Self-directed personal assistance services are personal care and related services provided under the Arkansas Medicaid State Plan (IndependentChoices) and Arkansas's section 1915(c) waiver (ARChoices). Collectively, these are Arkansas programs that permit a self-directed model and will be referred to as the "program."

1.2 INTERGOVERNMENTAL/COOPERATIVE USE OF PROPOSAL AND CONTRACT

In accordance with Arkansas Code §19-11-249, this proposal and resulting contract is available to any State Agency or Institution of Higher Education that wishes to utilize the services of the selected proposer, and the proposer agrees, they may enter into an agreement as provided in this solicitation.

1.3 TYPE OF CONTRACT

- A. As a result of this RFP, OP intends to award a contract to a single Contractor.
- B. The term of this contract shall be for one (1) year. The anticipated start date for the contract is December 1, 2022. Upon mutual agreement by the Prospective Contractor 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 portions thereof.
- C. The total contract term shall not be more than seven (7) years.

1.4 ISSUING AGENCY

The Office of Procurement (OP), as the issuing office, is the sole point of contact throughout this solicitation process. Contractor questions regarding this Bid Solicitation should be made through the Issuing Officer as shown on page one (1) of this document

1.5 BID OPENING LOCATION

Proposals received by the opening time and date **shall** be opened at the following location:

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

Contractors wishing to attend the bid opening must report to the main entrance of the Arkansas Department of Human Services, Donaghey Plaza South, 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 more detailed directions to the bid opening location.

NOTE: When circumstances warrant, DHS may elect to conduct the bid opening entirely via video conference. If DHS makes this election, DHS shall post a link to the video conference on its website. If the bid opening will be conducted entirely via video conference, individuals will not be permitted to attend in-person.

1.6 ACCEPTANCE OF REQUIREMENTS

- A. The words "**must**" and "**shall**" signify a Requirement of this solicitation and that the Contractor's agreement to and compliance with that item is mandatory.
- B. A Contractor's proposal will be disqualified if a Contractor takes exceptions to any Requirements named in this RFP.
- C. Contractor 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. Contractor **must** clearly explain the

requested exception and should reference the specific solicitation item number to which the exception applies. (See Agreement and Compliance Page).

1.7 DEFINITION OF TERMS

- A. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.
- B. "Adult Protective Services" means an office within the Arkansas Department of Human Services that investigates reports of abuse, neglect (including self-neglect) or financial exploitation of vulnerable adults. APS staff members assess the need for protective services and provide services to reduce the identified risk to the adult.
- C. "ARChoices" means services designed for beneficiaries ages 21 and older who meet nursing home admission criteria at the intermediate level. Individuals ages 21 through 64 must have a physical disability as determined through Social Security Railroad Retirement or DHS's Medical Review Team.
- D. "Beneficiary" means a Medicaid beneficiary who is enrolled in the self-directed program.
- E. "Cash Expenditure Plan" is a detailed budget intended to be a blueprint of how the monthly cash allowance may be spent to meet the needs identified in the service plan. Use of the monthly allowance is determined by the beneficiary/representative exercising budget authority outlined in the CEP. The cash allowance is primarily used to pay the salary or wages of the participant's employee(s).
- F. "Child Protective Services" means program of the Arkansas Division of Children and Family Services whose purpose is to investigate allegations of child abuse and neglect and provide and arrange preventive, supportive, and supplementary services.
- G. "Confidential Information" means any non-public, confidential, or proprietary information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression. Any Protected Health Information (PHI) as defined in HIPAA, including but not limited to information relating to Beneficiaries or relating to individuals who may be potentially enrolled in the Arkansas self-directed programs, **shall** also be treated as "Confidential Information" to the extent that confidential status is afforded such information under State and federal laws or regulations.
- H. "Continuity of Operations Plan" means a disaster recovery plan for, without limitation, pandemics, natural disaster, fire, and data storage.
- I. "Employee(s)" means an individual who is employed by a Beneficiary/Employer for the purposes of the self-directed program.
- J. "Employer" means an individual by law who hires an employee or provides support. The employer is responsible for directing the work of their employee to the degree necessary to meet the Beneficiary's need for assistance with activities of daily living.
- K. "Electronic Visit Verification" means a process that uses electronic means to verify care provider visits for personal or home health care services. The information collected during visits includes, without limitation: the date of service provided; the start time and end time for service provided; the type of health care service performed; the location of the service provided; information about the service provider.
- L. "Employee Responsibilities and Attestation Form" means an agreement between a Beneficiary/Employer electing IndependentChoices Self-Direction Program and the Employee that specifies the roles and responsibilities of the Beneficiary/Employer and the Employee and the Employee's rate of pay including overtime rate of pay, if applicable.
- M. "Fiscal Employer Agent" means an entity contracting with the State that helps Beneficiaries eligible for self-directed services. This term is used by the IRS to designate an entity operating under Section 3504 of the IRS code, Revenue Procedure 70-6 and Notice 2003-70 as the agent to Members for the purpose of filing certain federal tax forms and paying federal income tax withholding, FICA and FUTA taxes. The Contractor **shall** also file state income tax withholding and pays the associated taxes and processes payroll, as applicable, authorized and provided.

- N. "Overtime Exemption Employee" means an individual who is employed by a Beneficiary/Employer for the purposes of the self-directed program and resides with the Beneficiary (5) five or more days per week is considered exempt from overtime payments.
- O. "Person-Centered Practices" means an individualized approach to the performance of functions required by the Contractor and its staff that focuses on the goals, preferences and needs of the Beneficiary seeking assistance, and which supports the Beneficiary's choice and self-determination, which **shall** include:
 - (a) Ensuring that the Contractor allows people chosen by the Beneficiary/Employer to be present for discussion about self-directed services, as applicable, and meeting times are amendable to allow all requested parties to attend;
 - (b) Providing the Beneficiary/Employer with necessary information and support to ensure the Beneficiary/Employer directs the process to the maximum extent possible, and is enabled to make informed choices and decisions such as but not limited to, annual reevaluations, changes in budget, changes in providers, ensuring level of competency to self-direct services in a comparable manner to receiving services through a licensed provider;
 - (c) Requiring that meetings with Beneficiary/Employer are timely and occur at times, locations and method of convenience for the Beneficiary/Employer, including but not limited to, virtual, telephonic or in-person settings;
 - (d) Reflecting cultural considerations of the Beneficiary/Employer and is conducted by providing information in plain language and in a manner accessible for individuals with disabilities and individuals who are limited English proficient; and
 - (e) Providing strategies for solving conflict or disagreement for Beneficiary/Employer and staff.
- P. "Prospective Contractor", means a responsible offeror who submits a proposal in response to this solicitation. "Prospective Contractor", "Contractor", "bidder", "Contractor" and "respondent" are used synonymously in this document.
- Q. "Provider Manual" means manuals that contain policies and procedures of the Arkansas Medicaid Program. These policies and procedures are generally based on federal and state laws and federal regulations. Medicaid provider manual policy and procedures, and changes thereto, are promulgated as required by the state's Administrative Procedure Act. Provider manuals are amended ("updated") in accordance with new, repealed, or revised federal and state legislative and legal clarifications. Changes and clarifications in DMS medical policy, new administrative or billing procedures and numerous other requirements are issued and implemented when warranted. All services must be provided in accordance with the most up to date program provider manual.
- R. "Proposal Submission Requirement" means a task a Prospective Contractor **shall** complete when submitting a proposal response. These requirements will be distinguished by using the term "shall" or "must" in the requirement.
- S. "Quality Management Plan" means a subsection of the Work Plan that identifies how the Contractor **shall** ensure overall quality for each component of the Work Plan.
- T. "Reportable Event" means an event experienced by a Beneficiary in either IndependentChoices Self-Directed Management Service programs or in a Home and Community Based Services (HCBS) setting, which requires notification to the State, Office of Inspector General (OIG), Office of Medicaid Inspector General (OMIG), law enforcement, and/or Adult Protective Services (APS) or Child Protective Services (CPS), as appropriate.
- U. "Requirement" means a specification that a Contractor's commodity and/or service **must** meet or exceed in the performance of its contractual duties under any contract awarded as a result of this RFP. These specifications will be distinguished by using the terms "shall" or "must" in the requirement.
- V. "Responsive proposal" means a proposal submitted in response to this solicitation that conforms in all material respects to this RFP.
- W. "Secure Means" refers to data transfers between any parties will follow MARS-E security protocols and utilize the State's MOVEit software product.

- X. "Self-Directed Advisory Panel" means an advisory panel made up of Beneficiaries, Employers, Employees, DHS representatives, and any additional resources deemed necessary to advise and make recommendations on ways to increase effectiveness of the Self-Directed Program.
- Y. "Self-Direction" also referred to as participant direction or consumer direction, means participants can control their own services including recruit, train, and supervise the individuals who provide their services. Participants also have decision-making authority over how Medicaid funds in a budget are spent (Budget and Employer Authority).
- Z. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this solicitation, that obligation is limited to the State Department using such a contract.
- AA. The terms "buyer" and "Issuing Officer" are used synonymously in this document.
- BB. The terms "Request for Proposal", "RFP," "RFP Solicitation," "Bid Solicitation" and "Solicitation" are used synonymously in this document.
- CC. "Work Plan" means an overall plan for the execution of the contracted activities provided with sufficient detail to ensure to DHS' satisfaction that all work **shall** be performed in a logical sequence, in a timely manner, and with an efficient use of resources. The Work Plan must include a detailed description of all activities required to successfully implement and maintain operations under this contract including the importance of the training program.

DD. Acronyms:

APS	Adult Protective Services
CBC	Criminal Background Check
CEP	Cash Expenditure Plan
COOP	Continuity of Operations Plan
CPS	Child Protective Services
EOR	Employer of Record
EVV	Electronic Visit Verification
FEIN	Federal Employer Identification Number
FICA	Federal Insurance Contributions Act
FTP	File Transfer Portal
FUTA	Federal Unemployment Tax Act
HCBS	Home and Community Based Services
HIPAA	Health Insurance Portability and Accountability Act of 1996, 45 CFR Parts 160 and 164.
HITECH	Health Information Technology for Economic and Clinical Health Act of 2009. 42 U.S.C. § 300jj et seq. and 42 U.S.C. § 17921 et seq.
IT	Information Technology
OIG	Office of Inspector General
OMIG	Office of Medicaid Inspector General
PCSP	Person-Centered Service Plan
PHI	Protected Health Information
SUTA	State Unemployment Tax Act

1.8 RESPONSE DOCUMENTS

A. Original Technical Proposal Packet

The following items are Proposal Submission Requirements and **must** be submitted in the original Technical Proposal Response Packet.

1. A hard copy of the original *Technical Proposal Packet* **must** be received on or before the bid submittal date and time. Copy should not be two sided.
2. The Proposal Packet should be clearly marked "Original" and **must** include the following:
 - a. Original signed *Proposal Signature Page*. (See *Proposal Signature Page*.)
 - b. Original signed *Agreement and Compliance Pages*. (See *Agreement and Compliance Pages*.)
 - c. Original signed *Proposed Subcontractors Form*. (See *Subcontractors*.)

- d. EO 98-04 Disclosure Form, Attachment A. (See *Standard Terms and Conditions*, #27. *Disclosure*.)
- e. *Technical Proposal* response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.
- f. Other documents and/or information as may be expressly required in this *Bid Solicitation*.

3. The following items should be submitted in the original *Technical Proposal Packet*.

- a. Copy of Contractor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
- b. Signed addenda to this RFP, if applicable. (See Requirement of Addendum.)
- c. *Voluntary Product Accessibility Template* (VPAT), if applicable. (See *Technology Access*.)

4. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

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

- 1. Contractor's original *Official Bid Price Sheet* **must** be submitted in hard copy format.
- 2. Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, in PDF format, preferably on a flash drive. A CD will also be acceptable. All items on flash drive or CD should be in PDF format.
- 3. The *Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". Contractor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.

C. *Additional Copies and Redacted Copy of the Technical Proposal Packet*

In addition to the original *Technical Proposal Packet* and the *Official Bid Price Sheet*, the following items should be submitted:

1. Additional Copies of the *Technical Proposal Packet*

- a. Three (3) complete hard copies (marked "COPY") of the *Technical Proposal Packet*.
- b. Four (4) electronic copy of the *Technical Proposal Packet*, preferably on flash drives. A CD will also be acceptable. All items on flash drive or CD should be in PDF format.
- c. All additional hard copies and electronic copies **must** be identical to the original hard copy. In case of a discrepancy, the original hard copy **shall** govern.
- d. One (1) redacted copy, in PDF format, if applicable, (marked "REDACTED") of the original *Technical Packet*, preferably on a flash drive. A CD will also be acceptable. (See *Proprietary Information*.)
- e. If OP requests additional copies of the proposal, the copies **must** be delivered within twenty-four (24) hours of request.

2. Additional Copies of the *Official Bid Price Sheet*

- a. Prospective Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, preferably on a flash drive and in PDF format. A CD will also be acceptable. Do not send electronic copies via email or fax.
- b. *The Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing." Prospective Contractor **shall not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.

- 3. One (1) redacted (marked "REDACTED") copy the original *Technical Proposal Packet*, preferably on a flash drive and in PDF format. A CD will also be acceptable. Do not send electronic copies via email or fax. (See *Proprietary Information*.)

1.9 ORGANIZATION OF RESPONSE DOCUMENTS

- A. It is strongly recommended that Contractors adhere to the following format and suggestions when preparing their Technical Proposal response.
- B. The original *Technical Proposal Packet* and all copies should be arranged in the following order:
 - *Proposal Signature Page*.
 - *All Agreement and Compliance Pages*.
 - Signed Addenda, if applicable.
 - E.O. 98-04 – *Contract Grant and Disclosure Form*.
 - *Equal Opportunity Policy*.
 - *Proposed Subcontractors Form*.
 - Other documents and/or information as may be expressly required in this *Bid Solicitation*. Label documents and/or information so as to reference the Bid Solicitation's item number.
 - Technical Proposal response to the *Information for Evaluation* section of the *Technical Proposal Packet*.

1.10 CLARIFICATION OF RFP SOLICITATION

- A. Contractor may submit written questions requesting clarification of information contained in this *Bid Solicitation*. Written questions should be submitted via email by 4:00 p.m., Central Time on or before April 29, 2022. Submit questions to the OP buyer as shown on page one (1) of this *Bid Solicitation*. It is the contractor's responsibility to guarantee receipt of the questions by the specific time and date. DHS accepts no responsibility for accurate or timely receipt of email submission.
- B. The attached response template (*Attachment B*) should be used for submission of all written questions. For each question submitted, Contractor should reference the specific solicitation item number to which the question refers. 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 May 13, 2022.
- D. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at contractor's risk.
- E. Oral statements by OP **shall not** be part of any contract resulting from this solicitation and **may not reasonably be relied on by any Contractor as an aid to interpretation unless it is reduced to writing and expressly adopted by DHS**.

1.11 PROPOSAL SIGNATURE PAGE

- A. An official authorized to bind the Contractor(s) to a resultant contract **must** sign the *Proposal Signature Page* included in the *Technical Proposal Packet*.
- B. Contractor's signature on this page **shall** signify contractor's agreement that either of the following **shall** cause the contractor's proposal to be disqualified:
 1. Additional terms or conditions submitted intentionally or inadvertently.
 2. Any exception that conflicts with a Requirement of this *Bid Solicitation*.

1.12 AGREEMENT AND COMPLIANCE PAGES

- A. Contractor **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 *Technical Proposal Packet*.
- B. Contractor's signature on these pages **shall** signify agreement to and compliance with all Requirements within the designated section.

1.13 SUBCONTRACTORS

- A. Contractor **must** complete, sign, and submit the *Proposed Subcontractors Form* included in the *Technical Proposal Packet* to indicate contractor'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* or in the *Information for Evaluation* section provided in the *Technical Proposal Packet*. **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.

1.14 PRICING

- A. Contractor(s) shall include all pricing on the Official Price Bid Sheet only. Any cost not identified by the successful contractor but subsequently incurred in order to achieve successful operation **shall** be borne by the Contractor. The *Official Bid Price Sheet* is provided as a separate PDF file posted with this *Bid Solicitation*.
- B. To allow time to evaluate proposals, prices **must** be valid for 180 days following the bid opening.
- C. The *Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". DO NOT submit any ancillary information not related to actual pricing in the sealed pricing package. The *Official Bid Price Sheet* is provided as a separate file posted with this *Bid Solicitation*.
- D. Contractor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*. Should hard copies or electronic copies of their *Technical Response Packet* contain any pricing, the response **shall** be disqualified.
- E. Failure to complete and submit the *Official Bid Price Sheet* **shall** result in disqualification.
- F. All proposal pricing **must** be in United States dollars and cents.
- G. The Official Bid Price Sheet may be reproduced as needed.

1.15 PRIME CONTRACTOR RESPONSIBILITY

- A. A single contractor **must** be identified as the prime contractor and shall be the sole point of contact.
- B. The prime Contractor **shall** be held responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to the State for the performance thereof.

1.16 INDEPENDENT PRICE DETERMINATION

- A. By submission of this proposal, the Contractor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
 - The prices in the proposal have been arrived at independently, without collusion; and
 - 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 proposal by the Office of the Attorney General. All Contractors **shall** understand that this paragraph may be used as a basis for litigation.

1.17 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. 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 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 *Technical Proposal Packet*. A CD is also acceptable. Do not submit documents via e-mail 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 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 **shall** be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Contractor.
- J. If a redacted copy of the submission documents is not provided with Contractor's technical 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 Contractor will be notified of the State's determination prior to release of the documents.
- L. The State has no liability to a Contractor with respect to the disclosure of Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

1.18 CAUTION TO CONTRACTORS

- A. Prior to any contract award, all communication concerning this *Bid Solicitation* **must** be addressed through the OP buyer.
- B. Contractor **must not** alter any language in any solicitation document provided by the State.
- C. Contractor **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. Proposals **must** be submitted only 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. Contractor **must** provide clarification of any information in their response documents as requested by OP.
- H. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.
- I. Contractors may submit multiple proposals. Each proposal shall be submitted separately and must include all documents and information required under this RFP in order to advance to evaluation.

1.19 REQUIREMENT OF ADDENDUM

- A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OP.
- B. Contractors are cautioned to ensure that they have received or obtained, and have responded to, any and all addenda to the Bid Solicitation prior to submission of response.
- C. 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.
- D. The Contractor **shall** be responsible for checking the websites listed on page one (1) for any and all addenda up to bid opening.

1.20 AWARD PROCESS

- A. Award Determination
The Grand Total Score for each Contractor, which shall be the sum of the Technical Score and Cost Score, shall be used to determine the ranking of proposals. The State may move forward to negotiations pursuant to Arkansas Code Annotated § 19-11-230, with those responsible Contractors determined, based on the ranking of the proposals, to be reasonably susceptible of being selected for award.

B. Discussions and Negotiations

1. If the agency so chooses, it shall also have the right to enter into discussion with the qualifying Contractor(s), to further define contractual details. All such discussions shall be conducted at the sole discretion of the State and may be conducted at any lawful time of the State's choosing. The State shall solely determine the items to be discussed or negotiated.
2. If discussions or negotiations fail to result in a contract, the negotiation process may be repeated until an anticipated successful Contractor(s) has been determined or an award made, or until such time the State decides not to move forward with an award.
3. The State may elect to request best and final offers. Any best and final offer request made by the State will be conducted with the responsible Contractors that meet the minimum qualifications at section 2.2.

C. Anticipation to Award

1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the websites listed on page one (1) of this RFP.
2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Contractors 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. DHS **shall** have the right to waive the fourteen (14) day anticipated award posting period when it is in the best interest of the State.
4. It is the Contractor's responsibility to check the OP website 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. A State Procurement Official will be responsible for award and administration of any resulting contract.
3. DHS reserves the right to award multiple contracts.

1.21 MINORITY AND WOMEN-OWNED BUSINESS POLICY

- A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business that is at least fifty-one percent (51%) 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 woman-owned business is defined by Arkansas Code Annotated § 15-4-303(9) 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 *Proposal Signature Page*.

1.22 EQUAL 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. Contractors 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. Contractors who are not required by law to have an EO Policy must submit a written statement to that effect.

1.23 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS

- A. Pursuant to Arkansas Code Annotated § 19-11-105, prior to the award of a contract, selected Contractor(s) **must** have a current certification on file with OSP stating that they do not employ or contract with illegal immigrants. If selected, the Contractor certifies that they will not employ or contract with illegal immigrants during the aggregate term of a contract.
- B. OSP will notify the selected contractor(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 contractor(s) at that time.

1.24 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 Proposal Signature Page of the technical response packet, a Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

1.25 PAST PERFORMANCE

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

1.26 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 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 CONTRACTOR EXPRESSLY REPRESENTS AND WARRANTS to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) 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; and

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.

1.27 TECHNOLOGY COMPLIANCE

- A. COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM
The Contractor’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: <https://www.transform.ar.gov/information-systems/policies-standards/>. Only those standards which are fully promulgated or have been approved by the Governor’s Office apply to this solution.
- B. COMPLIANCE WITH DHS OFFICE OF INFORMATION TECHNOLOGY (OIT) REQUIREMENTS
The contractor’s solution **must** comply with the DHS Office of Information Technology (OIT) standard IT requirements, as specified in Attachment K - AR DHS-OIT- Standard IT Requirements.
- C. Compliance with MARS-E security standards..

1.28 MASTERCARD ACCEPTANCE

- A. Awarded Contractor should have the capability of accepting the State’s authorized MASTERCARD 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. MASTERCARD is not the exclusive method of payment.

1.29 PUBLICITY

- A. Contractors **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 Contractor’s proposal to be disqualified or for the contract to be terminated.

1.30 RESERVATION

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

1.31 DATA LOCATION

Contractor shall under no circumstances allow Arkansas data to be relocated, transmitted, hosted or stored outside the continental United States in connection with any services provided under this contract entered into under this RFP, either directly by the Contractor or by its subcontractors.

1.32 SCHEDULE OF EVENTS

ACTIVITY	DATE
Public Notice of RFP	April 25, 2022
Deadline for Receipt of Written Questions	April 29, 2022
Response to written Questions, On or About	May 13, 2022
Proposal Due Date and Time	June 1, 2022, 1:00 pm CST
Opening Proposal Date and Time	June 1, 2022 2:00 pm CST
Intent to Award Announcement Posted, Onn or About	August 26, 2022
Contract Start Date (Subject to State Approval)	December 1, 2022

1.33 STATE HOLIDAYS

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

HOLIDAY	DATE
New Year's Day	January 1
Dr. Martin Luther King's 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 – SPECIFICATIONS

- **Do not** provide responses to items in this section unless specifically and expressly required.

2.1 INTRODUCTION

The Department of Human Services (DHS) Division of Provider Services and Quality Assurance (DPSQA) seeks a contract with a qualified Contractor to provide financial management, counsel; payroll administration, and other fiscally related services for the Department of Human Services (DHS) programs that provide a self-directed model.

Self-directed personal assistance services are personal care and related services provided under the Arkansas Medicaid State Plan (IndependentChoices) and Arkansas's section 1915(c) waiver (ARChoices). Collectively, these are Arkansas programs that permit a self-directed model and will be referred to as the "program."

Note: DHS, at its sole discretion, reserves the right to modify programs and populations.

2.2 BACKGROUND

The IndependentChoices program is a state plan service under 1915(j) of the Social Security Act. IndependentChoices is operated by the Division of Provider Services and Quality Assurance (DPSQA) with support from the Division of Aging, Adult, and Behavioral Health Services (DAABHS). The program offers Medicaid-eligible seniors and disabled adults an opportunity to self-direct their personal assistant services.

Currently in Arkansas, there are more than fifteen thousand eight hundred (15,800) eligible individuals enrolled in Home and Community Based Service (HCBS), of which, approximately 20.25% chose to receive their services through Arkansas's self-directed program, IndependentChoices.

IndependentChoices seeks to increase the opportunity for consumer direction and control for Medicaid beneficiaries receiving or needing personal assistant services. Personal Assistant services in IndependentChoices include State plan personal care for Medicaid beneficiaries and attendant care services for ARChoices in Homecare (ARChoices) beneficiaries. IndependentChoices offers an allowance and counseling services in place of traditional agency-provided personal assistance services and items related to personal assistance needs.

1. **Personal Care:** In determining eligibility and level of need for personal care, Independent Choices follows policy found in the Arkansas Medicaid Personal Care Provider Manual (<https://medicaid.mmis.arkansas.gov/Provider/Docs/perscare.aspx>).

2. **Attendant Care:** The DHS registered nurse (RN) **must** determine and authorize attendant care services based on ARChoices policy.

IndependentChoices participants or their representatives **must** be able to assume and display competency in the responsibilities of becoming an employer by hiring, training, supervising, and firing, if necessary, their directly hired workers. This also includes being able to direct and manage employee's time within the designated electronic visit verification system used by self-direction. In doing so, the program participant accepts the risks, rights, and responsibilities of directing their care and having their health care needs met. The Contractor is responsible for ensuring that the Beneficiary is certified to be the employer and present their vision on what mechanism(s) need to be in place to assess the Beneficiary's level of competency to self-direct services and work with an FMS agent in a comparable manner as if receiving services through a licensed provider.

The IndependentChoices program respects the employer authority of the participant who chooses to direct his or her care by hiring an employee who will be trained by the employer (i.e., the participant or a representative) to help how, when, and where the beneficiary/employer determines will best meet the participant's individual needs. The Medicaid beneficiary assumes the risks, rights, and responsibilities of having their health care needs met in doing so.

More information regarding the Division of Provider and Quality Assurance's self-directed services can be found at the following links:

1. IndependentChoices: Provider Manual ([Link](#))
2. Personal Care: Provider Manual ([Link](#))
3. ARChoices in Home Care Home and Community – Based 2176 Waiver: Provider Manual ([Link](#))

Below is a table that indicates the participant total over a course of time under the current contract. This table is provided for informational purposes only and in no way represents future or intended growth.

Calendar Year	Number of Self-Directed Services Individuals
2017	3,725
2018	3,585
2019	3,224
2020	3,235
2021	2,453

Currently, there were approximately two thousand three hundred and forty (2,340) participants actively enrolled. Approximately fifty to sixty (50-60) new employers/clients are enrolled each month. (Inclusive of self-directed personal care and HCBS waiver program participants)

Disclaimer: Program manuals do change from time to time, and it is the intent of this RFP to incorporate and reference the most up to date version of the provider manual for the programs listed above. Contractor shall be responsible for adhering to the most up to date provider manuals. Although an attempt has been made to provide accurate and up-to-date information, the State of Arkansas does not warrant or guarantee that the background information provided herein reflects all relationships or existing conditions related to this Request for Proposal.

2.3 MINIMUM QUALIFICATIONS

- A. The Contractor **must** be registered to do business in the State of Arkansas. For verification purposes, Contractor **must** submit official documentation of their active registration from the Arkansas Secretary of State's Office with bid submission.
- B. Prospective Contractor and/or subcontractor **must** have at least two (2) years of experience within the last five (5) years providing the Fiscal Employer Agent model of financial management and counseling services to a population of over three thousand (3,000) Beneficiaries. Performed duties are set forth in Revenue Procedure 70-6 IRS Notice 2003-70 and identified as a designated agent under section 3504 (Acts to be Performed by Agents). With bid submission for verification purposes, Contractor and/or subcontractor **shall** provide evidence of experience including, at minimum, a detailed narrative describing experience, letter(s) of recommendation, and two (2) references with contact information.
- C. Prospective Contractor **shall** provide their current Federal Employer Identification Number (FEIN) by execution of IRS Form SS-4-Application for Employer Identification Number with IRS approval to act as the agent of the Medicaid recipient and to whom the FEIN is registered. For verification purposes, Contractor **shall** provide its FEIN in the space provided on page 5 of the response packet.
- D. The Contractor and/or subcontractors, shall not be direct service providers of any Medicaid services. The use of a payroll reporting agent is prohibited. For verification purposes, Prospective Contractor **shall** certify compliance with this requirement by signing the Vendor Agreement and Compliance page located in the Response Packet.

2.4 CURRENT ENVIRONMENT

Effective April 1, 2021, the Arkansas Department of Human Services (DHS) implemented a new process known as the Electronic Visit Verification (EVV) with all self-directed clients, employers, and their employees/caregivers enrolled in the programs. This implementation is in direct response to a federal mandate known as the 21st Century Cures Act (Section 12006). DHS is currently partnered with Fiserv for the EVV system called AuthentiCare. AuthentiCare is an automated solution that streamlines operations by offering real-time reporting and monitoring. AuthentiCare is smartphone compatible and can be used on multiple devices in a flexible and secure way (See Section 2.5.18).

The Contractor's EVV solution **must** meet State's requirements. The Contractor is responsible for any operational charges associated with their EVV solution and is also responsible for all costs associated with set-up or integration of Contractor's EVV solution, and the State's EVV Solution (Authenticare).

2.5 SCOPE OF WORK

2.5.1 GENERAL OBJECTIVES

- A. Transition data and services from the current Contractor
- B. Provide an accessible web-based solution for reporting and program support activities between the Contractor and DPSQA that will support daily financial reporting, employer and employee enrollment options, and training for users.
- C. Coordinate and facilitate self-directed financial management and counseling services
- D. Recruit and train staff to provide enhanced customer support via telephone, virtual meetings, or in-person as needed.
- E. Participate in coordinating and maintaining a Self-Directed Advisory Panel
- F. Develop training materials and conduct training
- G. Provide mass email communications to various target populations upon request
- H. Initiate and manage delivery of Financial Management Services (FMS) including the EVV model through a quality management system supported by an integrated data system to manage active and pending self-directed participants.
- I. Establish and maintain the FMS Project Organization and Staffing, including a Work Plan/Quality Management Plan (QMP) to outline policies, procedures, processes, and internal contracts to adhere to performance-based standards.
- J. Maintain monthly financial management services and supports as well as end-of-year financial tax requirements
- K. Develop and maintain robust customer support to assist participants, employers, and employees within the self-directed program
- L. Establish and maintain record management and data system that adheres to State and Federal security requirements including, but not limited to: NIST 800-53, MARS-e, FISMA, HITECH, HIPAA, Privacy Act of 1974, and IRS1075.
- M. Develop and maintain reports

NOTE: Within each Scope of Work (SOW) subsection listed, examples have been provided. The list of examples is not intended to be exclusive, but rather general indications of the types of services within a given SOW subsection. Other services that may not be detailed or listed as examples, but which adhere to the understanding of each SOW subsection are also in scope.

2.5.2 TRANSITIONING

- A. Prior to rendering services, Contractor **must** be an enrolled Arkansas Medicaid provider.
- B. Within forty (40) business days after the project launch meeting, the Contractor **shall** contact each Program Individual/Participant, identify itself as the new program Contractor, and explain that it will become the program Individual's/Participant's new Financial Management Services (FMS) and Counseling Service Provider. During this period, it shall be the Contractor's responsibility to provide for the following:
 - 1. Assign and identify a counselor to each Program Individual/Participant;
 - 2. The Contractor's FMS Division **shall** distribute for signature to each Program Individual/Participant an IRS form 2678, Employer Appointment of Agent form, which designates the Contractor as the new fiscal agent for the Program Individual/Participant and file the completed IRS form 2678 with the IRS for each Program Individual/Participant. The Contractor **must** provide a list to DPSQA including the names and dates of those who have completed the form;
 - 3. Provide each Individual/Participant with the telephone number at which they may contact the Contractor to answer questions; and
 - 4. Have at least one (1) staff member available during the contract start-up period to receive phone calls and other forms of communication should Individual/Participants contact the Contractor before the program is formally transferred, to redirect the individual/participant to the incumbent contractor or appropriate authority for service.
 - 5. Provide the Individuals/Participants with employer orientation and training in accordance with the philosophy of SD upon referral from the Department.
- C. The Contractor's counseling division **shall** develop and provide an Individual/Participant (or their representative) employer orientation and skills training, subject to DPSQA approval, in a manner consistent with Participant's self-directed services, decision-making and managerial authority.
 - 1. Counselors **shall** orient and train Individuals/Participants (or their representative) in the operation of the Program face-to-face at the Participant's residence (or a location mutually agreed upon between the

Contactor and the Individual). The Counselor **shall** explain all aspects of the program including, but not limited to budget management, the role of the Contractor and training that includes the management of their individualized budget. Contractor **shall** train prospective participants on principles and practices of self-direction including Employer and Budget Authority.

2. The Contractor **must** provide instructions and training to a prospective Individual/Participant on what is needed to set up services and ensure payment for approved services and supports, beginning with the development of an individualized Cash Expenditure Plan (CEP). Results of each training session **shall** be electronically stored by the Contractor's data system. The Contractor **shall** provide data to DHS upon request by close of business on the following business day.
 3. Contractor **must** offer Information and Assistance (I & A) upon prospective and/or enrolled participant's request. Contractor **must** educate prospective and/or enrolled participants on the rights, risks, and responsibilities of managing one's own care in Self-Direction.
- D. The Contractor **shall** be responsible for leading and performing the data conversion and migration activities. The State expects that all data (including but not limited to EVV data and tax documents) will be converted and migrated to the Contractor's system(s). The State will require the Contractor to provide auditing reports to validate that all data has been mapped and converted accurately and completely.
- E. Data conversion and migration activities include but are not limited to identifying data to be converted, building a data conversion schedule, tracking each data element being converted, validating that all records/images converted equals number of records/images written to the Contractor's database, testing the converted data in the Contractor's database, reporting progress to the State, and ensuring adequate staff is assigned to the effort.
- F. Upon contract award, DHS will provide the Contractor with a list of contacts.
- G. The Contractor **shall** provide program data to DHS as required under the contract and upon DHS request.

2.5.3 PROJECT ORGANIZATION AND MANAGEMENT REQUIREMENTS

- A. The Contractor **shall** create and maintain a quality management system supported through an integrated data system to manage active and pending populations. The system **must** be approved by DHS/DPSQA prior to rendering of services.
1. The Contractor **must** have a robust software system with capability to store, transmit and receive data from the Arkansas DHS Medicaid Management Information System (MMIS), DPSQA and Employment Clearance Registry System. (ECRS) data Contractor **shall** provide all data related to this contract directly to the Division of Provider Services and Quality Assurance (DPSQA) upon request by DPSQA and as required *in Attachment C: Performance Based Contracting*.
 2. Contractor **must** provide a web-based portal, or a comparable mechanism, to provide state agency access to reports, dashboards, and other data.
- B. Contractor's EVV system **must** integrate with the State's EVV system and meet the States third-party certification criteria (See Section 2.5.18 Electric Visit Verification System).
1. The software system **must** be web-based and **must not** require any software installation at the user sites, other than security certificates and browser plug-ins/controls.
 2. Security controls **must** maintain system backups per industry standards.

2.5.4 STAFFING

- A. Contractor **shall** possess enough resources in management oversight and staff to meet the demands and responsibilities of providing Financial Management Services statewide. Contractor **must** maintain, to DHS' satisfaction, the capacity, and resources to provide services to all beneficiaries enrolled in the self-directed model. Contractor **must** have staff dedicated to this contract in place within ninety (90) calendar days of contract start date. The core areas of staffing include the following teams and **must** meet the specified requirements:

1. Leadership Team – Oversees the development and the structure needed to fulfill the contract. Members of the team must have the following:
 - Bachelor's degree
 - Minimum of five (5) years of experience in Medicaid and Financial Management services
 - Experience with the transition from one (1) FMS agent to another
 2. Operations Team – Respond to complaints, coordinate the self-directed advisory panel, and manage the enrollment team. Members of the team must have the following:
 - Bachelor's degree; and
 - Minimum of three (3) years' experience in organizational management related to self-directed services
 3. Enrollment Team - provides training and customer support to individuals calling to conduct a self-directed eligibility pre-screening, and support to individuals regarding the completion of required forms, the development of Cash Expenditure Plans (CEP) including, but not limited to, communication between Contractor and client regarding their budget, providing training and oversee the utilization of budgets, and work with the Beneficiary/Employer on the allowed allotment of hours and saving opportunities, and the submission and approval of automated timesheets through EVV. Members of the team must have the following:
 - Bachelor's degree or equivalent experience listed;
 - Minimum of three (3) years' experience customer service, data entry, teaching, mentoring, or coaching with outcome-based expectations.
- B. All members of the Contractor's Arkansas-dedicated Self-Directed staff **must** meet the following requirements before providing services pursuant to this solicitation in addition to any other requirements stated. Individuals not residing in the State of Arkansas at the time of hire **must** complete checks in state of residence.
1. Adult Maltreatment Central Registry check;
 2. Child Maltreatment Central Registry check;
 3. Excluded Provider List check;
 4. Certified Nursing Assistant/Employment Clearance Registry check;
 5. State and federal criminal background checks including fingerprints; and
 6. Drug testing
- C. The Contractor **must** have a designated manager as part of the Operations Team for the Arkansas Financial Management Services contract. The designated manager **must** be able to travel to Arkansas, when requested, for meetings, trainings, and other events deemed appropriate by the state agency in relation to self-directed services.
- D. Restrictions
Contractor's staff cannot provide FMS services under this contract to a family member as related through blood, marriage, adoption or a relative of any degree.
- E. Unencumbered Personnel
The Contractor **shall not** restrict its employees, agents, subcontractors, or principals who perform services for the State under this contract from performing the same or similar services for the State after termination of this contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor, or principal of another contract with the State.
- F. Compliance
Contractor **must** submit with required monthly reporting a signed statement attesting compliance with the provisions detailed in Section 2.5.4.B for all new hires for the previous month.
- G. Contractor **shall** create, maintain, and supply an operational roster of all Arkansas-dedicated staff to DHS upon implementation of services and updated upon increase in active participants and/or personnel changes. An updated operational roster of staff **shall** be provided to DHS with each monthly report.
- H. Contractor **must** provide an organizational chart to DPSQA for approval within thirty (30) calendar days of the contract start date. The organizational chart **must** identify the names and positions of each staff member for every team. Any changes made to staffing **must** be provided to DPSQA within five (5) business days of the change.

- I. DHS reserves the right to request changes in Contractor's personnel/staff to the extent that the personnel/staff are associated with administering Medicaid's Self-Directed program.
- J. Unless otherwise specified herein, the Contractor **shall** furnish all materials, labor, facilities, equipment, supplies, and resources necessary to perform the services required.

2.5.5 FINANCIAL MANAGEMENT AND COUNSELING SERVICES

- A. Contractor **shall** provide a self-directed FMS model in accordance with the provisions and requirements stated herein and the relevant Arkansas Medicaid Manuals. Current programs utilizing the self-direction model option include ARChoices Waiver and IndependentChoices Personal Care State Plan. The relevant Arkansas Medicaid Manuals listed below are hereby incorporated by reference into this document:
 - 1. ARChoices: <https://medicaid.mmis.arkansas.gov/Provider/Docs/archoices.aspx>
 - 2. Independent Choices: <https://medicaid.mmis.arkansas.gov/Provider/Docs/inchoice.aspx>
 - 3. Personal Care: <https://medicaid.mmis.arkansas.gov/Provider/Docs/perscare.aspx>
- B. Contractor agrees and acknowledges that DHS Medicaid programs and/or participant populations may change from time to time. Contractor **shall** provide, to DHS' satisfaction, services in accordance with any such changes. DHS may request different or additional services consistent with the scope of work.
- C. The Contractor **shall** provide financial management and counseling services as needed, at the sole discretion of DHS.
- D. The Contractor **shall** establish a notarized Memorandum of Understanding (MOU) between the Contractor and the banking institution selected by the Contractor to receive the Beneficiary/Employer's budgeted Medicaid funds deposited into a non-interest-bearing account. Contractor **shall** work with DHS to arrive at a final, DHS-approved MOU within ninety (90) business days of commencement of the contract. Any changes to the MOU **must** be submitted to DPSQA within twenty-four (24) hours. Contractor **shall** provide a fully executed copy of the MOU to DHS.
- E. The Contractor **shall** provide the following FMS subject to program changes:
 - 1. Managing employment taxes and insurance
 - 2. Managing payroll processing
 - 3. Tracking and reporting of Individual/Participant budget balances and expenditures
 - 4. Processing invoices for goods and services
 - 5. Pre-authorization of services
 - 6. Manage and direct disbursement of funds contained in the Participant-directed budget
 - 7. Facilitate employment of staff by performing employer responsibilities as the Participant's agency such as verifying provider qualifications, processing payroll, withholding Federal State, and local tax, making tax payments to appropriate tax authorities
 - 8. Perform fiscal accounting and make expenditure reports to the Participant or authorized representative and State authorities. All accounting **must** be in accordance with Generally Accepted Accounting Principles.
- F. The Contractor **shall** provide the following counseling services:
 - 1. Assist prospective and enrolled participants in developing a personalized budget
 - 2. Assist with recruiting, hiring, managing, and dismissing employees
 - 3. Train individuals, representatives, and direct service workers
 - 4. Provide I & A to prospective and enrolled participants
- G. The Contractor **shall** verify Provider qualifications, execute, and hold Provider agreements, and keep records available for inspection by the State of Arkansas, DHS, and designees. When a Participant, authorized representative, or Guardian /Legal Representative chooses to participate in SDS, the Contractor **shall** assist the Participants with counseling and financial management services. The Contractor **shall** develop and implement separate Financial Management Services and Counseling Services Division(s) to carry out the tasks in this RFP. The Contractor **must** perform all FMS tasks directly and shall not delegate any of the FMS tasks to a reporting agent or other third-party. The Contractor may subcontract Counseling Services and other logistical services to other entities. However, the Contractor shall, always, remain responsible for all services provided under the contract. All subcontractors are subject to the same terms and conditions as the

Contractor and all subcontracts shall incorporate the applicable terms of this contract. All subcontractors and subcontracts are subject to DHS' or its designee's approval.

2.5.6 WORK PLAN REQUIREMENTS

- A. Contractor **shall** implement and follow the DHS approved work plan stated in the Contractor's response to the RFP. The work plan may only be changed upon the written agreement of DHS and the Contractor. Contractor **shall** implement and follow any changes or amendments to the work plan within thirty (30) business days of the last signature on the amendment.

2.5.7 READINESS, TRAINING, AND IMPLEMENTATION REQUIREMENTS

- A. Programming Services: Prior to providing services, the Contractor **shall**: have in place an EVV solution configured and tested to send and receive data to the state's EVV system (AuthentiCare) and to receive data from DPSQA. The Contractor shall ensure its EVV solution complies with all applicable federal and state laws and regulations throughout the life of the contract. The Contractor **shall** understand and agree that the Contractor's solution **must** be approved by the state agency prior to the Readiness Review, as described later in this section.
- B. Implementation Plan: Within thirty (30) calendar days from the date the State agency authorizes the Contractor to proceed with services, the successful Contractor under this RFP **shall** submit to DPSQA for review and approval a final implementation plan and timeline reflecting full implementation in compliance with all applicable Medicaid policies.
1. DHS **shall** have the sole right to approve or reject, in whole or in part, the Contractor's implementation plan and amendments thereto. DHS reserves the right to require the Contractor to modify the implementation plan to accomplish the objectives and fulfill the needs of the state agency.
 2. The Contractor **shall** make any such changes and submit the revised implementation plan within ten (10) business days following receipt of requested changes. The Contractor **must** receive approval of the implementation plan prior to proceeding with the Readiness Review.
 3. Contractor's implementation plan **shall** include the following without limitation:
 - a. Migrate all data, including all EVV data, from current Contractor (including but not limited to: conversion and migration plan, verification methodology, auditing reports for State validation, and schedule);
 - b. Coordination and facilitation of services related to the transfer CEPs, including individual tax breakdowns and monthly budget analysis;
 - c. Schedule provision of mass communications as needed to self-directed Beneficiaries, government entities and the general public regarding self-direction. Contractor **shall** be responsible for all costs related to mass communications as determined by the State.
 - d. Readiness metrics for categories listed in RFP section 2.5.7
- C. Readiness Review: Within ninety (90) calendar days after the State authorizes the Contractor to proceed with services, the Contractor **shall** complete a readiness review for DHS' approval. DHS, in its sole discretion, may require the Contractor to conduct further or additional readiness reviews to protect the best interests of the State. The Contractor **shall** make any such changes and submit the revision within five (5) business days following receipt of the requested changes. The readiness review **shall** include, but not be limited to:
1. Approval of all proposed forms, manuals, publications, and trainings, including program manual, by DHS to ensure compliance with state regulations;
 2. Affirmation that the Contractor's system and EVV system have been tested and approved by DHS;
 3. Validation of all current employee and Beneficiary/Employer forms to ensure compliance with existing qualifications. Contractor **must** honor the forms transitioned from the current Contractor to assure uninterrupted service; and
 4. Verification that current Employee and Beneficiary/Employer forms and all documents from the previous Contractor **shall** be available electronically for review in the selected Contractor's system by DHS.
 5. Verification of readiness according to each category metric identified in RFP section 2.5.7
 6. Additional requirements required by DHS to further demonstrate the Contractor's readiness and compliance with federal and state laws and regulations.
- D. Training: Within seven (7) calendar days from the date the State authorizes the Contractor to proceed with services, the Contractor **shall** provide training to the state agency and any other entities deemed appropriate by DHS, either through in-person training or virtual training to include coverage of forms, documents, online information portal, EVV system, and information necessary to set up accounts for the individuals for payments

to be processed to the employees of the individuals. Contractor shall provide background check support and training to clients and providers. The Contractor **shall** be responsible for all training materials necessary for the trainings provided.

- E. Implementation of Services: Within ninety (90) calendar days from the date the State authorizes the Contractor to proceed with services, the Contractor **shall** have in place all personnel and have Contractor's software system configured to access the MMIS portal and several necessary reports within the MMIS portal as an enrolled Medicaid provider. The Contractor **shall** have in place an Electronic Visit Verification (EVV) system configured to communicate with the Arkansas EVV (AuthentiCare) system or have a Third-Party system that has the capability to integrate EVV data to the AuthentiCare system, within ninety (90) calendar days from the date the State authorizes the Contractor to proceed with services. All implementation services **must** be rendered to ensure that there is no disruption in self-direction services during contract implementation/transition.
- F. Daily reports for the first thirty (30) days then weekly reports on the Contractor's implementation progress. These reports should outline the Contractor's progress and any foreseen complications with the implementation of services.

2.5.8 PRESCREEN INTAKE REQUIREMENTS

- A. The Contractor **shall** be the point of entry for Personal Care Beneficiaries who choose self-direction. Contractor **shall** complete pre-screen intake within three (3) business days for prospective participants, who are in an eligible Medicaid category to receive personal care, through the means of a DHS authorized pre-screen intake form. Contractor **shall** accept from DHS clients who choose to participate in DHS' self-directed waiver program.
- B. The contractor **shall** be responsible for pre-screening individuals who may qualify for IndependentChoices (personal care services) services only. Any individual who may qualify for both the ARChoices (attendant care services) and IndependentChoices (personal care) are screened and referred through the DHS's nurses. Even with the Contractor completing the pre-screen functions, this does not indicate joint employer authority.
- C. The prescreen is utilized to determine if there is potentially a medical need for assistance. The Contractor **must** complete intake questions, verify eligibility, and send referral to DHS. Pre-screen activities are not the official assessment function determining program placement. Pre-screening only determines if they need assistance with at least one ADLs. DHS determines program placement. Pre-screening only determines if they need assistance with at least one Activities of daily living (ADLs). DHS determines program placement.
- D. There are three (3) steps the Contractor **must** take determining this type of eligibility. All steps **must** be documented accordingly:
1. Contractor verifies client is in an eligible Medicaid category
 - a. The Contractor **must** verify that the interested individual is eligible for the personal care category. DHS will provide the Contractor with information to validate what is acceptable in the category.
 - b. Medicaid eligibility of individuals seeking enrollment **must** also be verified through the Arkansas Medicaid Web portal. At least one of the following sets of information is required to search for an individual's Medicaid eligibility:
 - Medicaid ID and Date of Birth;
 - Medicaid ID, First and Last name; or
 - First name, Last name, Date of Birth
 - c. In accordance with the provisions of this RFP, the Contractor shall provide clients a toll-free customer service telephone number, or other DHS approved contact method, to conduct pre-screening eligibility assessments to individuals wanting to enroll in personal care-only services using the self-directed model.
 - d. If Medicaid eligibility cannot be established, the Contractor **shall** refer the individual/applicant to their local DHS County Office (DCO) to begin the Medicaid eligibility process. Contractor **must** follow the referral process as required by DHS.
 2. Complete the intake questions
 - a. The Contractor **shall** use screening questions provided by DHS (See Attachment H: Pre-screening Questions) to pre-screen individuals/applicants who enroll in personal care services only program (IndependentChoices) using the self-direction model.

3. Transmit eligible pre-screened clients by uploading data to a secure website (Arkansas Medicaid's MoveIT DMZ).
- E. After the pre-screening, DHS or its designee assess the client and will notify the Contractor of clients eligible to start the enrollment process. Contractor shall confirm receipt of the client referral in writing within one (1) business day.
- F. Contractor **shall** complete the client enrollment within sixty (60) calendar days of DHS' referral. Contractor may submit a written request to DHS/DPSQA for an extension of time be given for client enrollment. If criteria cannot be met, the Contractor **shall** assign the individual/applicant a "Inactive Referral" status and refer the individual/applicant to contact the DHS waiver nurse in their county for a full evaluation.

2.5.9 ENROLLMENT REQUIREMENTS

- A. The contractor **must** ensure that the Beneficiary is certified to be the employer and present their vision on what mechanism(s) need to be in place to assess the Beneficiary's level of competency to self-direct services and work with an FMS agent in a comparable manner as if receiving services through a licensed provider.
- B. After a participant is deemed eligible for the self-direction program, the participant **must** enroll with the FMS provider so that the participant can recruit and select workers and begin receiving services. The Contractor **shall** perform FMS functions for the self-directed waiver program in accordance with the most up to date Medicaid Program Manual for DHS' Self-Directed Waiver program. Such functions for Beneficiaries **shall** include, but are not limited to:
 1. Training the Beneficiary/Employer on all aspects of self-direction, including but not limited to an overview of self-direction and the fundamentals of FMS systems, employer rights, risks and responsibilities, employer authority and budget authority, and any additional education to those who initially demonstrate an inability to self-direct. The Contractor **must** include topics of training in their Work Plan required upon contract award. DHS will work with the Contractor, at that time, on training details. For further guidance, see the Enrollment Section in the current Self-Directed Program Manual.
 2. Enrollment of Beneficiary/Employer the Self-Directed program; The Contractor **must** assist the employer with creating a back-up plan during the initial enrollment period or making changes to the back-up plan when needed (i.e. change in employees) The Contractor **must** provide their own form within the Work Plan for approval prior to use. The Contractor **must** meet with the beneficiary/employer, in a setting convenient to the beneficiary/employer, during the enrollment period and after any change regarding the employee. For further guidance, see the Enrollment and Back-up Plans in the current Self-Directed Program Manual.
 3. Provide assistance to the employer in developing initial back-up plans during the initial enrollment period or making changes to the back-up plan when needed (i.e.: a change in employee);
 4. Assistance with employee enrollment as described in section 2.5.9.J as may be required by DHS; and
 5. Assistance with employee background checks as described in section 2.5.9.K.
- C. The Contractor **shall** ensure that NO services under the Self-Directed Program are initiated until, at a minimum, the following activities are completed:
 1. The Contractor verifies that the Beneficiary's enrollment (including employer) information and related documentation is complete.
 2. The Contractor verifies that employee(s) meets all qualifications, including completion of background/registry checks and required paperwork including the Provider Identification Number (PIN) which allows the provider to use EVV.
 3. If, for any reason, it appears that Self-Directed services, as applicable, will not begin within sixty (60) calendar days from the date of DHS' referral, the Contractor **shall** notify DHS, before the 60th calendar day, of the causes for the delay and provide DHS with the appropriate documentation demonstrating the Contractor's efforts to meet the mandatory timeframe.
- D. The Contractor **must** provide enrollment activities to Beneficiaries who are not yet enrolled in Self-Directed Financial Management Services or who may require a change in Employers.

- E. The Contractor **shall** accept all referrals from DHS.
- F. The Contractor **shall** receive notice solely from DHS of a Beneficiary approved for self-directed services. DHS will notify the Contractor of any updates to such information (e.g., new Beneficiaries/Employers, changes in authorized budget changes, termination of individual services, etc.) throughout the effective period of the contract. Upon the Contractor's receipt of notice from DHS of Beneficiaries approved for self-directed services and budget authorizations, the Contractor **shall** assist the Beneficiary in completing their enrollment requirements and ensure that the individual's enrollment packet is timely and correctly completed. The Contractor **shall** understand and agree that DHS is not responsible for assisting in the completion of the enrollment packet or reviewing/approving the completed enrollment packet.
1. Prior to a Beneficiary/Employer participating in the self-directed services model, the Contractor **shall** provide initial and continued trainings regarding the topics required by DHS, which **shall** include without limitation:
 - a. Understanding the role of Beneficiary/Employer in the Self-Direction Management Service model, as applicable;
 - b. Understanding the role of the FEA, as applicable;
 - c. Understanding and completion of the Cash Expenditure Plan (CEP);
 - d. Selecting Employees who meet qualifications (as specified in employee qualification section);
 - e. Training, including abuse, neglect and exploitation prevention and reporting;
 - f. Being an employer, evaluating Employee performance, and managing Employees;
 - g. Medicaid fraud and abuse prevention and reporting;
 - h. Using the Contractor's Timekeeping System, including the required use of Electronic Visit Verification (EVV) set up and ongoing support for Employers and Employee(s) and the role of the Beneficiary/Employers in ensuring Employee's proper use of the Timekeeping System;
 - i. The responsibility of verifying Employee's time for accurate and timely payroll;
 - j. Using the Contractor's web portal;
 - k. Scheduling Employees and Back-up Planning; and
 - l. Assessing and certifying the Employer is equipped to Self-Direct services effectively based on training provided.
 2. The Contractor **shall** make trainings available with a person-centered approach, specific to the Beneficiary/Employer via (1) on-line web-based, (2) telephone, and (3) face-to-face at a location mutually agreed upon between the Contractor and the individual if the first two (2) options are not feasible. Group training sessions can be held with multiple Beneficiaries/Employers when training topics are operational in nature and do not risk HIPAA exposure.
 - a. Person Centered Planning events may be held in any setting so long as the chosen people are able to be present and attend in that format (i.e.: virtual meeting, conference phone call, in-person). While beneficiaries may not request additional people for every communication or contact with the contractor, any communication or contact should be rescheduled to include the additional people upon a request from the beneficiary.
 - b. The Contractor **must** conduct a face-to-face home visit, with the Beneficiary/Representative present, at least once per year to discuss budget based on annual reevaluation. During home visits the contractor **shall** evaluate health, safety, and well-being of the beneficiary and provide counseling to address beneficiary/representative's concerns. The contractor **shall** document visits and identify potential risks or concerns detected during the home visit. Upon identification of a potential risk or concern during the home visit, the Contractor **shall** immediately file a report with Adult Protective Services (APS) and/or Child Protective Services (CPS). The Contractor **shall** notify and complete a form provided by DHS/DPSQA, within twenty-four hours of filing a report.
 - c. Some individuals may require retraining by the Contractor as needed.
 3. The Contractor **shall** ensure that the individual completes the required enrollment paperwork and training within sixty (60) calendar days after the date of referral notice from the State.
 4. The Contractor **shall** report on or before the 28th day, to DHS any employer enrollment expected to take longer than sixty (60) calendar days. The Contractor **shall** immediately report to DHS any extenuating circumstances that arise after the 58th calendar day. The report **must** specify, in detail, the basis for the

expected delay. DHS, in its sole discretion, may impose sanctions on the Contractor for failure to report as required or failure to enroll an employer within the mandatory timeframe.

5. The Contractor **shall** immediately notify DHS/DPSQA if, at any time and for any reason, the client is unable to participate in the self-directed program.
- G. The Contractor **shall** develop a Beneficiary/Employer enrollment packet that contains the following information regarding financial management services and operations without limitation:
 1. General information about the Contractor and the enrollment process/directions;
 2. Hours of operation;
 3. Contact information;
 4. Roles and responsibilities of the Beneficiary, Employer, and the Fiscal Employment Agent;
 5. Federal and state forms the employer must complete, sign and return, including:
 - a. IRS Forms:
 - i. SS-4, Application for Employer Identification Number; and
 - ii. 2678, Employer/Payer Appointment of Agent
 - iii. 8821, Tax Information Authorization
 6. Beneficiary Intake form;
 7. Designation of Surrogate Employer form; and
 8. Other applicable consent and agreement forms.

NOTE: DHS must approve the Beneficiary/Employer enrollment packet prior to use.

- H. The Contractor **shall** develop an employment package for Employer's employees including, but not limited to, the following:
 1. General information about the Contractor and the enrollment process/directions;
 2. Employment application;
 3. Federal and state forms and instructions, such as:
 - a. IRS Form W-4;
 - b. AR4EC- *State of Arkansas Employee's Withholding Exemption Certificate*; and
 - c. USCIS Form I-9.
 4. Agreements and informed consent documents to enroll Employees into the Contractor's system;
 5. Worker Information and Qualification Form;
 6. Employee Responsibilities and Attestation Form; and
 7. A Personal Identification Number (PIN), commonly referred to as a provider number, is required for all caregivers who will be using EVV for personal care, attendant care, and respite services and must be enrolled with Arkansas Medicaid prior to providing services. Upon enrollment, the caregiver will receive a PIN. Providers **must** apply for a PIN at: [Link](#)
 8. The Contractor **must** verify that the provider/employee has obtained a Medicaid provider ID prior to being paid. Each provider/employee should receive documentation when ID numbers are assigned and activated. Medical provider ID numbers **must** be retained in the Contractor's system.

NOTE: DHS must approve the employment package prior to use.

- I. The Contractor **shall** collect, and process forms and employment packets submitted from individuals' employees and **shall** maintain any such documentation in the individual's employee files.
- J. Employee Enrollment: The Contractor **shall** ensure that Employees of Program Beneficiary/Employer meet all requirements specified herein and in the Self-Directed Program Manual prior to delivering any applicable services.
 1. The Contractor **shall** ensure, on behalf of the Beneficiary/Employers, that the Employee(s):
 - a. Are at least eighteen (18) years of age or older;
 - b. Complete all background checks in accordance with Act 717 (Refer to Attachment J) effective June 1, 2022.
 - c. Complete all applicable required applications and forms detailed in the Employee Enrollment Paperwork.
 - d. **Must** be an enrolled Arkansas Medicaid Provider in good standing and a corporation, professional association, or a limited liability corporation authorized to do business in Arkansas.

2. Contractor **shall** have systems and procedures in place to ensure the following individuals are not able to complete the employee enrollment process and be paid funds under Self-Directed program:
 - a. Spouse
 - b. Legal guardian of the Beneficiary
 - c. Attorney-in-fact granted to direct the Beneficiary's care
 - d. Individual who completed prescreen on behalf of the Beneficiary
 - e. Individual listed as point of contact on the 9503-Plan of Care completed by a DHS RN during the assessment
 - f. Individual who signs the assessment on behalf of the Beneficiary
 - g. Payee on behalf of Beneficiary for social security benefits
 - h. Any individual on the Beneficiary's bank account
 - i. An individual who owns the home the Beneficiary resides in and is not related by blood, marriage, or adoption
 - j. Any individual prohibited by federal and state laws and regulations
 3. The Contractor **shall** have an internal process in place to process criminal background checks on prospective Employee of self-directed Beneficiary/Employer, and for maintaining copies of the documentation in the Employee's file.
 4. The Contractor **shall** report new Employees per DHS requirements.
- K. Prior to the Employee being approved to provide services, the Contractor **must** process and obtain, in accordance with state requirements in accordance with ACA §20-77-128 (See Appendix 2 Act 1336 and Appendix 3 ACA §20-77-128), central registry checks and a national and state criminal background checks. Fees or cost for any pre-employment check, including state background checks from the Arkansas State Police, on each prospective Employee shall be in accordance with the fees indicated on the registry or Arkansas State Police website and cost incurred.
1. Cost for any pre-employment checks is the responsibility of the employee; however, an approved and active budget may be utilized for these costs. For further guidance, see the Covered Services section in the current Self -Directed Program Manual.
 2. A background check **shall** be required prior to an Employee's initial employment, and again every five (5) years thereafter. A Beneficiary/Employer cannot waive a background check for a potential Employee. A background check may reveal a potential Employee's past criminal conduct that may pose an unacceptable risk to the Beneficiary. The findings, in accordance with DHS Policy 1082 (See Attachment I: DHS Policy 1082), may place the Participant at risk and may disqualify a person from serving as an Employee under the Self-Directed Management Service model.
 3. In the case of disqualifying offense, the Contractor **shall** notify the individual that they are unable to hire the prospective Employee. No exceptions allowed at this time. If the background check results indicate a disqualifying offense, the Contractor **shall** notify the Beneficiary/Employer.
 4. Per ACA §20-77-128, DHS **shall** issue the determination. The results of the criminal background check **shall** be used by DHS to determine the suitability of: (A) An applicant to become a caregiver paid with Medicaid funds; or (B) A caregiver for continued employment paid with Medicaid funds.
 5. Prior to Employee being approved by the Contractor to provide services, Contractor **shall** process and obtain the following clearance on each prospective Employee in relation to the following criteria:
 - a. Adult Maltreatment Registry (Refer to [Link](#) for additional information)
 - b. Child Maltreatment Registry (Refer to [Link](#) for additional information)
 - c. Excluded Provider Lists (Refer to [Link](#) for additional information)
 - d. State Criminal Background Checks
 - e. Federal Criminal Background Checks
 - f. CNA Registry checks – (Refer to [Link](#) for additional information)

Note: §20-38-103(g) states that a person may challenge the completeness or accuracy of his or her criminal history information under §12-12-1013.

6. Prior to an employee being approved to provide services, Contractor **shall** process and obtain drug screen requirements included in the passage of Act 717. Refer to Attachment J regarding in-home caregiver drug testing and criminal background checks. The Contractor is permitted to enter a subcontract to meet any or all requirements of Act 1336 or checks of the excluded provider lists. Any subcontract **must** be approved by DHS prior to entering a contract for said requirement.
7. The Contractor **shall** collect payment from the Employee if time is submitted for Employees who were not authorized to provide the service.

L. Obtaining Federal and State Approval to be a Contractor Fiscal/Employer Agent (Contractor F/EAs) Requirements

1. The Contractor **shall** have separate FEINs for each of the individuals enrolled in the self-directed service model, specifically to file the IRS Form 2678, *Employer/Payer Appointment of Agent* and other federal tax forms, and to make federal tax payment on the individuals' behalf. The Contractor **shall** maintain the individual's FEIN, IRS FEIN notification letter, and the filed IRS Form SS-4, *Application for Employers Identification Number*, in the individual's file.
 - a. The Contractor **shall** submit the IRS Form 2678 for each individual the Contractor represents and **must** maintain a copy of the form, Request for Approval Letter, and the IRS Notification of Fiscal/Employer Agency Approval, in each individual's file.
 - b. If the Contractor discontinues representing an individual for financial manager and payroll services, the Contractor **shall** revoke the IRS Form 2678 in accordance with IRS requirements and **must** maintain any resulting documentation in the individual's file.
 - c. If the Contractor discontinues representing an individual for financial manager and payroll services, the Contractor **shall** retire the separate FEIN with the IRS once the Contractor has fulfilled all required tasks for the applicable tax period for the individual.

M. Back-Up Plan: Upon contract award, the Contractor **shall** provide support to the Beneficiary/Employer during initial employer enrollment and as needed, in developing a Back-up Plan that adequately identifies how the Beneficiary/Employer **shall** address situations when a scheduled employee is not available or fails to show up as scheduled. The Beneficiary/Employer **shall** have primary responsibility for the development of the Back-up Plan. Beneficiary/Employer **shall not** elect, as part of a Back-up Plan, to go without services. Completed back-up forms shall be retained by the contractor, in the beneficiary/employer's file. For further guidance, see the Back Up Plans section in the current Self-Directed Program Manual.

1. The Back-up Plan **must** include the names and telephone numbers of contacts for alternate care, the order in which each **shall** be notified if multiple alternatives are listed, and the services to be provided by each contact. Back-up Plan contacts may include paid and unpaid supports; however, it is the responsibility of the Beneficiary/Employer to secure paid (as well as unpaid) Back-up Plan contacts who are willing and available to serve in this capacity.
2. All persons noted in the Back-up Plan **shall** be contacted by the Beneficiary/Employer to determine their willingness and availability to serve as back-up contacts.
3. The Contractor **shall** include all backup workers for each Beneficiary/Employer, the contact number for each backup worker, and if the backup worker is registered as a paid caregiver monthly. Each Beneficiary/Employer **must** have at least one (1) backup worker appointed as a paid or an unpaid informal worker. Multiple backup workers are encouraged.

2.5.10 DATA ACCESS, MAINTENANCE, AND REQUIREMENTS

- A. The Contractor **must** Comply with all federal and state laws and regulations regarding the access to, use, modification, or dissemination of personally identifiable information, including, but not limited to: Health Insurance

Portability Accountability Act (HIPAA); Health Information Technology for Economic and Clinical Health Act (HITECH); the Arkansas Personal Information Protection Act.

- B. The Contractor's information system **shall** include a web-based portal or comparable mechanism that **shall** be able to obtain, store, and be accessible for reviewing service documentation, as defined below, and monthly summaries for the Beneficiaries/Employers, including the ability to upload service documentation and monthly summaries to the Contractor's system. The Contractor **shall** provide the State of Arkansas, its auditors, DHS, designees, and Beneficiaries/Employers view access and printing capabilities of service documentation and monthly summaries documents on the Contractor's system.
1. The Contractor's system for service documents **shall** include, but are not limited to, the following components:
 - a. First name, last name, and either middle initial or date of birth of the Beneficiaries and their surrogate Employer, if applicable;
 - b. Date and time of service, including a.m./p.m.;
 - c. Electronic signature of the Employee per Arkansas Code Annotated § Title 25, Chapter 31- Electronic Records and Signatures; and
 - d. Service type.
 2. This system for monthly summaries **shall** include the following components:
 - a. First name, last name, either middle initial or date of birth of the individual;
 - b. Month and year of summary;
 - c. Budget spending review year to date, with pre-populated bar graph of the percent (%) elapsed and percent (%) remaining, authorization period, and percent (%) of dollars spent and percent (%) remaining for each service;
 - d. Electronic signature per Arkansas Code Annotated § Title 25, Chapter 31- Electronic Records and Signatures; and
 - e. Date of monthly summary completion.
- C. The Contractor **shall** maintain service documentation and monthly summaries in an electronic format for a period of at least five (5) years from the time of service and **must** be available for review by the State, DHS, and designees upon request.
- D. The Contractor **shall** ensure there is service documentation for each time entry on the Employee's timesheet. The Contractor **shall** not be responsible for the content of the service documentation.
- E. The Contractor **shall** ensure that all service documentation is reviewed by the Employer at the time of timesheet approval.
- F. Contractor **shall** provide all proprietary data collected and/or created during the life of the contract to DHS every ninety (90) calendar days and otherwise within thirty (30) calendar days of written request from DHS, in Excel format or any other format requested by DHS. The Contractor **shall not** have an ownership interest in any proprietary data collected and/or created pursuant to this Contract.
- G. The Contractor **must** ensure system availability in the event of component failure. Components must have at least one independent backup component (N+1).
- H. The Contractor **shall** limit access to and possession of State data to only Contractor personnel whose responsibilities reasonably require such access or possession and **shall** train such personnel on the confidentiality obligations except as stated in section 2.5.10.B.

2.5.11 CASH EXPENDITURE PLAN (CEP) REQUIREMENT

The Contractor **shall** collaborate with Beneficiaries/Employers on the development of a CEP according to the Medicaid authorized budget amount and continue to revise the CEP with the Beneficiary/Employer whenever a need arises. The Contractor **shall** document any CEP revisions and the style/method of how those revisions were made. Communication **must** be made between the Contractor and Beneficiary/Employer whenever there is a change in the CEP, change in the employer (designated representative), or employee; however, the communication style and method is at the discretion of the Beneficiary. There may be instances that require the Contractor to initiate communication depending on the circumstance. Contractor **must** contact the Beneficiary/Employer at least once a year to discuss the budget based on annual reevaluation.

- A. The amount of the Cash Expenditure Plan (CEP) is determined by the DHS professional staff (ARChoices) or the assessment Contractor(s) designated by DHS (IC only) using the Independent Assessment, or annual evaluations, and the Task and Hour Standards. The Independent Assessment or annual evaluation determines the level of functional need. The functional need level forms the basis for the determination of the Service Budget Limit: Intensive, Intermediate, or Preventative. The Task and Hours Standards are used to help determine the type and amount of units s needed to meet the level of care within the determined Service Budget Limit and establish the Individual Service Budget for each eligible, individual beneficiary. For ARChoices Beneficiaries, the CEP is subject to the Beneficiary's ARChoices Individual Services Budget. The funding for the CEP budgets will be disbursed on a monthly basis.
- B. Contractor **must** provide an automated mechanism for tracking employee time and individual Beneficiary budget. This automated mechanism, at minimum, **must** have the capability to:
1. Receive and disperse Beneficiaries' dollar authorizations on a monthly basis;
 2. Track Beneficiaries' dollars authorizations received and dispersed as indicated on the Cash Expenditure Plan (CEP) budget worksheet template. The Contractor **shall** finalize the worksheet with the Employer upon authorization of service amounts by using tax rates relevant to Employers' experiences established by the Arkansas Department of Finance and Administration (DFA). The Contractor **shall** provide a copy of the finalized CEP, in the format preferred by the Employer, in plain language understood by the Beneficiary/Employer.
 3. Ensure that:
 - a. Total time of service billed **shall not** exceed the maximum authorized by the state agency.
 - b. Daily rates are applied when a Beneficiary's initiation and/or disenrollment date does not align with the start of a pay cycle.
 - c. There are no duplicate billings for the same service.
 - d. Billing for non-overtime-exempt Employees does not exceed forty (40) hours per week. Time worked more than forty (40) hours per week by a non-overtime-exempt Employee, which is subject to overtime, **shall** be restricted by Contractor's system. Any overtime accrued by a non-overtime-exempt Employee will not be paid by the state agency. Individual Employees **shall** only be able to enter billing for services for which they have been authorized to provide and meeting the requirements.
 4. Track the number of hours each Employee works for Beneficiary/Employers in the Self-Directed Program per work week as the term work week is defined in the Employee Responsibilities and Attestation Form. The Contractor **shall** ensure that no employee is working more than forty (40) hours total for any combination of Beneficiary/Employers unless otherwise deemed exempt from overtime pay as classified under FLSA Home Care Rule. If the Contractor determines that an employee has exceeded such hours, the Contractor **shall** be responsible for ensuring that the employee is paid any overtime pay owed at time and a half and deducted from the available funds in the Beneficiary's budget, or if necessary, by the Contractor and the Contractor **shall** notify the Beneficiary/Employer to discuss hours with the employee at the time of each occurrence. If an Employee who is not exempt from overtime repeatedly exceeds forty (40) hours per work week, the Contractor **shall** assess the appropriateness of that Beneficiary's continued participation under the self-directed management service model and provide determination to the state agency. DHS may require that a Beneficiary be removed from the Self-Directed Program and transitioned to the agency lead program.
 5. Produce a spending summary report that reflects real-time and invoiced dollar amounts used and the balance remaining for each Beneficiary, by service type, and a spending detail report that reflects all payroll information for a specific time period for each Employee. The report **must** include a bar graph of percent (%) elapsed and percent (%) remaining for each service.
 - a. The Contractor **shall** ensure the spending summary report and the spending detail report are available for review and printing by the Beneficiary/Employer, the State, DHS, and designees.
- C. The Contractor **shall** make payment of goods and services. All purchases in the amount of ten percent (10%) of Beneficiary's plan up to seventy-five dollars (\$75) **may** be used as discretionary expenditure. All discretionary expenditures **must** have prior approval from DHS/DPSQA prior to the use of discretionary funds. Any purchase exceeding 10% or seventy-five dollars (\$75) **must** be authorized by the state agency.

1. The Contractor **must** maintain all supporting documentation relative to discretionary expenditure payment which includes but is not limited to:
 - a. the name and address of the Beneficiary;
 - b. a description of the purchase;
 - c. total payment amount;
 - d. scanned or electronic document supporting authorization from the state agency for purchases in the amount of ten percent (10%) of the beneficiary's plan not exceeding seventy-five dollars (\$75); and
 - e. a receipt, invoice, or purchase order for purchases in the amount of ten percent (10%) of the Beneficiary's plan not exceeding seventy-five dollars (\$75).
2. The Contractor **shall** provide a monthly report detailing individuals' purchasing goods and services, the amount expended, and the categories defined by the state agency. The Contractor **shall** be held liable for repayment should any supporting documentation not be available during a review by state and/or federal representatives.
3. The Contractor **shall** update CEP, savings, and cash allowance requirements to comply with all amendments or updates to any applicable federal and state laws and regulations.

2.5.12 PAYROLL PROCESSING REQUIREMENTS

- A. The Contractor **shall** pay the beneficiary/employer's employees up to the authorized time identified in the Beneficiary/Employer's Plan of Care.
- B. The Contractor **shall** verify each Employee's social security number and maintain appropriate documentation in each Employee's file.
- C. The Contractor **shall** verify the city and state of residence of each Employee and maintain appropriate documentation in each Employee's file.
- D. The Contractor **shall** determine if the individual's Employees are family members who might be exempt from paying FICA, FUTA, and SUTA taxes, and process, accordingly, including those who may qualify for federal and state exclusions defined by IRS Notice 2014-7.
- E. For all individuals the Contractor represents, the Contractor **shall** withhold the following without limitation from each payroll period and maintain documentation of such in the Contractor's file:
 1. Required Federal Taxes and Withholdings
 - a. The Contractor **shall** file FICA and federal income tax withholdings using the appropriate IRS form in the aggregate using the Contractor's separate FEIN for all individuals the Contractor represents and **shall** maintain a copy of the form and supporting documentation on file.
 - b. The Contractor **shall** deposit FICA and federal income tax withholdings in the aggregate for all individuals the Contractor represents and **shall** maintain a copy of the form and supporting documentation on file. The Contractor **shall** deposit, monitor the deposit, and maintain copies of the documentation for FICA and federal income tax withholdings in accordance with IRS rules.
 - c. The Contractor **shall** file FUTA withholdings using the appropriate IRS form annually in the aggregate using the individualized FEIN for all individuals the Contractor represents and **shall** maintain a copy of the form and supporting documentation on file.
 - d. The Contractor **shall** deposit FUTA and federal income tax withholding in the aggregate for all individuals the Contractor represents and **shall** maintain a copy of the form and supporting documentation on file. The Contractor **shall** deposit, monitor the deposit, and maintain copies of the documentation for FUTA and federal income tax withholdings in accordance with IRS rules.
 2. Required State Income Tax and Withholdings
The Contractor **shall** remit state income tax withholdings for all individuals the Contractor represents as required by State of Arkansas regulations and **shall** maintain documentation on file.
- F. The Contractor shall register individuals with the State of Arkansas Secretary of State as employers and obtain each individual's state income tax registration number for income tax filing and payment purposes. The Contractor shall maintain documentation of the tax filings and payments in the individual's file.

1. The Contractor **shall** retire an individual's state income tax registration number when the individual is no longer an employer (i.e., decides to no longer participate in the self-directed service model) and document such in the individual's file.
- G. For Employees who reside outside of the state, the Contractor shall file and deposit out-of-state income tax withholdings, as required by the applicable state or requested by the Employee. The Contractor shall maintain documentation of such in the individual's file.
- H. The Contractor **shall** file locality taxes related to employment and maintain documentation of such in the individual's file.
- I. The Contractor **shall** manage the application of all garnishments, levies, and liens on Employee's payroll checks in an accurate and timely manner and maintain documentation of such in the individual's file.
- J. The Contractor **shall** pay Beneficiary/Employer's Employees within the time period required by the Department of Labor and maintain documentation as such.
 1. A lump sum amount will be dispersed prospectively once a month to the contractor for all active clients; however, the Contractor **shall** make payments by EFT on a bi-weekly basis based on the CEP. The Contractor **shall** make a remittance (check stub) available by mail or by the Contractor's website/portal accessible to the Employee.
- K. Contractor **must** return any unused funds from Beneficiary budgets to Medicaid within forty-five (45) calendar days of Beneficiaries' disenrollment from services. Unused funds **must** be returned via electronic means and as specified by DHS.
- L. The Contractor **shall** process wage information and garnishment requests from federal and state agencies as well as other qualified entities and maintain documentation of such in the Employee's file. These requests are intermittently made for scenarios such as FOI requests, purchasing of a home, unemployment benefits, and/or wage garnishments.
- M. The Contractor **shall** assist individuals in completing any requests for information from federal agencies, state agencies, or other qualified entities. Documentation of assistance **shall** be maintained in the individual's file.
- N. The Contractor **shall** develop a process for identifying and resolving discrepancies to ensure accurate payment to the Employee in the scheduled time period, errors or omissions in timesheets, including instances when an Employee fails to submit a time for greater than two (2) pay periods. The Contractor **shall** provide monthly reporting to state agency detailing each Employee and the Beneficiary/Employer for whom they provide services that have not submitted time in four (4) pay periods without resolution. The reporting must note whether the Employee is listed as the backup worker or a primary care provider.
- O. The Contractor **shall** timely resolve discrepancies in time submissions for purposes of paying Employees and generating claims for submission. For purposes of this section, "timely" means that the Contractor **shall** initiate action and **shall** make all reasonable efforts to resolve such discrepancies within the current payroll processing period during which payment to the Employee should be processed.
- P. The Contractor **shall** develop and implement a process for immediately, within twenty-four (24) hours of time submission, notifying the Beneficiary/Employer and Employee when there is a discrepancy in time reporting and provide detailed instructions on how to resolve the discrepancy. The Contractor **must** maintain timely communication with Beneficiary/Employer and Employee when a discrepancy cannot be resolved, and the Employee shall not be reimbursed for services delivered and submitted in Timekeeping System.
- Q. The Contractor **must** facilitate resolution of any disputes regarding payment to Employee for services rendered.

- R. The Contractor **must** develop and implement policies and processes for monitoring and reporting fraud, waste, and abuse of any funds relating to Medicaid services.

2.5.13 YEAR END TAX PROCESSING REQUIREMENTS

- A. The Contractor **shall** refund the over-collected Employee share of FICA withholdings to the applicable Employee in accordance with IRS requirements and **shall** maintain documentation of such on file. The Contractor **shall** return any employer FICA surplus to DHS.
- B. The Contractor **shall** prepare, file, and distribute IRS Form W-2, *Wage and Tax Statement*, for individuals' Employees pursuant to IRS instructions to agents for electronic filing when processing 250 or more IRS Form W-2s by January 31st of each year.
- C. The Contractor **shall** prepare, file, and distribute IRS Form W-3, *Transmittal of Wage and Tax Statement*, in the aggregate for all individuals the Contractor represents, pursuant to IRS instructions and **must** maintain documentation of such on file.
- D. The Contractor **shall** be responsible for errors in tax processing and/or refunds.

2.5.14 CUSTOMER SERVICE REQUIREMENTS

- A. The Contractor **shall** provide all necessary services to support the activities carried out by the Contractor and its subcontractors, including without limitation:
1. A toll-free phone number and adequate staff to respond to Beneficiaries/Employers and/or Employees with hours of operation Monday through Friday from 8:00a.m. to 5:00p.m. Central Standard Time (CST);
 2. During times when the office is closed, a voice message system **must** be used. Calls left on the voice message system or requiring a call back **must** be answered within one (1) business day, excluding holidays. The Contractor **must** provide a list of calls not returned within one (1) business day; the listing **must** include an explanation for each call not returned.
 3. A landline or electronic fax number;
 4. A website with information regarding the Contractor's services, customer support information, and available hours.
 5. Internet/email communications;
 6. Ability to provide all translation and interpreter services including but not limited to the following: American Sign Language (ASL), Spanish, and services for persons with Limited English Proficiency. In addition, provide accessible formatting to individuals with disabilities including but not limited to large print, disk, and Braille.
 7. A method for receiving, returning, recording, tracking, listening to, storing, and auditing all calls and all emails from Beneficiary/Employer, Employees, DHS primary contacts or designated contacts during and after extended business hours. The Contractor **must** return calls within one (1) business day.
 8. The Contractor **must** provide a full-time equivalent employee to serve as the Customer Service Manager. The employee **shall** manage the entire customer service operation including the direction and management of customer service staff. In addition, the Customer Service Manager **shall** be a core part of ensuring customer service needs are met. DHS reserves the right to request changes in Contractor's personnel to the extent that the personnel are associated with administering Medicaid's Self-Directed Program.
 9. Tracking of all calls by type, including the following without limitation, and presented using a real-time dashboard:
 - Answer Speed
 - Hold Time
 - Talk Time
 - Dropped Calls
 - Budget

- Contact Update
 - Enrollment
 - Form
 - Status/Request
 - Other
 - Payment
 - Status Change
 - Timesheet
10. The Contractor **must** develop a software method for notifications and for receiving, responding to, and tracking complaints as well as Office of Medicaid Inspector General (OMIG) and Arkansas Attorney General's Medicaid Fraud Control Unit fraud cases.
11. A software method for receiving, responding to, and tracking complaints and grievances from Beneficiaries/Employers, Employees, DHS primary contacts or designated contacts by the end of the next business day;
- a. The Contractor **shall** make current information on complaints and dispute resolution available through an online system for the State, DHS, and designees review at any time.
 - b. The Contractor **shall** notify DHS immediately upon becoming aware of a dispute situation that is not housed in the online system.
 - c. The Contractor **shall** provide training to the DHS primary contacts or designated contacts, families, and Beneficiary/Employer based on issues/trends that arise from data found in the customer service tracking report. DHS will direct all questions received from individuals, Beneficiary/Employers, and from the Employees to the Contractor.
 - d. The Contractor **shall** make a report that documents the tracking of complaints and/or grievances including the action taken available in monthly reporting or within one (1) business day upon request by the State, DHS, and/or designees.
 - e. The Contractor's system **must** provide a minimum of 256-bit encryption.
 - f. The Contractor's system **shall** comply with all applicable federal and state laws and regulations.
12. A method for receiving, responding to, and tracking call statistics including, but not limited to, call volume, average call times, and hold times. On a monthly basis and upon request within a given quarter, the Contractor **shall** make a report that documents the tracking of these call statistics available to the State, DHS, and designees.
13. Quality assurance methods that monitor all aspects of customer service, including without limitation, Enrollment Team members' performance;
14. Initial and continuous customer service training for Contractor's staff/personnel; and
15. Orientation and skills training on using the Contractor's automated interface system for Beneficiary/Employers and DHS contacts.
16. Contractor **must** incorporate a survey, approved by DHS, to monitor satisfaction of beneficiaries.
- B. The Contractor's personnel **must** be trained in the philosophy of individual direction and **must** be culturally sensitive in all business practices in order to communicate effectively with a diverse population of individuals of all ages and with a wide variety of needs, disabilities, and chronic conditions.
- C. The Contractor **shall** provide an outreach and education program to raise awareness about Self-Direction with potential Beneficiaries/Employers with the goal of increasing program participation. The Contractor **shall** demonstrate the growth of the program participation.
- D. The Contractor **shall** actively participate in coordinating a Self-Directed Advisory Panel. This requirement **shall** include without limitation identifying Beneficiaries, Employers, Employees, DHS representatives, and any additional resources deemed necessary to provide input on best practices, issues, areas of improvement, and acceptable standards of the program. . Such panel **shall** include, at minimum:
- a. Four (4) Beneficiaries or the Employer from the current 1915(j) waiver and at least one participant from the current 1915(c) ARChoices waiver

- b. Two (2) family members of Beneficiaries currently receiving self-directed services through 1915(j) waiver program
 - c. Two (2) Employees currently providing self-directed services through Arkansas' 1915(j) waiver program
 - d. Two (2) representatives from DHS.
- E. The panel **shall** meet quarterly or as approved by DHS, with the purpose of providing the Contractor with feedback on self-directed services in Arkansas and the Contractor's operations. Meetings and minutes **must** be recorded and provided to DHS/DPSQA within forty-eight (48) hours after the meeting is concluded. Meetings may be held in person, by video conference, or other means as approved by DHS.
- F. Contractor **must** provide real-time dashboard for industry standard call center metrics, to include, but not limited to:
- Average Answer Speed
 - Average Abandoned Call Rate
 - Average Duration of Call
 - Average Handle Time
 - First Call Resolution Average
 - Call Volume
 - Call Types

2.5.15 EDUCATION AND OUTREACH MATERIALS

The Contractor **must** submit all educational and outreach materials relating to the Program and/or self-directed services in Arkansas to DHS, in the format requested by DHS, for approval prior to use. DHS will review the submitted educational and outreach materials and either approve or deny them within fifteen (15) calendar days from the date of submission. If DHS does not approve the materials, the Contractor, as applicable, may provide written comments, and resubmit the materials. No educational or outreach materials **shall** be utilized until receipt of written approval from DHS. Prior to modifying any approved educational or outreach materials, the Contractor **shall** submit for written approval from DHS, a detailed description of the proposed modification. DHS reserves the right to notify the Contractor to discontinue or modify educational or outreach materials after approval.

A. Materials

1. All communications and materials **must** be compliant with the Americans with Disabilities Act, including Section 508 compliance, accessibility, and access to alternate formats.
2. All materials **shall** be in plain language in a manner and format that may be easily understood and written at a fifth grade reading level or lower using at least twelve (12) point font. All material **must** be readily accessible.
3. The Contractor **shall** provide materials for various audiences and purposes. DHS reserves the right to request specific materials and information.
4. The Contractor **shall not** suggest or imply in advertising or marketing materials that goods or services are endorsed by the state agency. All advertising and marketing materials **must** be approved by DHS, prior to use.
5. The Contractor **shall not** include The Seal of the State of Arkansas on any written materials, including but not limited to educational materials, without the written approval by the state agency, as applicable. The Contractor's program and marketing materials **shall not** mislead, confuse, or defraud Beneficiaries or the State.
6. The Contractor **shall** ensure that all Beneficiary materials, including educational and outreach materials, meet the following specifications:
 - a. Articles and/or informational material included in written materials such as newsletters, brochures, etc. **shall** be approved in writing by the state agency.
 - b. The Contractor may also provide required Beneficiary materials/information electronically.
 - The material/information **must** be placed on the Contractor's website in a location that is prominent and readily accessible for Beneficiaries and potential Beneficiaries to link to from Contractor's home page;

- The material/information **must** be provided in a format that can be electronically saved and printed; and
 - If an individual requests that the Contractor mail them a copy of the material/information, the Contractor **must** mail, free of charge, the material/information to them within five (5) business days of that request.
7. All written program materials **shall** inform enrollees and potential enrollees how to obtain materials in alternative formats and how to access oral interpretation services and that both alternative formats and interpretation services are available at no expense to the individual or state agency. This information **shall** be considered a vital document and **shall** be available at a minimum in the prominent language of the Beneficiary/Employer.
8. All written program materials **shall** ensure effective communication and be made available in alternative formats at the request of the Beneficiary, potential Beneficiary, or Surrogate Employer in an appropriate manner that takes into consideration the special needs of the individual with disabilities or limited English proficiency. These alternative formats **shall** be free of charge to the individual. Alternative formats may include but are not limited to: Auxiliary aids or services, such as Braille, large print, and audio; American Sign Language interpretation, written translations, and language assistance services, and **shall** be based on the needs of the individual.
- B. Distribution of Information
- The Contractor **shall** distribute program materials as required by the state agency. The program material information **shall** be provided to individuals. The Contractor **must**:
1. Mail a printed copy of the information to the Beneficiary's or potential Beneficiary's mailing address;
 2. Provide the information by email after obtaining the Beneficiary's or potential Beneficiary's agreement to receive the information by email;
 3. Post the information on its website and advises the Beneficiary or potential Beneficiary in paper or electronic form that the information is available on the Internet and includes the applicable Internet address, if individuals with disabilities who cannot access this information online are provided auxiliary aids and services upon request at no cost; or
 4. Provide the information by any other method that can reasonably be expected to result in the Beneficiary or potential Beneficiary receiving that information.
 5. The Contractor **shall** provide written notice to Beneficiary/Employers of any changes in policies or procedures described in written materials previously sent to Beneficiary/Employers at least thirty (30) calendar days before the effective date of the change.
- C. The Contractor **shall** ensure that all written materials regarding the Self-Direct Program comply with any applicable federal and state laws and regulations.

2.5.16 FRAUD, WASTE, AND ABUSE COMPLIANCE PLAN

- A. The Contractor **shall** develop and implement a fraud, waste, and abuse compliance plan for ensuring protections against actual or potential fraud and abuse. The detailed fraud, waste, and abuse compliance plan **shall** define how the Contractor **must** adequately identify, and report suspected fraud, waste, and abuse by Beneficiaries, Employers, and Employees. The Contractor's fraud, waste, and abuse compliance plan **shall** address, at a minimum, the following requirements:
1. The Contractor **shall** develop written policies, procedures, and standards of conduct that articulate the Contractor's commitment to comply with all applicable federal and state standards for the identification and reporting of incidents of potential fraud and abuse by Beneficiaries, Employers, Employees, and the Contractor and the Contractor's staff.
 2. The Contractor **shall** establish effective program integrity training and education for Beneficiaries, Employers, and Employees.
 3. The Contractor **shall** establish effective lines of communication with its Beneficiaries, Employers, and Employees to ensure compliance with program integrity standards.

4. The Contractor **shall** enforce program integrity standards through well-publicized disciplinary guidelines.
 5. The Contractor **shall** provide information and a procedure for Beneficiaries, Employers, and Employees to report incidents of potential or actual fraud and abuse to the Contractor and to the state agency, in a manner and format required by the state agency.
 6. The Contractor 's fraud and abuse compliance plan **shall** include provisions for corrective action initiatives.
 7. The Contractor 's, subcontractor's, agents', and alike fraud and abuse compliance plan **shall** include provisions for cooperating with all fraud and abuse investigation efforts by Office of Medicaid Inspector General (OMIG), Attorney General's Medicaid Fraud Control Unit (MFCU), the state agency, and/or other state and federal offices.
- B. The Contractor **shall** provide a final copy of the Compliance Plan as part of the Readiness Review and continue to provide updated plan to the state agency on a yearly basis. The state agency will provide notice of approval, denial, or modification of the fraud and abuse compliance plan to the Contractor. Upon response from the state agency, the Contractor **shall** update the Compliance Plan within fourteen (14) calendar days, if applicable.
- C. The Contractor **shall** report any concerns regarding health, safety and welfare and the Beneficiaries' ability to participate in self-direction to the state agency, as well as concerns regarding Surrogate Employers.
- D. Responding to Critical Incidents and Reportable Events: The Contractor, employees, agents, subcontractors and those alike **must** report all Critical Incidents occurring to any Beneficiary in a Self-Directed HCBS Program to the state agency within twenty-four (24) hours of witnessing or discovering such incident and **must** also report such events to Adult Protective Services (APS), Child Protective Services (CPS), or law enforcement in accordance with federal and state laws and regulations.
1. Critical Incidents **shall** include, but not be limited to, the following incidents when they occur in an HCBS delivery setting to Self-Direction Management Service Beneficiary:
 - a. Any unexpected death of a Self-Direction Management Service Beneficiary, regardless of whether the death occurs during the provision of HCBS;
 - b. Suspected physical or mental abuse of a Self-Direction Management Service Beneficiary;
 - c. Theft against a Self-Direction Management Service Beneficiary;
 - d. Financial exploitation of a Self-Direction Management Service Beneficiary;
 - e. Severe injury sustained by a Self-Direction Management Service Beneficiary;
 - f. Medication error involving a Self-Direction Management Service Beneficiary;
 - g. Sexual abuse and/or suspected abuse and neglect of a Self-Direction Management Service Beneficiary; and
 - h. Abuse and neglect and/or suspected abuse and neglect of a Self-Direction Management Service Beneficiary.
 2. The Contractor **must** report all Reportable Events, as those events are specified in the Contractor Risk Agreement, occurring to any Self-Direction Management Service Beneficiary within the timeframes specified within the Contractor Risk Agreement upon witnessing or discovering such events, and **shall** also report such events to Adult Protective Service (APS), Child Protective Services (CPS), or law enforcement in accordance with federal and state laws and regulations.
 3. The Contractor **shall** respond to allegations of Critical Incidents and Reportable Events after reporting as follows:
 - a. If the allegation is in reference to an Employee, the Contractor **shall** contact the Beneficiary/Employer to determine whether the Beneficiary/Employer chooses to remove the Employee during the course of the investigation. The Contractor **shall** notify the state agency regarding the Beneficiary/Employer's decision. If the Beneficiary needs a new Employee, the Contractor's Enrollment Team **shall** support the Beneficiary/Employer, if requested, in helping the Beneficiary/Employer enroll a suitable replacement Employee.

- b. If the allegation is in reference to a Beneficiary's Surrogate Employer, the Contractor **must** contact the Beneficiary to determine whether the Beneficiary chooses to appoint a new Employer during the investigation. The Contractor **must** notify the state agency regarding the Beneficiary's decision. If the Beneficiary needs a new Employer, the Contractor's Enrollment Team **must** support the Beneficiary in enrolling a new Employer with updated Employee paperwork, as applicable.
 - c. In the event a Surrogate Employer (Employer of Record/EOR) of a Beneficiary is alleged to have committed abuse, neglect, or exploitation against the Beneficiary, the Contractor **shall** immediately remove the EOR from his or her EOR capacity during the investigation. During such removal, the Beneficiary's participation in Program **shall** be suspended. During the suspension, the Contractor **must** work with the Beneficiary to identify a replacement EOR. If a replacement EOR cannot be identified within ten (10) business days, the Beneficiary **shall** be disenrolled from Self-Direction Management Services and transitioned to agency services. If the investigation concludes the allegations against the EOR are unsubstantiated, both the Beneficiary's and the EOR's participation in the Program **shall** be reinstated. However, if the allegations against the EOR are substantiated, the Contractor **must** work with the Beneficiary to identify a replacement EOR. If a replacement EOR cannot be identified within ten (10) business days from completion of the investigation, the Beneficiary **shall** be disenrolled from Self-Direction Management Services and transitioned to agency services.
 - d. As the Employer of Record, the Beneficiary/Employer **shall** ultimately determine the appropriate corrective action(s) for the Employee, including when such actions relate to an Employee who is responsible for a Critical Incident or Reportable Event against the Beneficiary. However, the Contractor or state agency may offer recommendations and/or assistance to the Beneficiary/Employer in making the determination for corrective action, if requested by the Beneficiary/Employer.
4. The Contractor **must** report corrective actions determined by the Beneficiary/Employer to the State Agency. If a critical incident or reportable event allegations are substantiated against an EOR or Employee because of an investigation, the EOR or Employee **shall** no longer be allowed to participate in the Program. Further, the Contractor **must** notify the state agency within forty-eight (48) hours of a person being found on any abuse registry. If the investigation is unsubstantiated, the Beneficiary/Employer may elect to retain the Employee, or the Beneficiary may elect to retain the EOR.
 5. DHS, with appropriate assistance from the Contractor, may initiate action to involuntarily disenroll the Beneficiary from the Program at any time the state agency determines that the Beneficiary/Employer's decisions or actions contributed to fraud or an incident/event that constitute unreasonable risk such that the Beneficiary's needs can no longer be safely and effectively met in the community while participating in the Program including a Beneficiary/Employer's decision to retain an Employee either during or after an investigation when such Employee is alleged to have committed a Critical Incident or Reportable Event, as applicable, and retaining such an Employee poses a risk to the Beneficiary's health and safety.

2.5.17 RECORD MANAGEMENT PROCESS AND MISCELLANEOUS REQUIREMENTS

- A. The Contractor **shall** establish an identification system that provides active Beneficiaries enrolled in the self-direction model a unique identifier for self-direction purposes. Contractor's identification system **must** protect all Protected Health Information (PHI).
- B. The Contractor **shall** establish and maintain current and archived Beneficiary/Employer, Employee, and Contractor files in a secure and confidential electronic manner as required by federal and state laws and regulations (i.e., meet any applicable Health Insurance Portability and Accountability Act (HIPAA) requirements). Contractor **must** capture all interactions between the Contractor, Program Participants, and employees. Prior to award, the Contractor **must** complete and sign a Business Associate Agreement (BAA) and provide specifications for security standards and storage of electronic documentation.
- C. The Contractor **shall** have an approved Continuity of Operations Plan (COOP) in place for restoring software and master files, and hardware backup in the event management information systems are disabled to ensure the payroll and payment systems remain intact.
 1. The Contractor's COOP **shall** contain, without limitation, contingency plans for:

- pandemics
 - natural disaster
 - fire
 - data storage and recovery
2. The Contractor **must** perform annual testing and updating of the disaster recovery plan and all COOP activities. The plans **must** be reviewed and approved by DPSQA.
 3. The Contractor **shall** provide documented results annual testing to DPSQA by July 1st of each year. Documented result **must** include any shortcomings and/or enhancements made to maintain the contract requirements. The plans must be reviewed and approved by DPSQA.
 4. In the event of a disaster, the Contractor **shall** perform disaster recovery for electronic and hard copy files according to the proposed disaster recovery plan. All recovery efforts **shall** be documented and reported to DHS within two (2) weeks following the event.
- D. Requirements for Staying Current with Federal and State Rules and Regulations Regarding Contractor Fiscal/Employer Agents and Household Employers
1. The Contractor **shall** review the following and ensure the Contractor's website is updated with the latest forms and all are accessible to DHS, individuals, and Employees at all times:
 - a. All IRS forms, instructions, notices, and publications related to Contractor Fiscal Employer Agents, individuals, and Employees and preparing, filing, and depositing federal taxes on behalf of individuals the Contractor represents.
 - b. All applicable US Citizenship and Immigration Services (USCIS) rules, forms (i.e., IRS Form I-9, *Employment Eligibility Verification*), and instructions.
 - c. All applicable federal Department of Labor rules, forms, and instructions related to individuals and Employees pertaining to the Federal Fair Labor Standards Wage and Hour Rules.
 2. The Contractor **shall** review all state income tax withholdings, instructions, and manuals related to Contractor Fiscal Employer Agents, Beneficiary/Employers, and Employees. The Contractor **shall** prepare, file, and deposit state taxes on behalf of individuals the Contractor represents.
 3. The Contractor **shall** follow and stay current with state worker's compensation insurance laws and mandatory disability laws pertaining to individuals who hire personal care and other support services workers.
 4. The Contractor shall document and report, at least quarterly, all activities relating to "Contractor Fiscal/Employer Agents and Household Employers."
- E. The Contractor **shall** provide reports and recommendations for improvements to the Self-Direction program at DHS' request.

2.5.18 ELECTRONIC VISIT VERIFICATION

All self-directed Employees **must** enroll with Arkansas Medicaid to bill for personal care and attendant care services. Once the Employee is enrolled, a provider number, also known as a PIN (personal identification number) will be provided to the Employee. More information about enrolling as a Medicaid provider and EVV refer to [Link](#) for additional information).

- A. The contractor's solution **must** integrate with the State of Arkansas Electronic Visit Verification (EVV) system in order to meet the Section 12006(a) of the 21st Century Cures Act mandate that states implement EVV for all Medicaid personal care services (PCS) and home health services (HHCS) that require an in-home visit by a provider. This applies to PCS provided under sections 1905(a)(24), 1915(c), 1915(l), 1915(j), 1915(k), and Section 1115; and HHCS provided under 1905(a)(7) of the Social Security Act or a waiver. System certification is required for use of a third-party EVV system. The Contractor **must** follow the Arkansas DHS Electronic Visit Verification (EVV) Third-Party System Certification Process and Checklist as provided in Attachment L.
- B. Considering the nature of the Self-Direction program, the employer of the personal care aid is the beneficiary, who has no ability to hire an EVV vendor to meet CMS requirements for EVV. As the fiscal intermediary, the

Contractor **must** present a solution utilizing a third-party vendor that integrates with the states EVV solution and is fully CMS EVV compliant, meets all CMS KPI reporting.

- C. The solution **must** integrate their financial system to the state's EVV system and issue the payment in compliance with federal and state laws and regulations. The Contractor must present a solution to the state how to successfully integrate with the state's EVV system in a timely manner to lower the risk of federal penalties.
- D. The solution **must** integrate with the state DSS system for all EVV visits and claims data for auditing and program oversight.
- E. The contractor **must** work with the state and the state's EVV vendor to implement a solution that not only meets the 21st Century Cures Act but also utilizes where applicable the state's existing solutions and interfaces with the states EVV and related systems (such as the MMIS) as appropriate. The solution is to be minimally burdensome to the self-directed program, its members, and caregivers.
- F. The Contractor's EVV system **must** comply with Section 12006 of the 21st Century Cures Act and enact all operational readiness and create all key performance indicators as designed and required by CMS. See link for details <https://www.medicaid.gov/medicaid/datasystems/outcomes-based-certification/electronic-visit-verificationcertification/index.html>
- G. The Contractor's EVV solution must be configured to interface with the State AuthentiCare solution per the interface specifications provided at the following link: <https://humanservices.arkansas.gov/divisions-shared-services/medical-services/evv-info/>
- H. The Contractor's EVV system **must** integrate with the Contractor's financial management system if not built in as part of the system. The Contractor **shall** understand and agree that the Contractor's EVV system **must** be approved by DHS/DPSQA prior to the Readiness Review as described above.
- I. In addition, the Contractor's EVV system **must** be in compliance with the 21st Century Cures Act and **must** capture, at a minimum, the following elements:
 - The type of service performed;
 - The individual receiving the service;
 - The Employee providing the service;
 - The date the service was provided;
 - The location of service delivery; and
 - The time the service begins and ends
- J. The Contractor's EVV system **must** also:
 - 1. Configure the system with the following rules:
 - Scheduling is not mandatory
 - English and Spanish languages must be available
 - Check in and out must be available via mobile and Interactive Voice Response (IVR) landlines
 - Geo Fence must be set at 1/8 of a mile
 - Early visit threshold must be set at 7 minutes
 - Last visit threshold must be set at 7 minutes
 - Missed visit threshold must be set at 30 minutes
 - Unit calculation must follow DHS guidelines, as specified in the Medicaid Policy Manuals, Section 262.220 ([Link](#)) and Section 262.312 ([Link](#)).
 - 2. Be configurable to support multiple programs or services which have different policies, procedures, and business rules, all of which are subject to change during the contract period;
 - 3. Receive information in both batch and individual transmissions such as daily reporting, file sharing, and secure communications
 - 4. Be designed for integration with service documentation to avoid duplication of effort and expenditures;

5. Support manual visit verification in instances where the electronic verification data is not captured, but the service was otherwise provided. Beneficiary/Employers **must** attest that the services were rendered and the reason for manual verification;
6. Have the capability of collecting and storing data on a mobile device to be uploaded to the system at a later time when connectivity is unavailable or intermittently unavailable;
7. Accommodate limited or no internet access to record information where services are provided such as collecting and storing data on a mobile device to be uploaded to the system at a later time when connectivity is unavailable or intermittently unavailable;
8. Make it easy to retroactively adjust shift start or end times and not result in lengthy payment delays when mistakes happen and facilitate efficient communication for problem solving when mistakes occur;
9. Avoid rigid scheduling rules, allowing Beneficiary/Employers to schedule their Employees as they choose, including making frequent schedule changes. Scheduling must occur only between the Beneficiary/Employers and their Employees; and
10. Be user-friendly and intuitive to use.
11. Be compliant with HIPAA Security Rules (i.e., HIPP, HITECH, SOC 2 Type II, PCI, or comparable standards for security of protected health information (PHI)).
12. The Contractor may subcontract with a third party to provide EVV services. The third party EVV contractor **must** comply with all applicable federal and state laws, rules, and regulations. If the selected vendor, application, or solution uses cloud technology, it **shall** be located within the continental United States. All servers and data will be located on United States soil.
13. The Contractor **must** provide training to employees, clients, and requested audiences for components, processes, and functions of the EVV system.
14. The Contractor **shall** understand and agree that the Contractor's EVV system **must** be approved by DHS prior to the Readiness Review, as described above.

2.5.19 FINANCIAL MANAGEMENT SYSTEM

- A. Contractor **shall** provide an information management system capable of storing and transmitting all data necessary for full implementation of financial management services under this contract.
- B. Contractor's information system **must** be configurable to interface with the Arkansas Medicaid Management System (MMIS) per the interface specifications provided in *Appendix 4: MMIS Interface Requirements*. There is no Prior Authorization request for self-direction. Arkansas self-directed budgets are established to pay out through MMIS monthly, based on the number of days in a month and a Beneficiary/Employer's budget allowance.
- C. Contractor's information system **must** be accessible to the state agency via a secure web-based portal, or comparable mechanism, for the purposes of viewing dashboards, retrieving required reports and other data.
- D. The Contractor's information system **shall** comply with all applicable federal and state laws and regulations.

2.5.20 SYSTEM SECURITY REQUIREMENTS

- A. The Contractor, subcontractors, agents and alike **must** provide its services to DHS/DPSQA and its end users solely from locations in the United States. Storage of all state agency data, including data at rest, **must** reside within the United States. Contractor's system **must** ensure that state agency data is only accessible from within the United States.
- B. The Contractor's system **must** provide encryption that meets a minimum of 256-bit encryption.
- C. The Contractor **shall** provide results of a certified third-party audit prior to implementation of the Contractor's system, and on a yearly basis thereafter, that the Contractor's system and/or environment are compliant with HIPAA Security Rules (i.e., HIPP, HITECH, SOC 2 Type II, PCI, MARS-E or comparable standards for

security of protected health information (PHI)). The Contractor's audit **must** include a risk analysis to identify potential risks as well as compliance with security requirements sufficient to assist DHS in their risk management obligations. DHS may require audits as deemed necessary.

- D. The Contractor **must** collaborate with DHS to ensure the Contractor's system complies with DHS's operating regulations regarding security maintenance information.
- E. The Contractor's solution **must** retain data in accordance with federal and state laws and regulations, including but not limited to data retention.
- F. The Contractor **shall** be required to maintain full system backups for thirty (30) calendar days on hourly or daily intervals as defined by DHS guidelines for the purpose of restoring the Contractor's system to a historic state.
- G. The Contractor **shall** provide a comprehensive description of the user access security roles supported by the system.
- H. The Contractor's system **must** restrict access according to data context such as a case, status, or location based on user's access role.
- I. The Contractor **shall** adhere to recognized best practices during the execution of the scope of work including the latest version of the National Institutes of Standards (NIST) Special Publication (SP) 800 series, at a minimum, related to security, interconnection of systems, risk management, security planning, and cloud environments.
- J. The Contractor **shall** provide a system security plan sufficient to safeguard all information regarding to providers, applicants, and beneficiaries.
 - 1. The Contractor's system security plan **must** include technical, operational, and administrative safeguard procedures and compensating controls of applicant's personally identifiable information (PII) and PHI according to HIPAA Security Rule.
 - 2. The Contractor's system security plan **must** cover all access vectors including local, remote, and physical access to the facility, including transmission lines, where the Contractor's system resides.
 - 3. The Contractor **must** receive approval of the security plan by the state agency prior to the Readiness Review.
- K. The Contractor's system **must** verify that a person or entity seeking access to electronic protected health information (ePHI) is the one claimed.
- L. The Contractor's system **must** support workforce security awareness through such methods as security reminders (at log on or screen access), training reminders, online training capabilities, and training tracking.
- M. The Contractor's system **must** alert DHS of potential violations of privacy safeguards, such as inappropriate access to confidential information.
- N. The Contractor's system **must** provide user account access authorization following the concept of least privilege, allowing users access to only the information that is necessary to accomplish assigned tasks in accordance with business functions.
- O. The Contractor's system **must** provide a public-facing portal that allows individuals to create accounts with a secured log in.
- P. The Contractor's system **must** enforce a sufficient level of authentication/identification against fraudulent transmission and imitative communication deceptions by validating the transmission, message, station, or individual. The Contractor **must** provide the State, DHS, and their designees, at their request, with reporting that demonstrates compliance with all necessary system security requirements.
- Q. The Contractor **shall** provide a DHS/DPSQA approved anti-virus and anti-malware software. The Contractor **shall** ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting

the services provided under the Contract; that the antivirus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation. The Contractor **shall** perform routine vulnerability scans and take corrective actions for any findings. DHS/DPSQA reserves the right to require further system security requirements to comply with any changes in federal or state laws, rules, and regulations.

- R. The Contractor's system **must not** rely on Microsoft Internet Explorer in any manner, or for any functionality. DHS recommends Google Chrome, Microsoft Edge, and Apple Safari.

2.5.21 SERVICE LEVEL REQUIREMENT

- A. The Contractor's system **must** be available and accessible to users twenty-four (24) hours per day, seven (7) days per week, except for authorized scheduled system maintenance. Any scheduled maintenance times **must** be mutually agreed upon by the Contractor and DHS.
1. The Contractor's system **must** be available from 6:00a.m. to 12:00a.m., Central Standard Time (CST), with a ninety-nine- and one-half percent (99.5%) availability.
 2. The Contractor's system **must** be available from 12:01a.m. to 5:59a.m. CST with a ninety-five percent (95%) availability.
 3. The Contractor **must** develop a tentative schedule of maintenance that includes all downtime for each month.
- B. The Contractor's system **must** provide disaster recovery capability that ensures the recovery time objectives (RTO) of no more than twenty-four (24) hours, and the recovery point objective (RPO) of no more than twelve (12) hours. Disaster recovery testing shall take place at mutually agreed upon time(s), depending upon system architecture.
- C. The Contractor **shall** assume all responsibility for the maintenance of the computing platform, operating system, network configuration, and application software, per MARS-E security standards.
- D. The Contractor **shall** provide bug fixes, routine security upgrades, and features that were developed for other customers or are part of the software Contractor's roadmap to be delivered, at no additional cost to the state agency, per MARS-E security standards.
- E. The Contractor **shall** establish and support all interfaces identified by DHS, including but not limited to (1) the state agency's EVV aggregator(s) and (2) state agency's Medicaid claims and management system (MMIS). This includes the Contractor working with Arkansas Medicaid to solidify an automated method for reimbursing State Medicaid individual unused funds, per MARS-E security standards.
- F. The Contractor **shall** provide data transmission acknowledgements that includes errors encountered during processing, error mitigations, and other DHS requests for all interface processing.
- G. The Contractor **shall** lead, manage, and coordinate the implementation of all interfaces with all parties.
- H. The Contractor **shall** submit an interface plan to DHS within forty-five (45) calendar days from the contract effective date that includes identification of interfaces and other information exchanged with other systems including frequency, file layouts, and transfer methods. The Contractor **shall** submit a draft interface plan containing the format and content, for DHS's review, throughout the discussion and development of interfaces.
1. Within ten (10) business days after receipt of the interface plan, DHS will have the sole right to approve or reject, in whole or in part, the Contractor's interface plan. DHS reserves the right to require the Contractor to modify the plan to accomplish the objectives and fulfill the needs of the state agency.
 2. The Contractor **shall** make any such changes and submit a revision to the plan within ten (10) business days following the receipt of the requested changes.
- I. The Contractor's system **must** support secure interfaces according to applicable law, regulation, and industry best practices.

- J. The Contractor **shall** assume responsibility for testing all interfaces, including coordination, collection, and reporting of test results, and remediation of problems. Prior to implementation, the Contractor **shall** provide a demonstration to DHS as evidence of testing between modules and interfaces, to include standards.

2.5.22 REQUIREMENTS FOR PREPARING AND SUBMITTING REPORTS

- A. Upon request by DHS/DPSQA, the Contractor **shall** provide data related to self-directed services through secure means. The Contractor **shall** make all system generated reports for any date range input into the online system available to DHS/DPSQA.
- B. The Contractor **must** develop reports in the manner instructed by DHS. The Contractor **shall** develop reports that are capable of sorting by selected date ranges. Unless otherwise indicated, all reports **shall** include data for Beneficiaries in all Self-Direction Management programs, distinguished by program. DHS/DPSQA reserves the right to request additional reports as needed and shall be provided upon request.
- C. The Contractor **shall** provide real-time dashboards that **must** be always accessible and include without limitation the following as well as additional information requested by DHS/DPSQA:
1. A weekly Pre-Enrollment Referral and Enrollment Report. On a weekly basis, the Contractor **must** submit to the state agency a report tracking the enrollment process for each prospective Beneficiary. At a minimum, the report **shall** include:
 - The Beneficiary's name;
 - Date of referral;
 - Contractor's Enrollment Specialist's name assigned to assist the Beneficiary;
 - Status of required paperwork, Back-up Plan; and
 - Status of Worker identification and readiness
 2. A monthly Referral and Enrollment Report by program, due on the 1st of the month or the next immediate business day if the 1st is a weekend or State holiday, that provides the following information, at a minimum:
 - a. Total number of referrals received;
 - b. Total number of Beneficiaries enrolled in the Program differentiated by actively receiving services and pending services;
 - c. Total number of withdrawals from the Program with an indication if withdrawal occurred prior or after service initiation, and the reason of withdrawal; and
 - d. How many days transpired from referral of state agency (date referral is submitted to Contractor by state agency) to initiation of services:
 1. Average number of days from referral to initiation of services;
 2. Range of days from referral to initiation of services (least to greatest);
 3. Listing of each Beneficiary for whom services have not been initiated within sixty (60) days and an explanation as to why these services have not been initiated;
 4. Listing of each Beneficiary for whom Employer Enrollment, including the identification of a backup plan, have not been completed within fourteen (14) calendar days and an explanation as to why these services have not been completed; and
 5. Listing of each Potential Employee for whom Employee Enrollment, including the completion of required character checks, have not been completed within sixty (60) days and an explanation as to why.
 3. A monthly Beneficiary Count Report, due on the 1st of the month or the next immediate business day if the 1st is a weekend or State holiday. At a minimum, the report **shall** include the following information, separated by program and geographic region:
 - a. The total number of Beneficiaries;
 - b. The Beneficiary's name;
 - c. Date of Contractor's Enrollment Specialist's last service to the Beneficiary;
 - d. Contractor Enrollment Specialist assigned to assist the Beneficiary;
 - e. The total number of Beneficiaries with eligible family members hired as Worker(s);
 - f. The name of the Employer of Record (EOR) for the Beneficiary; and
 - g. List of all new EOR's appointed between the 1st to the last date of the previous month.

4. Worker Report by month, due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday, that provides the following information at a minimum:
 - a. The names and identifying information of all Employees who provided services to more than two (2) people who self-direct their services in any HCBS program and the name of those Beneficiaries;
 - b. The total number and list of Employees active, pending, or disenrolled for each Beneficiary;
 - c. The date of change in status for each Employee; and
 - d. The Beneficiary's back-up plan with status of informal or formal.
5. A monthly Enrollment Team Report, due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday. The report **must** include the previous month's information to include, but not limited to, the following:
 - a. The tenure of the Arkansas dedicated staff;
 - b. Signed attestation of character check compliance for any new Arkansas dedicated staff hired between the 1st and last day of the previous month;
 - c. The Enrollment staff-to-beneficiary ratio
 - d. The counselor-to-client ratio for each county
 - e. The number of counseling visits including method of the visit
 - f. The number of Beneficiaries reassigned to a different Enrollment staff, broken down by changes requested by the Beneficiary/Employer and those initiated by the Contractor; and
 - g. For Beneficiaries, the current status of the Beneficiary's case (i.e., new enrollment, active, or turnover/transition assistance as those terms are defined immediately below).
 1. New enrollment – Beneficiaries who are enrolling in the Program for the first time or re-enrolling after loss of services.
 2. Active – Beneficiaries who have been enrolled in the Program and have an Employer of Record and all the necessary Employees actively in place.
 3. Turnover/transition assistance – Beneficiaries who are enrolled in the Program and are experiencing a change in one or more of their Employees and/or their Employer of Record.
6. A monthly Customer Service Report, by program, due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday. At a minimum, the report **shall** include:
 - a. Number of calls received;
 - b. Number of calls received per Beneficiary's account;
 - c. Percentage of abandoned calls;
 - d. Average time to answer calls;
 - e. Percentage of calls answered within thirty (30) seconds;
 - f. Average length of time on hold;
 - g. Average length of time on each call;
 - h. Number of voice messages received;
 - i. Number and percent of voice messages returned within one (1) business day;
 - j. Number of dropped calls; and
 - k. List of reasons for each call and number of calls per reason.
7. A monthly Beneficiary Utilization Report, by program, due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday. The report **must** provide the following information, at a minimum:
 - a. The Beneficiary's name;
 - b. Date of referral;
 - c. Name and identification number of each Beneficiary during the reporting period and indicating, if applicable, the date of withdrawal from Self-Direction Management Service;
 - d. Services authorized and rate per service for each Employee and if the Employee is a family member;
 - e. Total dollar amount used of the monthly capitation and balance remaining for each Beneficiary;
 - f. Total authorized hour amount of each service type available, used, and remaining for each Beneficiary;
 - g. A bar graph of percent (%) elapsed and percent (%) remaining for each service; and
 - h. Identification of Beneficiary enrolled in Self-Direction Management Service who incur no utilization of services for a period of at least thirty (30) consecutive calendar days including reason for underutilization.
8. Participant Advocacy Group Quarterly Report that provides the following: _

- a. Names of each person participating in the Contractor's Participant Advocacy Group and their respective roles (i.e., Beneficiary currently receiving Self-Directed services, Surrogate Employer for a Beneficiary currently receiving Self-Directed services, family member of a Beneficiary currently receiving Self-Directed services, Employee currently providing Self-Directed services, or advocate).
 - b. Description of date, time, and location of the most recent quarterly meeting that occurred; and
 - c. Brief narrative description of the items discussed at the meeting, including all questions and concerns discussed, including recommendations for improvement to DHS regarding the programs, who was responsible for responding to each respective inquiry or concern, how each item will be addressed, and timeframes for addressing all items raised at the meeting.
 - d. Quarterly meetings **shall** be recorded. Recordings **shall** be provided to DHS/DPSQA.
9. A Critical Incident, Reportable Event, and Reportable Incident Monthly Report due on the 1st of the month or the next immediate business day if the 1st is a weekend or State holiday, by month and cumulative for the quarter that **shall** provide the following information, at a minimum:
- a. The number of Critical Incidents, Reportable Events, and/or Reportable Incidents overall and by Beneficiary, EOR, or Employee and type of event; and
 - b. The resolution and timeframes for resolution of identified issues by program, including whether the Contractor or Beneficiary took any action on a reported incident or event.
- NOTE:** Critical incidents must be reported to DHS/DPSQA immediately.
10. An Other Goods and Service Report by program, due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday. At a minimum, the report **shall** include:
- a. The total number of Beneficiaries utilizing other goods and services;
 - b. The amount expended;
 - c. The category (Discretionary Funds or Savings);
 - d. Detail of items purchased; and
 - e. The Beneficiary's total budget
11. A monthly Electronic Visit Verification (EVV) Compliance Report due on the 1st of each month or the next immediate business day if the 1st is a weekend or State holiday. The EVV system captures the interaction between the client and caregiver related to the care provider. The Contractor **must** capture and utilize the six (6) standard data elements. The location is captured as part of the standard data elements. Contractor enrollment staff are not required but highly encouraged to utilize EVV for visits with the client. The report **shall** contain information on specified measures including, but not limited to, the following six (6) standard data elements for Contractor's staff serving Beneficiaries:
1. The staff providing services;
 2. The type of service provided;
 3. The individual receiving service;
 4. The date the service was provided;
 5. The location of the service delivered; and
 6. The time the service begins and ends.

For Self-Directed Employees of IndependentChoices Beneficiaries, provide a list of Beneficiaries/Employers and their Employees who retroactively adjust shift start and end times.

- A. The Contractor **shall** provide additional customized reports when required by DHS/DPSQA within ten (10) business days of receipt of the request for the report. Contractor **shall** provide written confirmation of receipt of the request.
- B. Unless otherwise specified herein, the Contractor **shall** provide all monthly reports on the first (1st) calendar day of the month following the last day of the reporting period, or as requested, to verify compliance with contracted services.
- C. All reports required by this contract **must** be in such format as requested by the state agency.

2.5.23 AUDITS

The State of Arkansas and DHS reserve the right to audit all requirements set forth in the solicitation with or without prior notification.

2.5.24 END OF CONTRACT TRANSITION

- A. The Contractor **shall** provide transition assistance as required by DHS to facilitate the transfer of services.
- B. The Contractor **shall** work toward a prompt and timely transition, proceeding in accordance with the directions of the State. DHS/DPSQA may provide the Contractor with additional instructions to meet specific transition requirements prior to the end of Contract.
- C. The Contractor **shall** ensure that all necessary knowledge and materials for the tasks completed are transferred to the custody of State personnel or a third party, as directed by the State.
- D. The Contractor **shall** ensure that all proprietary data collected and/or created during the life of the contract is transferred using a secure means to the custody of State personnel or a third party, as directed by the State.
- E. The Contractor **shall** develop a transition plan and provide to DHS/DPSQA for review. DHS/DPSQA reserves the right to request changes. The final transition plan **must** be provided to DHS/DPSQA ninety (90) days prior to contract expiration.

2.6 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 Standards* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards the Contractor **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 the Contractor 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.
- G. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. The State may waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services or if it is in the best interest of the State to do so. In these instances, the State **shall** have final determination of the performance acceptability.
- H. Should any compensation be owed to the agency due to the assessment of damages, Contractor **shall** follow the direction of the agency regarding the required compensation process.

SECTION 3 – SELECTION

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

3.1 TECHNICAL PROPOSAL SCORE

- A. OP will review each *Technical Proposal Packet* to verify submission Requirements have been met. *Technical Proposals Packets* that do not meet submission *Requirements* **shall** be rejected and **shall** not be evaluated.
- B. An agency-appointed Evaluation Committee will evaluate and score qualifying Technical Proposals. Evaluation will be based on Prospective Contractor's response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.
- Members of the Evaluation Committee will individually review and evaluate proposals and complete an Individual Score Worksheet for each proposal. Individual scoring for each Evaluation Criteria will be based on the following Scoring Description.

Quality Rating	Quality of Response	Description	Confidence in Proposed Approach
5	Excellent	When considered in relation to the RFP evaluation factor, the proposal squarely meets the requirement and exhibits outstanding knowledge, creativity, ability or other exceptional characteristics. Extremely good.	Very High
4	Good	When considered in the relation to the RFP evaluation factor, the proposal squarely meets the requirement and is better than merely acceptable.	High
3	Acceptable	When considered in relation to the RFP evaluation factor, the proposal is of acceptable quality.	Moderate
2	Marginal	When considered in relation to the RFP evaluation factor, the proposal's acceptability is doubtful.	Low
1	Poor	When considered in relation to the RFP evaluation factor, the proposal is inferior.	Very Low
0	Unacceptable	When considered in relation to the RFP evaluation factor, the proposal clearly does not meet the requirement. Either nothing in the proposal is responsive in relation to the evaluation factor or the proposal affirmatively shows that it is unacceptable in relation to the evaluation factor.	No Confidence

- After initial individual evaluations are complete, the Evaluation Committee members will meet to discuss their individual ratings in a consensus scoring meeting. At this consensus scoring meeting, each evaluator will be afforded an opportunity to discuss his or her rating for each evaluation criteria.
- After committee members have had an opportunity to discuss their individual scores recorded on the preliminary Individual Score Worksheet with the committee, the individual committee members will be given the opportunity to change their initial individual score, if they feel that is appropriate.
- The final individual scores of the evaluators will be recorded on the Consensus Score Sheets and averaged to determine the group or consensus score for each proposal. For purposes of scoring, only the final scores of the evaluators reflected on the Consensus Score Sheet will be used. Each evaluator shall sign the Consensus Score Sheet affirming that the score noted is the score intended by the evaluator.
- Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.

C. The *Information for Evaluation* section has been divided into sub-sections.

1. In each sub-section, items/questions have each been assigned a maximum point value of five (5) points. The total point value for each sub-section is reflected in the table below as the Maximum Raw Score Possible.
2. The agency has assigned Weighted Percentages to each sub-section according to its significance.
3. The Financial Disclosure section points will be added to the final subtotal score to arrive at the total.

Information for Evaluation Sub-Sections	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
E.1 Transitioning, Project Organization, and Management	15	5%	35
E.2 Staffing	15	5%	35
E.3 Work Plan	40	6%	42
E.4 Readiness, Training, and Implementation	10	5%	35
E.5 Enrollment	15	5%	35
E.6 Data Access and Maintenance	5	5%	35
E.7 Cash Expenditure Plan	5	5%	35
E.8 Payroll Processing	20	5%	35
E.9 Customer Service	25	10%	70
E.10 Education and Outreach	5	6%	42
E.11 Fraud and Abuse Compliance Plan	5	5%	35
E.12 Record Management Process and Miscellaneous	20	5%	35
E.13 Electronic Visit Verification	30	13%	91
E.14 Quality Control	30	10%	70
E.15 Security	25	10%	70
Total Technical Score	265	100%	700

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

D. The proposal's weighted score for each sub-section will be determined using the following formula:

$$(A/B)*C = D$$

A = Actual Raw Points received for sub-section in evaluation

B = Maximum Raw Points possible for sub-section

C = Maximum Weighted Score possible for sub-section

D = Weighted Score received for sub-section

- E. The proposal's weighted scores for sub-sections will be added to determine the Total Technical Score for the Proposal.
- F. Technical Proposals that do not receive a minimum weighted score/subtotal of 350 may not move forward in the solicitation process.

3.2 ORAL PRESENTATION/DEMONSTRATION SCORE

- A. The three Prospective Contractors with the top technical proposal scores, after the completion of the technical proposal evaluation, will be contacted to schedule an oral presentation/demonstration.
- B. The buyer will create a second set of score sheets by copying the Excel workbook (including the scores entered) and titling each of the score sheets in that workbook as the "post-Demonstration" score sheets.

- C. After each oral presentation/demonstration is complete, the Evaluation Committee members will have the opportunity to discuss the oral presentation/demonstration and revise their individual scores on the Post-Demonstration Consensus Score Sheet based on the information provided during the oral presentation/demonstration.
- D. The final individual scores of the evaluators on the Post-Demonstration Consensus Score Sheets will be averaged to determine the final technical score for each proposal.

3.3 COST SCORE

- A. When pricing is opened for scoring, the maximum amount of cost points will be given to the proposal with the lowest total weighted daily rate as shown on the *Official Bid Price Sheet*. (See *Grand Total Score* for maximum points possible for cost score.)
- B. The amount of cost points given to the remaining proposals will be allocated by using the following formula:

$$(A/B) \times (C) = D$$

A = Lowest Total Cost

B = Second (third, fourth, etc.) Lowest Total Cost

C = Maximum Points for Lowest Total Cost

D = Total Cost Points Received

3.4 GRAND TOTAL SCORE

The Technical Score and Cost Score will be added together to determine the Grand Total Score for the proposal. The Prospective Contractor's proposal with the highest Grand Total Score will be selected as the apparent successful Contractor (See *Award Process*).

	Maximum Points Possible
Technical Proposal	700
Cost	300
Maximum Possible Grand Total Score	1,000

3.5 PROSPECTIVE CONTRACTOR ACCEPTANCE OF EVALUATION TECHNIQUE

- A. Contractor **must** agree to all evaluation processes and procedures as defined in this solicitation.
- B. The submission of a *Technical Proposal Packet* **shall** signify the Contractor's understanding and agreement that subjective judgments **shall** be made during the evaluation and scoring of the Technical Proposals.

SECTION 4 – GENERAL CONTRACTUAL REQUIREMENTS

Do not provide responses to items in this section unless expressly required.

4.1 PAYMENT AND INVOICE PROVISIONS

- A. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance goods and services by the agency.
- B. The State **shall not** be invoiced in advance of delivery and acceptance of any goods or services.
- C. Payment will be made only after the Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- D. The Contractor 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.
- E. As new technology emerges, DHS reserves the right to request changes in payment processes.
- F. Contractor will be paid a monthly fee for service in accordance with the following:
 - 1. The Contractor **shall** be paid an Initial Administrative Per Member (IAPM) fee, based on any new individual who has completed the enrollment process and begins receiving active services through the self-direction model within the specified month. This Initial Administrative fee is a one-time lifetime payment per client for pre-activation setup and EVV support, except for a member who has been disenrolled at least six (6) months and reenrolls.
 - 2. The Contractor **shall** be paid a prospective Payroll Processing Per Member Per Month (PMPM) fee, based on each Beneficiary actively enrolled in the self-direction program within the specified month. Reconciliation will be performed on a monthly basis resulting in payment or recoupment for, but not limited to, members with retroactive assignment, or eligibility changes such as date of death, who have a change in budget, or are admitted to a nursing facility.
 - 3. Medicaid funds will be deposited to the non-interest-bearing account on behalf of the beneficiaries/employers monthly. Medicaid funding is processed and deposited prospectively based on a designed cut-off date for entering beneficiary/employer budgets into the Medicaid system
 - a. Contractor will receive PMPM for every month the client is enrolled regardless of when they are disenrolled within the month. If services were provided in good faith and the Contractor can show they verified eligibility, they will receive payment. Eligibility can be verified through various means. Retroactive recoupments mainly occur due to death or open NH segments. Eligibility **must** be verified before payroll is run or a visit is conducted. (270, 271 file)
 - 4. The Contractor **shall** be paid one conditional Partial Enrollment/Re-enroll (PERE) fee per member only when the service provided to that member meets one of the following conditions:
 - a. Partial Enrollment:
 - I. Option 1: Contractor is eligible for payment when a start date has been requested by the Contractor, but program participation is canceled prior to the start date for reasons outside the Contractor's purview. For example, the death of an enrollee prior to their scheduled program Start date.
 - II. Option 2: Contractor is eligible for payment when the Contractor completes the certification of the client/employer, but enrollment is discontinued for reasons outside the Contractor's purview. If this option is selected:
 - 1. The Contractor is eligible only for one fee per discontinued enrollee unless a 6-month period has passed since the disenrollment date.
 - 2. The Contractor is not eligible for any payment if the Contractor is unable to complete enrollment during the specified enrollment period.
 - b. Re-enroll: The Contractor **shall** be eligible for payment only if all the following conditions have been met:
 - I. A client served by the Contractor has left the program and subsequently reenrolled,

II. DPSQA has provided a start date for the client, and

III. The client is not categorized as a restart in services. A Restart in services occur when client is closed in error or due to NH segments that have been open for rehabilitation purposes.

5. Notwithstanding any other payment provisions of the contract, 1. if the Contractor fails to perform required work or services, 2. DHS may withhold partial payment or reject invoices under the contract, until matters are resolved.
6. If the Contractor is overpaid by the state agency, upon official notification by the state agency, an automated process **shall** be set up between the Contractor and the State's fiscal agent for the Contractor to (1) refund unused funds on a frequency as determined by the state agency or (2) deduct the overpayment from the monthly invoices as requested by the state agency.
- G. Beneficiaries in IndependentChoices are offered a monthly allowance in lieu of traditional agency-provided personal assistance services. All payments made to the self-directed employee **shall** be in means of electronic funds transfer (EFT). Use of the monthly allowance is determined by the beneficiary/employer exercising budget authority outlined on the Cash Expenditure Plan. Arkansas Medicaid will issue the prospective beneficiary's payment to the Contractor. The Contractor will distribute monthly prospective payments on behalf of active IndependentChoices participants as indicated by MMIS.
- H. Contractor **must** return unused funds within forty-five (45) days after disenrollment. Funds **must** be returned using the DHS/DMS mechanism requested.
- I. DHS reserves the right to request a change in the payment mechanism as technology becomes available.
- J. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.
- K. Selected Contractor **must** be registered to receive payment and future *Bid Solicitation* notifications. Contractors may register on-line at <https://www.ark.org/Contractor/index.html>.

4.2 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 thirty (30) day written notice to the Contractor/lessor in the event funds are not appropriated.
- B. The State **shall not** pay damages, legal expenses or other costs and expenses of any other party.
- C. The State **shall not** continue a contract once any equipment has been repossessed.
- D. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
- E. The State **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
- F. The State **shall not** enter a contract which grants to another party any remedies other than the following:
 1. The right to possession.
 2. The right to accrued payments.
 3. The right to expenses of de-installation.
 4. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
 5. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.
- G. The laws of the State of Arkansas **shall** govern this contract.

- H. A contract **shall not** be effective prior to award being made by a State Procurement Official.
- I. 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:
 - 1. 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
 - 2. The contract has required the State to carry insurance for such risk.

4.3 CONDITIONS OF CONTRACT

- A. The Contractor **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 Contractor **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 Contractor.
- 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. Do not complete and return any of the above-named attachments. They are for your information only.

4.4 STATEMENT OF LIABILITY

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Contractor-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 Contractor will 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 Contractor-owned items.
- B. The Contractor'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 Contractor; 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 Contractor 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 Contractor; 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 Contractor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

4.5 PERFORMANCE BONDING

- A. The Contractor **shall** be required to obtain performance bonds to protect the State's interest as follows:
 - 1. The amount of the performance bonds **shall** be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. Such performance bond must be provided to DHS prior to signing the contract.
 - 2. The State **shall** require additional performance bond protection when a contract price is increased or modified.

3. The additional performance bond **must** be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.
4. The contractor **shall** notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation **must** be provided to the State with each required notice.
5. Failure to provide is a breach of contract and may result in immediate contract termination, prohibition against future bidding with the State, the addition of Contractor to the DHS excluded provider list, etc.

4.6 RECORD RETENTION

- A. The Contractor **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.

4.7 PRICE ESCALATION

- A. Price increases will be considered at the time of contract renewal.
- B. The Contractor **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 has the right to require additional information pertaining to the requested increase.
- C. Increases will not be considered to increase profit or margins.
- D. OP has the right to approve or deny the request.

4.8 CONFIDENTIALITY

- A. The Contractor, Contractor's subsidiaries, and Contractor'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.

4.9 CONTRACT INTERPRETATION

Should the State and Contractor 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.

4.10 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 Contractor 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.

4.11 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 Contractor will 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 **must** be fully performed.

SECTION 5 – 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 Proposal Packets **must** be submitted to the Office of Procurement on or before the date and time specified for bid opening. The Proposal 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 proposals **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 proposals 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 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 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 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 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** agree 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 Contractor 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 *Proposal 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.