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DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

December 22, 2015

Dear Interested Parties:

CALIFORNIA DENTAL ADMINISTRATIVE SERVICES ORGANIZATION REQUEST FOR PROPOSAL 13-90271

ADMINISTRATIVE BULLETIN 6, ADDENDUM 1

Administrative Bulletin 6, Addendum 1, issued by the California Department of Health Care Services (DHCS), Office of Medi-Cal Procurement (OMCP), announces release of information pertaining to Request for Proposal (RFP) #13-90271 for the California Dental Administrative Services Organization (ASO) procurement. DHCS provides notification to interested parties of the following:

- 1) Enclosed with this Administrative Bulletin is the second release of DHCS' official responses to questions submitted by prospective Proposers. Prospective Proposers are reminded that no additional questions will be accepted, with the exception of questions or inquiries as described in RFP Section G, Proposer Questions.
- 2) Addendum 1 incorporates changes to the following RFP sections:
 - RFP Main
 - Attachment 1, Proposal Cover Sheet
 - Attachment 12-7, Turnover and Runout Bid Sheet
 - Exhibit A, Attachment I Takeover
 - Exhibit A, Attachment II Operations
 - Exhibit B, Attachment I Special Payment Provisions
 - Exhibit E Additional Provisions
 - Exhibit I Staffing Qualifications

These changes are being made to modify or clarify sections in the RFP. Within the text of the documents, changes are indicated as red text strikethroughs (deletions) and/or underlined blue text (additions) to denote revisions. For Americans with Disabilities Act purposes, text deletions will be preceded and ended with an asterisk (*), while text additions will be preceded and ended with a double asterisk (**). The locations of revisions will be indicated by a vertical line in the right margin of the page where applicable. Language modifications supersede prior published

language. It is the responsibility of the Proposer to assure they are working from the latest version of all sections and subsections of the RFP.

In order to configure the internet version of the RFP to accurately reflect the current requirements and considerations, remove the existing pages and insert the appropriate replacement pages as shown in the chart below.

REMOVE EXISTING PAGES	INSERT REPLACEMENT / ADDED PAGES
RFP Main - Pages 29, 35, 43, 45-46	RFP Main - Pages 29, 35, 43, 45-46
Attachment 1 - Proposal Cover Page	Attachment 1 - Proposal Cover Page
Attachment 12-7 Turnover/Runout bid sheet	Attachment 12-7 Turnover/Runout bid sheet
Exhibit A, Attachment I Turnover - Pages 5, 17, 24, 37, 38, 43, 53-55, 73	Exhibit A, Attachment I Turnover - Pages 5, 17, 24, 37, 38, 43, 53-55, 73
Exhibit A, Attachment II Operations - Pages 3, 4, 20, 47, 54, 92, 131-133, 220	Exhibit A, Attachment II Operations - Pages 3, 4, 20, 47, 54, 92, 131-133, 220
Exhibit E - Table of Contents (3 pages) and Pages 43, 50, 61, 80, 82, 88-95	Exhibit E - Table of Contents (3 pages) and Pages 43, 50, 61, 80, 82, 88-96* *new page(s) due to text revisions and page shift
Exhibit B, Attachment I Special Payment Provisions - Pages 2, 24	Exhibit B, Attachment I Speical Payment Provisions - Pages 2, 24
Exhibit I Staffing Qualifications - Page 7	Exhibit I Staffing Qualifications - Page 7

Prospective Proposers can view and download the CD-MMIS FI Services RFP and other material relative to this procurement from the following internet site:
http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPDentalFiDNLD.aspx

If unable to obtain the RFP, Administrative Bulletins, Addenda, etc., via the internet, prospective Proposers are encouraged to contact OMCP at (916) 552-8006 or omcprfp2@dhcs.ca.gov to request disk or hard copy versions of the document(s).

Thank you for your continued interest in the CD-MMIS FI Services procurement.

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement

Enclosure

Q #	RFP Reference	Section	Question-Issue	DHCS Response
1	RFP Main	N.6.a.4., Page 20	How many years of projected detailed financial plans and proposed cash flow budgets are required?	No RFP change required. As stated in the RFP Main, N, 6, a, 3, the Contractor is required to submit pro forma financial statements for three years and statement of changes in financial position for the next three years predicated upon operation without the award of this contract. Please see RFP Main section N, 6, a,3 for additional details.
2	RFP Main	N.6.a.2), Page 20	The RFP states, "Proposer's public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of the Narrative Proposal." The process of creating month end financial statements for November 2015 requires more time than the December 4, 2015 submission date allows. Will the State consider interim financial statements through October 2015 to be in compliance with this requirement?	No RFP change required. Yes, the State will accept interim financial statements up through the month prior to submission, if the month proceeding the proposal due date is not completed and ready for inclusion in the proposal.
3	Attachments 1-11	Section: A.2; Page(s): 132	In 5.b, the RFP discusses QM certification requirements and delineates that ASO Contractor can choose between two certifications, ISO 9001:2008 and CMMI Level 3. Later in the paragraph, the wording seems to imply that the contractor must ultimately become CMMI certified: "After AOO, the Contractor shall become CMMI Certified." Will the contractor ultimately have to have CMMI certification? Or may the contractor choose between either certification?	DHCS will correct the RFP reference(s) in a future addendum. The certification requirements related to CMMI and ISO will be removed.

Q #	RFP Reference	Section	Question-Issue	DHCS Response
4	Exhibit A, Attachment I	A.20.b.8), Page 37 of 79	The requirement states "Ensure that Dental Outreach is operational at the start of TAR processing (Refer to Exhibit A, Attachment II, Provider Subsystem)." There is no "Provider Subsystem" section in that attachment. Please clarify this cross-reference. Should it be "ASO RFP Exhibit A., Attachment II, D, Provider Outreach?"	DHCS will correct the RFP reference(s) in a future addendum. The requirement should reference Exhibit A, Attachment II, Provider Outreach.
5	Exhibit A, Attachment I	A.21.a, Page 39 of 79	The requirement states "The Contractor shall, two weeks after CED, update and execute its Beneficiary Services Plan" However, that two-week time frame contradicts the requirements in ASO RFP Exhibit A, Attachment I, A.21.b.1-10, which identify multiple tasks involved in executing the plan and varying completion dates (e.g., four months after CED, startup of TAR processing). Please confirm that the Beneficiary Services Plan does not need to be fully executed two weeks after CED.	No RFP change required. The Beneficiary Services Plan shall be updated and executed two weeks after CED.
6	Exhibit A, Attachment I and II	A.22.b.8 and F.5.a. and b., Pages 43 of 79 and 82 of 246	The Takeover section states the "P" factor is 7% and the Operations section states 5%. Please clarify.	DHCS will correct the RFP reference(s) in a future addendum. The "P" factor requirement is 5% and the RFP will be corrected.
7	Exhibit A, Attachment I	A.32, Pages 52-53 of 79	The introduction to this section states that the Financial Management Manual is to be submitted four months after CED, and is to include three things - a) accounting procedures and processes, b) specifications and layout for Estimated Expenses and Actual Expenses reports, and c) specifications and report formats for new reports for ACSLs,	DHCS will correct the RFP reference(s) in a future addendum. All 3 items must be submitted at the same time, 4 months after CED. Please Refer to Exhibit I, Attachment I, A.32, Accounting Requirements, a. Financial Manuals

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			TARs, and TSC billable minutes. However, the last two items are to be submitted three months after CED. Will the last two items be submitted separately three months after CED and again in the FMM four months after CED? Or, will the time frame be updated to submit all three at the same time - four months after CED?	
8	Exhibit A, Attachment I	A.32.c.2, Page 54 of 79	This section requires the Operations Billing Reports to begin Acceptance Testing 6 months after CED. Acceptance Testing is not scheduled to start until 7 months and 15 days after CED. Please clarify which is date is correct.	DHCS will correct the RFP reference(s) in a future addendum. Operations Billing Reports to begin Acceptance Testing at 7 months 15 days.
9	Exhibit A, Attachment I	A.36, Page 73 of 79	The ASO section (paragraph 7) says that the ASO Contractor will begin submitting duplicate authorization reports beginning 10 weeks after CED, with updates starting 10 months 15 days after CED. This is in conflict with the FI requirement to deliver formats at 10 weeks from CED, and begin preparing reports at 10 months 15 days. Please clarify the ASO requirement is to begin using the reports generated by the FI Contractor starting 10 months, 15 days after CED.	DHCS will correct the RFP reference(s) in a future addendum. The format of the duplicate authorization reports must be submitted 10 weeks after CED. Please refer to Exhibit A, Attachment I, A 36 d 7.
10	Exhibit A, Attachment II	Section: Attachment II, Section C, Beneficiary Outreach; Page(s): 44 of 246	Could DHCS provide the number of EPSDT services performed annually?	No RFP change required. All procedures performed on beneficiaries under the age of 21 years of age as described in section 1905(a) of the Social Security Act are considered EPSDT services. The number of services performed annually varies due to the fluctuation in the number of Medicaid eligibles. The number of

Q #	RFP Reference	Section	Question-Issue	DHCS Response
				<p>procedures performed on EPSDT eligible can be found on the MR-O-334 report, broken down by procedure and age. This report is available in the Data Library.</p>
11	Exhibit A, Attachment II	Section: Attachment II, Section C, Beneficiary Outreach; Page(s): 44 of 246	Could DHCS provide the number of beneficiaries that are denoted as limited English proficiency and hearing/visually impaired?	<p>No RFP change required.</p> <p>The number of eligibles with limited English proficiency fluctuates based on the number of eligibles and the demographics of those eligibles being added. Additionally, beneficiaries falling into this category may have access to a responsible party who provides translation services. The number of interpretive services provided can be found in the Data Library, Contractor D-Letters, upon which language interpretive services are provided and billed to the state monthly (Language-Line Interpretive Services).</p>
12	Exhibit A, Attachment II	Section: Attachment II, Section C, Beneficiary Outreach; Page(s): 47 of 246	Could DHCS define the FFS performance measures by county and age group?	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The FFS performance measures include, but are not limited to, the required annual increases in services and visits listed in Exhibit A, Attachment II, Beneficiary Outreach, 5, Beneficiary Outreach Plan, a, Utilization. Also included, at the State's discretion, are the Department established performance measures, documented and detailed in the Welfare and Institutions Code Section 14132.915.</p> <p>While the Beneficiary Outreach section does mention Welfare and institution code 14132.91, DHCS will further clarify the RFP by specifically</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
				adding Welfare and Institutions Code 14132.915 to Exhibit A, Attachment II, Beneficiary Outreach, 7, Reports.
13	Exhibit A, Attachment II	Section: G.5; Page(s): 92	The RFP states that upon adjudication, the Contractor shall return radiographs to providers within 12 calendar days. This does not agree with a recent Denti-Cal Provider Bulletin issued in August (Volume 31, Number 12) that indicates Denti-Cal will no longer return X-rays to providers. Can the Department please clarify the expectation of the Contractor?	DHCS will correct the RFP reference(s) in a future addendum. The return of radiographs is not required; the referenced item will be changed.
14	Exhibit A, Attachment II	J.4.f and J.5.b, Pages 131 & 132 of 246	Please clarify the requirement regarding obtaining ISO and CMMI certifications: 1) Must the ASO contractor achieve both ISO 9001:2008 certification and CMMI Level 3, or may they choose one of the two? 2) Is certification required at the end of the first contract year or the end of the first year of operations?	DHCS will correct the RFP reference(s) in a future addendum.
15	Exhibit A, Attachment II	Section: R. Information Security Office and Privacy Office; Page(s): 208 of 246	DHCS provides a hyperlink to the DHCS Information Technology Policy and Requirements; however, this link is a DHCS intranet website so is not accessible to external proposers. Could you please provide a copy of the policy and requirements or post to an accessible website?	DHCS will correct the RFP reference(s) in a future addendum. The correct URL is “ http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx ”
16	Exhibit B, Attachment I	6.A., Page 23 of 25	The RFP states, "Fifty-five percent (55%) of the Turnover bid price shall be paid in nine equal installments, with nine percent (9%) being withheld from each installment."	DHCS will correct the RFP reference(s) in a future addendum. Bid sheet Attachment 12-5 will be modified to include a separate line item for the Runout Bid

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>Section 7. A. states, "The first fifty-five percent (55%) of the Runout bid price shall be paid in seven equal monthly installments, with seven percent (7%) being withheld from each installment."</p> <p>As the Turnover/Runout Bid is a combined price, how will the price of each component be determined?</p>	<p>price.</p>

this purpose. Place the completed Client References form in the Attachments Section of the Proposal.

- 6) DHCS **will** contact references to validate the information provided by the Proposer to determine the client's overall satisfaction with the services provided. Please be sure points of contact for the selected references are current. Please be sure the references are prepared to confirm the information provided and that references will be available during the period of time that DHCS will be validating references (following the submission of the Proposal). References that fail to respond to the Department will not be considered a valid reference and may result in determining a Proposer to be found nonresponsive.

e. Management Plan

- 1) Describe how the proposing firm will effectively coordinate, manage and monitor the efforts of the assigned staff, including subcontractors and/or independent consultants, if any, to ensure that all tasks, activities and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls that will be employed to ensure the responsible use and management of Contract funds and accurate invoicing. Include at a minimum, a brief description of all of the following:
 - a) How the cost incurred under this project will be appropriately accounted for and only applicable project expenses will be billed to DHCS (e.g., use of unique account/project codes, etc.).
 - b) The proposing firm's fiscal reporting and monitoring capabilities (e.g., spread sheets, automated fiscal reports, quality controls, checks and balances, etc.) to ensure Contract funds are managed responsibly.
 - c) Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not an option.
 - d) Identification of the documentation that will be retained on file or submitted to DHCS, upon request, to prove, support and/or substantiate the expenses that are invoiced to DHCS.
- 3) Include organization charts as instructed in RFP Main, Narrative Proposal Submission, Format and Content Requirements, ****4.i****, Appendix. Place the organization chart in the Appendix Section of the Proposal.
4. Include financial statements as instructed in RFP Main, Financial Stability – Minimum Financial Criteria. Place the financial statements in the Appendix Section of the Proposal.

f. Work Plan

Overview

greater qualifications. This shall include management team members identified in the Narrative Proposal who are currently proposed to work on any other contracts and the manner in which their availability will be guaranteed for this Contract. The Contractor shall describe past contract experience it has had in working with its customers in the replacement of its management personnel assigned to a large contract.

- ii. The Contractor shall guarantee that any senior manager identified in its Narrative Proposal will be assigned to this Contract for at least the first two years, and the Contractor Representative for at least the first three years, unless that employee:
 - 1. Leaves the employment of the Contractor, any of its affiliates, or a subcontractor or any of its affiliations; or
 - 2. Is given advance written Contracting Officer approval.

g) Organization charts

The Proposer shall submit a complete description of its organizational structure and areas of technical capability. This description shall provide the following:

- i. An organization chart and narrative that describes the organizational structure of the business, shows the location of the proposed Contract in the Proposer's firm and indicates if such location is an operation unit, separate location or wholly owned subsidiary. Include a complete description of the division of responsibility within the business.
- ii. An organization chart detailing the relationship of the Proposer to all parent entity(s), corporation(s) and affiliate(s) if the Proposer is a wholly owned subsidiary organization. Include a complete description of the division of responsibilities, decision-making processes and reporting relationships between the Proposer and its parent(s) or affiliate(s), subcontractors and/or independent consultants, if any.
- iii. Instructions are explained in RFP Main, Narrative Proposal Submission, Format and Content Requirements, ****4.t****, Appendix. Place the organization charts in the Appendix Section of the Proposal.

i. Facilities Plan

The Proposer shall submit a Facilities Plan that describes the firm's ability to perform the duties and responsibilities outlined in the SOW, Exhibit A, Attachment I, Takeover and Exhibit A, Attachment II, Operations and the ability to meet the requirements as listed in Exhibit E, Additional Provisions. The plan shall describe the current:

- 1) Office facilities at the Proposer's disposal including number of offices owned or leased, square footage, number of staff housed and physical location and address.

Complete, sign and include the attachments listed below in the Attachments Section of the Narrative Proposal in the order shown below. When completing the attachments, follow the instructions in the following sections of the RFP Main: General Submission Instructions; Narrative Proposal Submission, Format and Content Requirements; and all instructions appearing on the attachment forms themselves. Check the appropriate box on RFP Attachment 2a, Narrative Proposal Required Attachments/Certification Checklist.

Attachment	Instructions
2a - Narrative Proposal Required Attachments/ Certification Checklist	<p>Check each item with “Yes”, “No” or “N/A”, as applicable, and sign and include this form in the <u>Narrative</u> Proposal. If necessary, explain the choices marked.</p> <p>If a Proposer marks “Yes”, “No” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response” determined by DHCS to be unsatisfactory or insufficient to meet a requirement may cause a Proposal to be deemed nonresponsive.</p>
3 - Client References	<p>Complete *, sign* and include this form in the <u>Narrative</u> Proposal. Identify three clients serviced within the past five years of the Proposal submission date that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services and/or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.</p>
4 - RFP Clause Certification	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contract certification clauses appearing in RFP Main, Bidding Certification Clauses.</p>
5 - CCC 307 – Certification	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this attachment. The attachment supplied in this Proposal represents only a portion of the Contractor information in this document. Visit this website to view the State’s Standard Contract Language: http://www.ols.dgs.ca.gov/Standard+Language/default.htm</p>
6 - Payee Data Record	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal.</p>

Q. Cost Proposal Submission, Format and Content Requirements

1. General Instructions

- a. The Cost Proposal Bid Sheets, Transmittal Letter ~~*, all required Cost Proposal Attachments*~~ and the Cost Proposal Required Attachments/Certification Checklist, RFP Attachment 2b, are to be submitted separately from the Narrative Proposal.
- b. The Cost Proposal package is comprised of all completed Bid Sheets, Attachments 12.1 - 12.8, the Cost Proposal Transmittal Letter ~~*, required Cost Proposal Attachments*~~ and the Cost Proposal Required Attachments/Certification Checklist, RFP Attachment 2b.

*

- ~~c. Upon request, and at no cost to Proposers, a CD in Excel format will be provided which contains embedded formulas to be used to calculate bids. Proposers may request the disk by contacting OMCP at (916) 552-8006.*~~

2. Submission Requirements

- a. Submit the Cost Proposal to DHCS as instructed per RFP Main, Sole Point of Contact and Address, and Submission of Proposals and Other Related Documents.
- b. The Cost Proposal package shall include one original printed version, five printed copies and one CD-R/DVD-R copy in Microsoft Excel spreadsheet format. The printed copies and the CD-R/DVD-R shall be exact duplicates of the original printed version
- c. Write the words "Original Cost Proposal" on the spine of the binder containing the original Cost Proposal version, as well as on the front binder cover and front cover page of the original version. Label the printed copies as Copy #1 of X, Copy #2 of X, Copy #3 of X, etc., in the same manner as the original version.
- d. Label the CD-R/DVD-R "Original Cost Proposal" and place it in a protective sleeve that bears the RFP number and title. Secure it into the original Cost Proposal binder.
- e. Package the original Cost Proposal and all copies in a sealed box(es), separate from the Narrative Proposal.
- f. The Cost Proposal must be distinctly identified as follows on the exterior of the box(es):

COST PROPOSAL FOR RFP 13-90271
CALIFORNIA DENTAL ADMINISTRATIVE SERVICES
ORGANIZATION

- g. If more than one box is submitted, carefully address each one as instructed above and mark on the outside of each box, "Box 1 of X", "Box 2 of X", etc.
- h. The Cost Proposal Transmittal Letter ~~*, required Cost Proposal Attachments*~~ and the original RFP Attachment 2b, Cost Proposal Required

Attachments/Certification Checklist *⁷* are to be submitted in a sealed envelope, which is to be affixed to the outside of the sealed box(es) that contains the original Cost Proposal.

3. Format Requirements

- a. Hard copy pages of the Cost Proposal must be printed double-sided on white bond paper that is three-hole punched, and submitted in loose leaf or three ring binders.
- b. Assemble Cost Proposal Bid Sheets in numerical order.
- c. All original Cost Proposal documents that require a 'wet' signature are to be signed in a color other than black ink by the person authorized to bind the Proposer to the Cost Proposal. Signature stamps are not acceptable.
- d. All original-signed documents are to be placed in the Cost Proposal set marked "Original Cost Proposal", the exception being the Cost Proposal Transmittal Letter and **original**RFP Attachment 2b*⁷* which are to be submitted in a separate sealed envelope, as described in 2.h, above.
- e. The original-signed Cost Proposal documents may be photocopied for placement in the five duplicate hard copies.

4. Content Requirements

This section provides bid sheet instructions, and specifies the order and content of each Cost Proposal. Assemble the materials in each Cost Proposal version as described below.

a. Bid Sheet Instructions

- 1) Proposers shall propose a fixed price on each Bid Sheet, Attachments 12.1 through 12.8, in accordance with the instructions provided in this RFP. All Bid Sheets shall be submitted as part of the Cost Proposal. DHCS shall reject Cost Proposals that it determines are not reflective of the Proposer's cost.

"Bid" means the amount of money the Proposer is submitting in the Cost Proposal to perform the services required under the Contract, including actual cost, overhead and profit.

All Cost Proposals must contain a responsible bid. A "responsible bid" is a bid that, during the term of the Contract, gives the Proposer the ability to perform and the will to perform the requirements of the Contract. A Cost Proposal that contains a "zero bid" or a "nominal bid" will be rejected and deemed non-responsive.

A "nominal bid" is a bid wherein DHCS determines the bid does not reflect the projected actual cost the Proposer will incur in performing the services required under the Contract and does not offer the Proposer any financial incentive to perform those services.

Proposal Cover Page

Name of Proposing Firm (*Legal name as it will appear on the Contract*)

Mailing Address (*Street address, P.O. Box, City, State, Zip Code*)

Person authorized to act as the primary contact for matters regarding this Proposal:

Printed Name (<i>First, Last</i>):		Title:
Telephone number:	Fax number:	Email address
()	()	

Person authorized to sign all Proposal documents on behalf of the proposing firm:

Printed Name (<i>First, Last</i>):		Title:
Telephone number:	Fax number:	Email address
()	()	

Signature of Authorized Representative:	Date:

Exhibit A, Attachment I
Scope of Work - Takeover**4. General Requirements**

- a. The Contractor shall designate one individual as the Takeover Director at CED. The Takeover Director shall be responsible for ensuring that all Takeover requirements are met. The Department of Health Care Services (DHCS) reserves the right to review and approve the appointment of the Takeover Director and Takeover Management Team, as well as to instruct the Contractor to make changes to the Takeover Director position and/or Takeover management team at any time during Takeover. The responsibilities of the Takeover Director shall include ongoing management and shall overall serve as the Contractor's liaison to the Department. The Takeover Director shall work in collaboration with the Takeover Director of the CD-MMIS FI Contractor to ensure successful execution of the ONE comprehensive Takeover Project Plan. The Takeover Director shall be fully qualified for this position in accordance with requirements in Exhibit ****I****, Staffing Qualifications.
- b. Activities during the Contractor's Takeover Phase and the incumbent Contractor's Turnover Phase shall be coordinated and synchronized to every extent possible. The Contractor shall work with the Department and the incumbent Contractor to understand the incumbent's contract's Turnover requirements, Turnover Project Plan tasks, milestones and deliverables, and determine how they interface with the Contractor's Takeover activities and Project Schedule. Best efforts shall be made by both Contractors to coordinate all aspects of Takeover and Turnover.
- c. The Contractor shall establish and maintain consistency in the deliverables produced in Takeover of this Contract with like or better deliverables produced during Turnover at the end of this Contract. Therefore, the Takeover hardware and software inventories described in this Takeover section of the Contract shall be the same formats as those described in Exhibit A, Attachment III, Turnover and Runout, Acceptance Testing Support. The hardware and software inventories shall be maintained and updated throughout the Takeover, Operations and Turnover and Runout Phases of this Contract. The inventories shall be updated with all new inventory and modifications directed by the Department during the term of the Contract. The Contractor shall maintain all inventories in an accurate and up to date manner throughout the term of the Contract and in the format directed by the Department.
- d. The Contractor shall employ adequate staff to complete all required deliverables and perform activities described in Takeover by the required due dates. To the extent additional staffing is needed to complete a required deliverable or task, the cost for this staff shall be included in the Takeover Bid Price.
- e. Throughout Takeover and the entire Contract, all documentation shall be in the format specified in Exhibit A, Attachment II, Administration Support of Contract Changes, and Exhibit A, Attachment II, Documentation Responsibilities. The State of California, DHCS will not accept documentation methodology in any other format, unless previously approved in writing by the Contracting Officer.

Exhibit A, Attachment I
Scope of Work - Takeover

12. Organizational and Personnel Acquisition

The Contractor shall, two weeks after CED, update its Organizational and Personnel Acquisition Plan presented in its Narrative Proposal. This plan shall be comprised of the following three separate and distinct sections:

a. Personnel Acquisition Plan

This section of the plan shall completely describe the method of recruitment and selection of staff to prepare the Contractor for full operation of the ASO Contract. In addition to a narrative discussion, the Personnel Acquisition section of the plan shall include a Staff Loading Chart and a Gantt chart (or equivalent). The Personnel Acquisition section shall specifically include the following information:

- 1) A chart showing the name and number of staff to report to work on this Contract by month and classification; include fixed price and cost reimbursed; employee identification code, functional position title, organizational work area, staff category and job classification designation; comparing each to the staff proposed in its Narrative Proposal or as modified with approval of the Contracting Officer;
- 2) The method of hiring ASO Operations staff, including sources of recruitment and numbers employed, and by functional area;
- 3) An explanation, including specific actions to be taken, of how the Contractor will assure the Department that sufficiently experienced and trained personnel are available to support all Takeover tasks and begin full ASO Operations without interruption of service to providers, beneficiaries, and the Department;
- 4) A description of alternative actions, or contingency plans, if the Contractor is unable to recruit sufficient numbers of adequately trained staff for each functional or operational area on a timely basis, or if the Contractor's original estimates are too low;
- 5) A plan for hiring all specialized trained/experienced staff, as prescribed throughout the Contract, and in accordance with requirements in Exhibit E, Additional Provisions and Exhibit ****1****, Staffing Qualifications. The plan shall provide for hiring these staff during Takeover within the time frames required in this Contract; and
- 6) A plan for recruiting and transitioning the incumbent's CD-MMIS employees to this ASO Contract, without impacting operation of the CD-MMIS on the FI Contract prior to AOO.

Unless otherwise stipulated, plans, manuals, charts, and procedures relating to ongoing operational components shall be maintained and updated, and available to the Department upon request throughout the term of the Contract.

Exhibit A, Attachment I
Scope of Work - Takeover

- 5) Interdependencies with other Takeover tasks and contingencies for problems and delays. The Contractor shall completely describe how it will utilize space to support Takeover activities including any temporary space needed for Contractor and Department staff, and how space needs will be handled for each Takeover task;
 - 6) Allocated permanent space by function, including Department space;
 - 7) Accessibility to on-site Operations;
 - 8) Access to telephones, workstations and electrical power;
 - 9) Available parking, including State visitor, DHCS only, one State Vehicle designated space, and disabled parking spaces at all Sacramento locations; and
 - 10) A description of any other space and the Contractor's schedule for its occupation.
- b. Scheduled Execution and Reporting
- 1) All Department liaison and planning activities shall take place in Sacramento. The Contractor shall comply with all requirements as defined in Exhibit E, Additional Provisions, for providing facilities and equipment for ~~up to fifty (50)~~ *up to fifty* Department staff, including temporary office space for Department Takeover staff, two weeks after CED, and space for full Department monitoring staff available no later than ten (10) months and fifteen (15) days after CED. Department staff shall be able to move into the permanent Contractor facility at the same time as shall the Contractor's staff.
 - 2) The Contractor shall obtain a permanent facility within a twenty-five (25) mile radius of the State Capitol to operate ASO Operations, including all Operations staff for both the Contractor and Department personnel. This includes the hardware for the mainframe and non-mainframe systems as specified in Exhibit E, Additional Provisions. The permanent facility shall be completely staffed and operable ten (10) months, fifteen (15) days after CED. Until this facility is installed, ASO Takeover activities shall take place within twenty-five (25) miles of the State Capitol in accordance with Exhibit E, Additional Provisions. Until the facility is installed, the Contractor shall have available, in the greater area of Sacramento, sufficient space to perform its Takeover activities, including all testing and staff training responsibilities.
 - 3) The Contractor shall have use of an operational data center and backup site able to support the Contract upon CED. DHCS reserves the right to require the Contractor throughout the term of the Contract to transfer the complete ASO Operations within ten (10) business days to DHCS or a designee, as directed by the Contracting Officer. The Hardware and Equipment Acquisition and Installation Plan shall completely describe the steps needed to accomplish this requirement.

Exhibit A, Attachment I
Scope of Work - Takeover

requirements described in Exhibit A, Attachment II, at the startup of TAR processing;

- 2) Ensure all Provider Services staffing are hired in sufficient numbers and adequately trained to answer provider concerns and train providers;
- 3) Ensure Provider Services is fully staffed and operational at the startup of Claims processing. "Fully operational" is defined as being able to meet all the requirements in the SOW, including spikes that may occur at various times throughout the Contract;
- 4) Include developed procedures for responding to all provider complaints and/or questions received. These procedures shall be submitted for review and approval as part of the Provider Services Plan and they shall provide for minimal disruption of service to providers and in the resolution of concerns;
- 5) Apply weekly updates of the PMF by the start of the next business day after receipt from the prior Contractor;
- 6) Beginning on the first day of claims processing, all enrollment requests shall be transferred to the Contractor and process on-line provider updates to the PMF from that date forward;
- 7) Respond to all inquiries from provider associations within five business days of receipt of inquiry during Takeover. All other provider-related responses shall meet appropriate operational cycle time requirements;
- 8) Ensure that Dental Outreach is operational at the start of TAR processing (Refer to Exhibit A, Attachment II, Provider [**Outreach**](#)); and
- 9) Develop procedure manuals to be used by Provider Services. Manuals shall describe, at desk level detail, the procedures the Contractor shall follow in meeting the operational requirements as described in Exhibit A, Attachment II, Provider [**Services**](#). Manuals shall be submitted for Department approval four months after CED and approved and installed five months after CED.

The manual shall include, but not limited to, the following:

- a) Overview of the Contractor's Provider Services activities;
- b) A comprehensive plan describing all Provider Services functions;
- c) Quantitative and qualitative reporting requirements;
- d) Procedures regarding enrollment and certification of providers;
- e) Procedures for completing provider enrollment and provider agreement responsibilities;
- f) Procedures for enrolling out-of-state providers;

Exhibit A, Attachment I
Scope of Work - Takeover

- g) Procedures for correspondence control including inquiries by telephone and/or in writing;
- h) Procedures for provider on-site visits;
- i) Overview and procedures for development, storage, printing distribution of CD-MMIS forms, provider manuals, and bulletins; and
- j) Procedures regarding enrollment/disenrollment of providers into the direct deposit and Electronic Data Interchange (EDI) - optional programs, including procedures required to verify the provider's technical ability to comply with the EDI requirements.

c. Provider Printing And Publications

The printing and publications Operation shall have sufficient trained staff to handle all of printing and publication requirements and needs and shall be fully staffed and operational prior to the startup of TAR processing. Fully operational is defined as being able to meet all Takeover requirements as well as the requirements in the Provider Section of this Contract. Additionally, the Contractor shall have a Contingency Plan to be followed should staffing prove inadequate for the Contractor to meet all of its contractual requirements.

d. CD-MMIS Forms

The Contractor shall:

1. No later than four months following CED, obtain subcontracts for all cost reimbursed and fixed price CD-MMIS forms to be printed, or demonstrate the ability to print specific forms without a subcontract. No later than five months after CED, the Contractor shall have an adequate supply of these forms to perform the internal Operations of the CD-MMIS and to provide an initial set of forms and re-order forms to all enrolled Medi-Cal Dental providers (See Exhibit A, Attachment II, Provider [**Services**](#)) prior to the startup of TAR processing. The Contractor shall verify providers have the supplies necessary to facilitate payment, treatment and operations of the Medi-Cal Dental Contract, and as necessary, provide instructions for use in billing the Contractor, one month prior to the startup of TAR processing;
2. Accept, for processing, any CD-MMIS forms printed by the prior FI Contractor or its subcontractor and submitted by a provider. The Department will transfer, for use by the Contractor, any forms owned by the Department; and
3. Ensure utilization of the CD-MMIS claim forms used by the prior Contractor and procedures to modify claim forms and other documents.

Exhibit A, Attachment I
Scope of Work - Takeover

shall have a dental consultant accessible for consultation and/or to assist the operators in speaking with the beneficiary and/or their dental provider; and after regular business hours, provide an automated message system to collect caller information (e.g., voice mail);

- 8) Ensure the weekly average number of incoming calls blocked (calls receiving a busy signal) shall be no greater than ****five**** percent, hereafter referenced as the "P" factor;
- 9) Return voice mail messages from beneficiaries within one business day;
- 10) Ensure TSC operators have access to all on-line systems containing active Medi-Cal dental providers, beneficiary dental histories, and/or hard copy references to fully support the telephone function and associated administration support activities;
- 11) Ensure TSC provides services in all threshold language including, but not limited to, written translations as directed by the Department;
- 12) Provide assistance to Limited English Proficient (LEP) and hearing impaired beneficiaries;
- 13) Ensure all TSC staffing are adequately trained to answer provider and beneficiary concerns and train providers;
- 14) Ensure TSC operators have access to all reference materials required to perform beneficiary and provider service functions by the start of TAR processing and maintained thereafter;
- 15) Ensure that all necessary telecommunication systems and equipment are installed and fully operational one month prior to the startup of TAR processing activities;
- 16) Ensure the TSC is fully staffed and operational at the startup of Claims processing. "Fully operational" is defined as being able to meet all the requirements in the SOW, including spikes that may occur at various times throughout the Contract; and
- 17) Ensure there are management personnel to supervise telephone operations; perform direct liaison activities with Department personnel; and sufficient clerical and administrative staff to meet toll-free telephone operational needs.

23. Procedure Development and Installation of Procedures

a. Manual Procedures Installation Plan

One month following the CED, the ASO Contractor shall work collaboratively with the FI Contractor to submit to the Department an ASO Operations Manual Procedures Installation Plan.

Exhibit A, Attachment I
Scope of Work - Takeover

- 1) Accounting procedures and processes for meeting the requirements of Exhibit E, Additional Provisions, Accounting Requirements. These procedures and processes shall also classify expenses by Takeover, Operations, Change Orders, Cost Reimbursement, Turnover, and each cost reimbursable category of staff. Each of these major classifications of expenses shall be further broken down by:
 - a) Personnel time reporting
 - b) Ordering and paying for goods and services
 - c) Cost accounting services
 - d) Allocation of expenses not totally dedicated to this Contract
 - e) Accounting ledgers
 - f) Allocation (internal and external) methodologies for Cost Reimbursement
 - 2) Updated specifications and report layouts for both the Estimated Expenses and Actual Expenses Reports, as specified in Exhibit E, Additional Provisions, **four** months from CED; and
 - 3) Specifications and report formats for the development of new reports for ACSLs, TARs and TSC billable minutes using the CD-MMIS CP-0-495, CP-0-496, and CP-0-497, General CD-MMIS Billing Report Format, as required in Exhibit B, Attachment I, Special Payment Provisions, **four** months after CED, for Department approval. Reports shall be scalable to accommodate various ranges.
- b. Cost Reimbursement Plan
- Submit a Cost Reimbursement Plan one month after CED for approval by the Department. This plan shall include, at a minimum, a narrative of the Contractor's activities in cost reimbursable areas during Takeover, and the information specified in Exhibit B, Attachment I, Special Payment Provisions.
- c. Scheduled Execution and Reporting
- 1) The Contractor shall work with the FI Contractor to develop, test, and obtain Department approval for Operations billing reports that measure the following:
 - a) Billable and non-billable ACSLs;
 - b) Billable and non-billable TARs; and
 - c) Billable and non-billable "minutes" for the TSC.

Exhibit A, Attachment I
Scope of Work - Takeover

- 2) The Contractor shall begin Acceptance Testing ****seven months fifteen (15) days after CED** to obtain **timely**** Department approval. No scanned document, ACSL, TAR, or TSC billings may occur prior to Department approval and acceptance of these reports.
- 3) The reports shall be approved and installed at the startup of TAR processing.

33. Other Administrative Procedures

The Contractor shall develop any and all administrative procedures required to take over the Contract and perform ASO Operations; these include such areas as budgeting and financial areas, personnel, and computer operations. All administrative procedures required for Assumption and Operations shall be submitted to the Contracting Officer during Takeover for prior approval.

34. System Testing

a. System Test Plan

The ASO Contractor shall review the FI Contractor's updated System Test Plan. The FI Contractor shall incorporate the ASO Contractor in the review process prior to submitting to the Department for approval. The FI Contractor shall submit an updated System Test Plan to the Department for review and approval ****two months and fifteen (15) days**** after CED. The System Test Plan submitted with the Narrative Proposal shall completely describe the overall testing strategy to implement the System Test Support Plan. The FI Contractor's System Test Plan shall:

- 1) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt chart (or equivalent) demonstrating how the Takeover responsibilities shall be performed;
- 2) Include the scope of the system testing described in the System Test Support Plan; the activities to be completed, the resources, and the methods and processes to be used to test;
- 3) Include detailed identification and assignment of each task or deliverable and the dependencies required until the completion of system testing;
- 4) List major project team roles and the individuals who shall fill these roles, along with the specific responsibilities those individuals shall have. Identify the project team roles that are responsible for all major work activities and supporting processes; and
- 5) Completely describe the operating system and licensed system software proposed to support the system test environment, and all non-mainframe systems.

The ASO Contractor shall provide a walkthrough of their review upon Department request.

Exhibit A, Attachment I
Scope of Work - Takeover

b. System Test Support Plan

The ASO Contractor shall review the FI Contractor's updated System Test Support Plan. The FI Contractor shall incorporate the ASO Contractor in the review process prior to submitting to the Department for approval. The System Test Support Plan submitted with the Narrative Proposal shall be updated two months *~~and fifteen (15) days~~* after CED and shall completely describe the method(s) of testing all manual and automated segments of the CD-MMIS as well as scheduled test dates. System testing of the CD-MMIS shall progressively test each program (unit test), each job structure, and real-time application within each CD-MMIS subsystem. The FI Contractor's System Test Support Plan shall:

- 1) Provide a description of all system testing job runs;
- 2) Provide a description of all batch processing cycles;
- 3) Confirm operating performance including all non-mainframe systems;
- 4) Clearly define, provide detailed description, uniquely identify, and independently schedule each test to be performed;
- 5) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt chart (or equivalent) demonstrating how the System Test Support Plan shall be performed;
- 6) Develop a method to conduct two parallel tests of the CD-MMIS claims and TAR processing functions with the prior Contractor. The Contractor shall conduct the second test during the Acceptance Test period. The results of these tests shall be reviewed by the Department and shall serve as input to the Acceptance Test decisions on Contractor readiness to assume full operation of the CD-MMIS;
- 7) Define System Test documentation standards; provide for inclusion of initial and subsequent test results and storage of all test documentation in a central location in a manner easily accessible and retrievable by Department monitoring staff;
- 8) Relate tests to CD-MMIS system design documentation and overall Contract requirements;
- 9) Review manual, clerical, and operating procedures. Validate QM procedures for setting accuracy and error levels and for monitoring compliance;
- 10) Define and validate control procedures;
- 11) Identify the number, classification, and names of key staff responsible for each test, including Contractor staff responsible for communication with the Department during System Testing;
- 12) Include actual test scenarios and situations;

Exhibit A, Attachment I
Scope of Work - Takeover

- 6) Receive, one business day prior to the assumption of claims processing under this Contract, any processing residual TAR and TAR-related inventory from the prior Contractor. The date of receipt from the prior Contractor shall be used as the beginning date for calculating cycle time. This residual inventory shall include, but not be limited to, the following:
 - a) TARs entered into the system and still in process;
 - b) Incomplete Clinical Screening transactions;
 - c) RTDs awaiting key entry to the system;
 - d) NOAs requesting reconsideration of denied line(s) or extension(s) of time; and
 - e) CIFs (TAR Tracers).
 - 7) Take appropriate action to resolve the duplication of NOAs for all duplicated requested services authorized by both the Contractor and the prior Contractor during the TAR processing overlap. Ten (10) weeks after CED, the FI Contractor shall provide ****[the format of](#)** a weekly report listing each duplicated authorization and the provider(s) requesting services **[for Department approval](#)**. Beginning Ten (10) months and fifteen (15) days after CED and continuing through month nineteen (19), **[the ASO Contractor shall review](#)** the weekly report and **[resolve duplicated services](#)********.
 - a) If the duplication involves different providers, call each provider to determine who will provide services and then cancel the NOA issued to the provider who will not perform services. If no services have been provided and the providers are uncertain as to who will provide the services, the most recent NOA shall be canceled;
 - b) If the NOAs are issued for the same provider, telephone the provider and inform him/her that the last NOA issued will be canceled and when requesting payment to submit the first issued NOA; and
 - c) In either instance, follow up the telephone contact with a letter of cancellation and also change the system to show the NOA has been canceled.
 - 8) Assist providers who are submitting documents to the incorrect Contractor or who are having difficulty determining who has the document.
- e. Assumption of Claims Processing

On the first day of the thirteenth (13th) month after CED, the Contractor is scheduled to assume claims/NOA processing with this date of service onward. With Contractor assumption of claims/NOA processing activities, the following requirements exist relative to ASO processing responsibilities:

- 1) The assumption of Claims Processing task shall commence on the first day of the thirteenth (13th) month after CED and end with the completion of

Exhibit A, Attachment II
Scope of Work - Operations

- 8) The CD-MMIS system is also comprised of several smaller non-mainframe systems.
- b. CD-MMIS has many manual and automated interfaces with state agencies, providers, and other entities, as well as many distinctive features.
 - 1) The major inputs for CD-MMIS which are to be managed by the ASO Contractor include, but are not limited to:
 - a) Provider Enrollment Applications;
 - b) Medi-Cal and other program policy updates from the Department;
 - c) Change Orders and Dental Operating Instruction Letters (DOILs) from the Department;
 - d) Claim Detail Report (CDR) requests from the Department and other authorized users;
 - e) S/URS parameters from the Department;
 - f) Radiographs supporting claims/TARs from providers;
 - g) Any correspondences to/from beneficiaries and providers;
 - h) State Hearing Requests/Decisions from the Department of Social Services (DSS);
 - i) Licensing information from the Department of Consumer Affairs (DCA); and
 - j) Supporting documentation from providers.
 - 2) The major outputs for CD-MMIS which are to be managed by the ASO Contractor, include but are not limited to:
 - a) Provider manuals, bulletins, claim forms, NOAs, and other documents distributed to beneficiaries, providers, provider associations, vendors, submitters, and stakeholders;
 - b) Resubmission Turnaround Documents (RTDs);
 - c) Claim inquiry responses;
 - d) Management reports;
 - e) S/URS reports;
 - f) CDRs;
 - * ~~g) Reviewed radiographs returned to providers;~~* **

Exhibit A, Attachment II
Scope of Work - Operations

- h)g) _____ State Hearing transmittal memoranda;
- h) Various Financial Reports;
- i) Manual (MN) Reports;
- k) Beneficiary Treatment Authorization Requests Notification Letters; and
- k) Updates and modifications to website content, also including, but not limited to, provider and/or beneficiary mass email.**

More specific information regarding the FI and ASO Contractor responsibilities for each of these elements can be found in their respective portions of the Contracts.

5. Components

a. Provider Services

The Contractor shall provide all provider services including, but not limited to, provider outreach to encourage increased provider participation and enrollment; provider education to ensure that providers are kept current on the most recent and applicable program information including billing procedures and Department policies via publications, mass email, etc.; and provider support services. (For further information, refer to the ASO Contract, Exhibit A, Attachment II, Provider Services and the ASO Contract, Exhibit A, Attachment II, Provider Outreach.)

b. Beneficiary Services

The Contractor shall provide all beneficiary services including, but not limited to, beneficiary education to ensure that beneficiaries are properly informed of their scope of benefits, best practices for good oral health, and overall program polices; beneficiary assistance services such as the warm transfer process to assist in the scheduling of dental appointments for timely access to care; and facilitating the process to avail beneficiaries of their right to a State Hearing. (For further information, refer to ASO Contract, Exhibit A, Attachment II, Beneficiary Services and ASO Contract, Exhibit A, Attachment II, Beneficiary Outreach.)

c. Recipient Eligibility

The Contractor shall utilize recipient eligibility provided through the Recipient Subsystem to establish, verify and update beneficiary eligibility at the document level to facilitate claims processing. The Recipient Subsystem provides centralized control of eligibility data for all Medi-Cal, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), and Child Health and Disability Prevention (CHDP) Gateway beneficiaries. The Recipient Subsystem receives information maintained exclusively by the Department to identify those persons who are eligible for benefits. This eligibility data is provided to the Contractor for use with other subsystems and for on-line inquiries. (For further information, refer to the FI Contract, Exhibit A, Attachment II, Recipient Subsystem.)

Exhibit A, Attachment II
Scope of Work - Operations

- 7) Include a comprehensive training assessment including, but not limited to, feedback from every provider training event from attendees and evaluation forms; and
 - 8) Report the previous year's attendees performance improvement (e.g., decrease in the denial rate) in the program to the Department at the end of the calendar year to determine the effectiveness of the training program.
- b. Ensure the provider training program meets the following requirements:
- 1) Develop and continually update the Training Manual;
 - 2) Ensure a minimum of four different types of training seminars available include: basic, advanced, workshop, and orthodontia seminars;
 - 3) Changes to course materials shall be submitted to the Department for approval a minimum of thirty (30) business days prior to each scheduled seminar;
 - 4) Training materials shall be posted to the Denti-Cal website within five business days of Department approval for new or revised training material;
 - 5) Schedule provider training seminars at a minimum of three months in advance of the training date(s) in accordance with the annual provider training plan approved by the Department. Submit the schedule to the Department for approval each quarter;
 - 6) Upon Department approval of the provider training schedule, the Contractor shall include the training schedule in the next bulletin cycle and post the approved schedule on the Denti-Cal website within five business days. Ensure the registration form, and instructions for completing the form, are simple and readily available on the Denti-Cal website;
 - 7) Directly contact providers practicing in surrounding areas, a minimum of ****thirty**** (30) days in advance of the training event, as defined by a fifty (50) mile radius from the location of the provider seminar training. Providers with high denial rates in claims submissions in the surrounding area shall be especially targeted to inform providers of the opportunity to learn ways to successfully bill the Medi-Cal Dental program;
 - 8) Consider more populated areas with a high volume of Medi-Cal dentists to ensure a larger number of attendees when developing the annual provider training plan and when scheduling provider seminars throughout the State. Training sites shall be alternated in the larger cities to provide greater access for attendance;
 - 9) Schedule seminars to allow as much time as necessary to cover subject matter and allow for a question and answer period; however, no seminar shall be less than four hours in length;
 - 10) Notify training participants to download seminar presentation materials prior to arrival at seminars;

Exhibit A, Attachment II
Scope of Work - Operations

- c) Gaps in services in local areas (may include ancillary services such as transportation, etc.);
- d) Successful and creative treatments and/or interventions;
- e) Need for specialized treatments and/or interventions;
- f) Innovative and/or specialized programs that promote improved clinical outcomes; and
- g) Recommendations to resolve issues.

7. Reports

The Contractor shall:

- a. Collaborate with the CD-MMIS FI Contractor to produce Beneficiary Outreach reports through CD-MMIS;
- b. Provide the Department-requested ad-hoc reports using available systems and tools, including available databases, data warehouses, and decision support systems;
- c. ****Submit to the Department monthly, quarterly, and annual reports to FFS performance and program utilization measures including, but not limited to, the annual increases in services and visits required in the Beneficiary Outreach Plan, and at the State's discretion, the Department established performance measures documented and detailed in the Welfare and Institutions Code Section 14132.915. These FFS measures set by the department must provide State wide information, as well as metrics broken down, by county and age group. This includes separate data from federally funded clinics. The Contractor shall include a summary of all counties and baseline numbers in effect at beginning of the Contract****; and
- d. Ensure all reports meet requirements described in the Exhibit A, General Reporting Requirements section in this Contract, unless otherwise specified.

8. Staffing

The Contractor shall:

- a. Provide an organizational structure and staffing to ensure sufficiently qualified staff is employed to meet all Beneficiary Outreach duties and responsibilities identified within this section;
- b. Ensure sufficient management staff is available to participate in management control of activities, attend planning and problem resolution meetings, as well as provide sufficient clerical and administrative support staff necessary to meet all Contract requirements;
- c. Provide, at a minimum, one dedicated dental consultant (California licensed dentist) for both Beneficiary and Provider Outreach units to coordinate, oversee, and travel statewide to recruit and retain providers; educate health professionals, educators and beneficiaries; and create awareness of the Medicaid Dental Program, (Refer to Exhibit A, Attachment II, Provider Outreach);

Exhibit A, Attachment II
Scope of Work - Operations

d. Access to Care Survey

The Contractor shall conduct an annual survey of a statistically valid and representative sample of all licensed dentists in clinical practice in California with oversampling of dental specialists, to assess perceived barriers to dentist participation in the Medi-Cal Dental Program. Survey results and recommendations shall be submitted to the Contracting Officer within forty-five (45) business days.

7. Reports

The Contractor shall:

- a. Collaborate with the CD-MMIS FI Contractor to produce Provider Outreach reports through CD-MMIS once Departmental approval for the content and format of the reports has been acquired;
- b. Provide Department requested ad-hoc reports using available systems and tools, including available databases, data warehouses and decision support systems;
- c. Ensure all reports meet requirements described in Exhibit A, Attachment II, General Reporting Requirements section, unless otherwise specified; and
- d. Produce monthly, quarterly, and Contract phase annual reports to include, but not limited to, the following:
 - 1) Number of billing and rendering general dentist and dental specialist providers actively enrolled in the Medi-Cal Dental Program Provider Master File (PMF). Include a breakdown by county and specialty and baseline numbers as of start of the Contract;
 - 2) Number of billing and rendering providers with at least one claim submitted in the previous 12 **month** period. Include a breakdown by county and specialty and baseline numbers as of start of the Contract;
 - 3) Number of potential providers (i.e., those in clinical practice but not currently Medi-Cal enrolled dental providers) contacted by geographical location, provider names, provider identification (ID) numbers, and type of practice (general dentistry and/or specific specialty);
 - 4) Whether dentist is or is not accepting new Medi-Cal beneficiaries by age groups accepted, and any limitations imposed, e.g., age, number, special health care needs;
 - 5) Contact and report on dental professional schools, universities, federally funded dental clinics, school-based health centers, dental professional organizations contacted, invited to be Medi-Cal Dental Program providers and their response;
 - 6) Providers contacted through outreach efforts and their response;
 - 7) Providers using mobile and/or portable dental equipment;

Exhibit A, Attachment II
Scope of Work - Operations

- b. Ensure that appropriate Contractor staff with relevant knowledge, skills, and qualifications attend and actively participate in the Department's Dental Policy Advisory Group (DPAG) to resolve claim/TAR adjudication problems and to address changes in dental technologies within the Claims Processing Subsystem (administered by the FI Contractor). Problem resolution may occur through development of or revision to program policies, as well as proposing new and/or modified edits/audits, etc., that are necessary to adjudicate claims/TARs in an accurate and consistent manner. All decisions and/or directions will be communicated, in writing, to the FI and ASO Contractors by the Department (e.g., in the form of Dental Operating Instruction Letters (DOILs), Contractor Letters, System Development Notices (SDNs), Miscellaneous Change Documents (MCDs), Changes Orders, Problem Statements (PSs), etc.).
- c. Assist the Department in responding to dental State Hearings as described in ASO Contract, Exhibit A, Attachment II, Beneficiary Services section.

5. Electronic Data Interchange (EDI) Document Responsibilities

The Contractor shall:

- a. Accept for processing all EDI documents that pass the preliminary edits performed by the system;
- b. Ensure the DCN assigned to each claim/TAR submitted via EDI be the same DCN assigned to the corresponding attached documents. The DCNs/MRDCNs must be assigned by the system in accordance with date of EDI receipt. (EDI and paper claims/NOAs/TARs/RTDs are to be identified through embedded intelligence assignment of a special number in the DCN/MRDCN/CRN);
- c. Adjudicate EDI documents after entering the normal system workflow process after assignment of the DCN/MRDCN by the system;
- d. Ensure all attachments and/or radiographs are for the correct claim/TAR/NOA/RTD entered into the system via EDI (i.e., same beneficiary, provider and service office); and
- e. **Ensure upon [final](#) adjudication, radiographs shall be recycled [and not returned to the providers. The Contractor shall encourage providers to submit duplicated or digitized radiographs to avoid potential loss of original radiographs.](#)**

6. Adjudication Responsibilities

The Contractor shall:

- a. Apply Department approved CD-MMIS prepayment/pre-authorization edits and audits to verify accuracy and validity of claim/TAR/CIF data for proper adjudication as necessary. The CD-MMIS edits/audits may be categorized as:
 - 1) Claim/TAR Data Entry Edits.
 - 2) Provider Edits.

Exhibit A, Attachment II
Scope of Work - Operations**4. General Responsibilities**

The Contractor shall:

- a. Transmit all Quality Management Dental Consultant (QMDC) reports to the Department through the standard reporting procedures provided in this Contract; however, all working papers used in preparation of the QMDC report shall be available to the Department upon request;
- b. Receive copies of any and all change documentation related to document adjudication policy and procedures, including, but not limited to, Dental Operating Instruction Letters (DOILs), System Development Notices (SDNs), Miscellaneous Change Documents (MCDs), Change Orders, and Exceptional Processing Instructions (EPIs);
- c. Ensure there are appropriate methods for monitoring Contractor performance that include, but are not limited to, the following:
 - 1) Sample testing of claims, Treatment Authorization Requests (TARs), Notice of Authorizations (NOAs), Claim Inquiry Forms (CIFs), and eligibility verification responses;
 - 2) Sample testing of provider and beneficiary Telephone Service Center (TSC) calls to evaluate the accuracy and quality of customer service delivered;
 - 3) Conduct reviews on the Interactive Voice Response (IVR) system for accuracy and Contract compliance;
 - 4) Document processing functions and routine audit activities; and
 - 5) Review provider payment files prior to the FI Contractor performing the final checkwrite function.
- d. Perform these tests on a systematic schedule to determine the reliability of Contractor Operations in meeting Contract requirements and accuracy in claims and other document processing as well as other administrative and operational processes. When a system problem is encountered, the Contractor shall refer to Exhibit A, Attachment II, Administrative Support of Contract Changes for standards and procedures;
- e. Provide additional review and research of the processes used in the system to determine the cause of the errors and develop the systematic means to reduce the defective source of these errors, and shall not attribute inaccuracies to human errors. The analysis of errors that may have resulted from human error must extend back and analyze the actual business or other processes which may have caused the error. At the Department's discretion, a Corrective Action Plan (CAP), developed in conjunction with the FI Contractor, may be required when the monthly error rate is two percent or greater;

*

~~f. Ensure the entire Operation is in compliance with ISO 9001:2008 standards upon Contract implementation and shall be certified to ISO 9001:2008 within one year~~

Exhibit A, Attachment II
Scope of Work - Operations

~~of Assumption of Operations (AOO). Maintain certification each year by meeting or exceeding the most recent standards and/or guidelines;*~~

**

~~g.f.~~ Develop and execute QM measures to verify and validate the processes and work products throughout the term of the Contract. ;

~~h.g.~~ Ensure Contract compliance and timely performance of Contractor responsibilities through supervisory and management review;

~~i.h.~~ Ensure completeness, accuracy, and timeliness of deliverables to the Department;

~~j.i.~~ Identify situations, occurrences, and deficiencies where schedules and accuracy standards are not met by the Contractor; and

~~k.j.~~ Allocate an adequate number of trained and qualified staff, including various resources to perform these QM activities to meet the time frames specified.**

5. Quality Management Plan

The Contractor shall:

a. Develop and maintain a QM Plan describing the Contractor's process for reviewing, verifying, and validating processes, work products, and deliverables to ensure compliance with Contract requirements, as well as processes for improving performance;

*

~~b.~~ ~~Meet or exceed the requirements for Capability Maturity Model Integration (CMMI) Level 3 or ISO 9001: 2008. The Contractor staff must achieve certification from an independent third-party evaluator in whatever methodology they propose by the end of Contract year one. All tools and methodology must be brought to this account and used with all quality activities. The Contractor-assigned team shall have a thorough understanding of CMMI. After AOO, the Contractor shall become CMMI certified and shall monitor CMMI or ISO for newer versions to stay current with the latest release;*~~

**

~~e.b.~~ Staff a QM Director responsible for the oversight, operation, and success of the program and who shall spend an adequate percentage of time on QM/QA activities including the Quality Management, Quality Assurance, and Utilization Management Improvement programs;

~~d.c.~~ Submit annual updates to the QM Plan which shall be initially approved by the Department in the Takeover Phase and executed throughout the term of the Contract, including Turnover;

~~e.d.~~ Fully document an organizational structure to support the following:

- 1) A collaborative approach to monitoring Contract responsibilities through continuous performance reviews and analyses of Contract processes;
- 2) Provide regular disclosure of findings to ensure early correction of problems and issues; and

Exhibit A, Attachment II
Scope of Work - Operations

3) Provide ongoing identification of opportunities for enhancing overall program and Contract performance.

f.e. Identify operational areas to be reviewed and provide an overview of the performance monitoring methodology used to evaluate those areas;

g.f. Develop preventive measures used to identify, research, report, and correct problems, which, if resolved, would increase the efficiency and accuracy of Operations;

h.g. Ensure communication processes within the Contractor's organization; (e.g., internal to the Contractor, external to the FI Contractor, and external to the Department); and

i.h. Develop procedures used to evaluate and improve all staff performance (both system and non-system).**

All annual updates to the QM Plan are subject to Department review and written approval. In the instance of failure to secure Department approval of the annual update, the Contractor shall continue to adhere to the QM requirements contained in the latest approved QM Plan.

6. Quality Management Reviews

The Contractor's QM program shall include concurrent and retrospective reviews of Contract work to determine the Contractor's compliance with all Contract requirements, including accuracy and timely performance rates. In addition to the review for Contract compliance, the Contractor's QM program shall monitor the Contractor's performance in meeting internal quality performance standards.

The Contractor shall ensure each QM Review includes, but is not limited to, the following:

- a. The month and year that the data in each report represents;
- b. The performance standard being measured (e.g., the "P" factor for TSC, correspondence qualitative performance, etc.);
- c. Whether the standard is quantitative or qualitative;
- d. Confidence level met;
- e. Precision level met;
- f. Size of the population;
- g. Size of the sample;
- h. The percentage of criteria met for each standard for the entire month;
- i. The percentage needed to ensure successful compliance of the Contractor for each standard;

Exhibit A, Attachment II
Scope of Work - Operations

- e. Provide Contractor and Department employees with clear guidelines and instructions on procedures for executing the Contractor's record retention responsibilities.

3. Assumptions and Constraints

- a. There are two Contracts under the currently proposed model of the Medi-Cal Dental Fee-For-Service program - one pertaining to the Administrative Services Organization (ASO) Contractor and one pertaining to the Fiscal Intermediary (FI) Contractor. These two Contractors are expected to work in concert with each other to achieve their respective goals and responsibilities outlined in their Contracts to carry out the operations and policies of the Department;
- b. The FI Contractor shall be responsible for completing their document management responsibilities outlined in the California Dental Medicaid Management Information System (CD-MMIS) Fiscal Intermediary (FI) Contract, Exhibit A, Attachment II, Claims Processing, prior to transferring all paper documents and attachments to the ASO Contractor to be processed, archived and stored;
- c. The ASO Contractor shall preserve, protect, and maintain original documents for a minimum period of sixty (60) business days after their reproduction, unless required differently and in writing by the Contracting Officer. (NOTE: Upon final adjudication, radiographs shall be recycled.** ~~Providers must request the return of radiographs at the same time the radiographs are submitted. Radiographs are returned within twelve (12) business days after adjudication to providers and are not scanned, although in some cases a copy shall be made*~~;
- d. The FI Contractor shall certify the authenticity of claims payment records stored in CD-MMIS;
- e. For the purposes of this section, claims payment records shall include, but not be limited to:
 - 1) Submitted claims for processing, regardless of medium; i.e. hardcopy and/or magnetic media);
 - 2) Notices of Authorization (NOAs);
 - 3) Appeals and appeals responses;
 - 4) Explanation of Benefits (EOBs);
 - 5) Copies of checks cashed by providers;
 - 6) Claims Inquiry Forms (CIFs);
 - 7) Resubmission Turnaround Documents (RTDs);
 - 8) Treatment Authorization Requests (TARs);
 - 9) Provider payment histories;

Exhibit B - Attachment I
Special Payment Provisions

All Takeover costs described below shall be included on Attachment 12-1, Takeover Bid Sheet, to be considered for payment under this payment provision.

A. Takeover Payment Phases**1) Phase One**

Eighty percent (80%) of the Contractor's fixed price for Takeover will be paid in twelve (12) equal installments. Each payment is contingent upon written approval by the Contracting Officer based on successful completion of deliverables. If a deliverable is not approved, the payment will be withheld until the deliverable is approved. The schedule for the twelve (12) installment payments will be set by the Contracting Officer based on the Contractor meeting milestones and deliverables for Takeover in Exhibit A, Attachment I, Takeover.

The first installment will be made upon the Contracting Officer's acceptance and approval of the Takeover Project Plan. Included in the Takeover Project Plan will be a comprehensive Takeover schedule showing deliverables, milestones and required Department approvals. This schedule shall serve as the basis for payment of subsequent installments.

2) Phase Two

The final payment for the remaining **twenty (20%)** will be due, payable and made when all requirements as stated below have been met and after six months of successful Operations by the Contractor, as specified in Exhibit A, Scope of Work, Attachment I, Takeover Requirements.

B. Takeover Invoicing

The Contractor shall submit twelve (12) monthly installment invoices for payment by the Department only after the Department has approved, in writing, required deliverables and the attainment of defined milestones. Invoices shall include a report showing the attainment of all monthly requirements defined in the Takeover Project Plan.

Invoices for Takeover completion will be processed upon the Contracting Officer's written acceptance that the Takeover Completion Criteria described in Exhibit A, Scope of Work, Attachment I, Takeover Requirements, have been met. The Takeover price shall be adjusted for any disallowed costs in accordance with Exhibit A, Scope of Work, Attachment I, Takeover Requirements, prior to the submission of any Takeover invoices. The revised Takeover price will then be adjusted in accordance with the invoicing requirements of this Exhibit.

3. Operations: Base Volume Method of Payment (BVMP)

Operations constitute all contractual responsibilities required for the Contractor to administer and carry out the scope of work identified in this Contract.

Exhibit B - Attachment I
Special Payment Provisions

C. Turnover Not Required

If the incumbent is the successful bidder for the replacement of this Contract, and special Turnover services are not needed, then the Contractor's Turnover bid price shall be reduced by a Contract Change Order so that the Contractor shall not be paid for Turnover Preparation and Transfer of Contractor Operations.

7. Runout Processing

Runout constitutes all work activities required of the Contractor during Runout. Also included is any work that may occur during Runout required under Exhibit A, Scope of Work, Attachments II and III, and Exhibit E, Additional Provisions.

A. Runout Invoicing

The first fifty-five percent (55%) of the Runout bid price shall be paid in seven equal ~~monthly~~ installments, with seven percent (7%) being withheld from each installment. The schedule for the seven payments shall be set by the Contracting Officer based on the Contractor having met the Conditions Precedent to Payment stated below are met.

- 1) For the first six months of Runout Processing, the Conditions Precedent to Payment shall be as follows:
 - a) Fifty percent (50%) of the Runout Processing installment shall be the cycle time requirements listed above;
 - b) The remaining fifty percent (50%) of the installment shall be for Runout Deliverables as specified by this Contract in Exhibit A, Scope of Work, Attachment III, Turnover and Runout Requirements, including but not limited to file and record transfers.
- 2) The final seventh (7th) ~~payment~~, the Conditions Precedent to Payment for one-hundred percent (100%) of the final installment shall be timely transfer of the residual inventory and records required during the first (1st) month of Contract Closeout. Cost Reimbursement and TSC payments will continue through Runout Processing.

A final payment for the remaining forty-five percent (45%) and withholds will be due, payable and made when all requirements as specified in Exhibit A, Scope of Work, Attachment III, Turnover and Runout Requirements have been met. Each payment is contingent on written approval by the Contracting Officer based on successful completion of deliverables. If a deliverable is not approved, the payment will be withheld until the deliverable is approved.

Any reduction in required Runout Services shall be done through a cost savings Change Order.

Exhibit E
Additional Provisions

The use of headings or titles throughout this Exhibit is for convenience only and shall not be used to interpret or govern the meaning of any special Provision.

1. Additional Incorporated Exhibits	1
2. Access Requirements	1
3. Accounting Requirements	3
4. Affiliates	7
5. Amendment Process	7
6. Annual Plans	7
7. Application to Parent Entities, Corporations and Subcontractors	8
8. Assignments	8
9. Audit Requirements	9
10. Authority of the State	11
11. Hardware, Equipment and Software	11
12. Change Orders	14
13. Conflict of Interest, Incompatible Activity of Contractor and Employees	17
14. Conformance with Federal and State Statutes and Regulations	21
15. Consultant Conduct and Filing Requirements	22
16. Contract Communication	22
17. Contractor and Subcontractor Employees	23
18. Contractor Certifications	24
19. Contractor Resource Levels	25
20. Contractor Responsibilities - General	27
21. Cost or Pricing	29
22. Definition of Terms	30
23. Delegation of Authority	30
24. DHCS Approval of Deliverables	31
25. DHCS Ownership	32
26. DHCS Right to Equitable Adjustment	34
27. Disputes and Appeals	34
28. Escrow Bid Documents	35
29. Federal Financial Participation and Time Study	40

Exhibit E
Additional Provisions

30. Financial Reporting Requirements	41
> Force Majeure (see Provision 69 on Page 95)	43
31. Guaranty Provisions	43
32. Health Insurance Portability and Accountability Act (HIPAA)	44
33. Indemnification by Contractor	45
34. Insurance and Bonding	45
35. Inventory and Treatment of Department Property	47
36. Letter of Credit	49
37. Liability for Overpayment	50
> Limitation of Liability (See Provision 70 on Page 95)	50
38. Liquidated Damages	50
39. Location of Contractor's Facilities	57
40. Media Releases	58
41. Non-Restrictive Employment Practices	58
42. Notice of Delay	59
43. Notification of Claims	59
44. On-Site Audit and Monitoring Staff	61
45. On-Site Department Monitoring and Auditing	63
46. Opportunities for Reduction in Operations' Cost	64
47. Ownership and Control Disclosures	70
48. Patent or Copyright Trademark and Trade Secret Infringement	70
49. Performance Evaluation	70
50. Prior Department Approval Requirements: Communication between the Contractor and Providers and Beneficiaries	71
51. Progress Reports or Meetings	71
52. Prohibited Follow-on Contracts	72
53. Project Management Plan	72
54. Provider Bankruptcies	75
55. Provider Requirements	75
56. Subcontracts and Cost Reimbursable Purchases	76
57. System Strategic Plan	79
58. Targeted Area Contract Preference Act (TACPA) - deleted	80
59. Technical Standards and/or Guidelines	80

Exhibit E
Additional Provisions

60. Term of the Contract	86
61. Termination	88
62. Travel	90
63. Use of Disabled Veteran Business Enterprises (DVBE)	90
64. Use of Numerical Estimates	91
65. Use of Small Business Subcontractors	91
66. Waiver of Contract Provisions	93
67. Warranty	93
68. Warranty Against Payment of a Broker's Fee	95

Exhibit E
Additional Provisions

his/her opinion or report. A principal officer of the Contractor must verify this letter. The Contractor shall also request the former accountant to furnish them with a letter addressed to the Department stating whether the accountant agrees with the statements contained in the letter of the Contractor and, if not, stating the respects in which he/she do not agree. The notification by the Contractor along with the former accountant's letter, if necessary, must be furnished to the Department within thirty-five (35) State work days of the engagement of the new accountant.

- 4) The Department may reject any financial statement, report, certificate or opinion (other than certified financial reports) submitted to the Department under the Contract by notifying the Contractor of its rejection and the cause thereof. Within twenty-five (25) State work days after the receipt of such written notice, or such other period as the Contracting Officer may allow, the Contractor shall correct the case of the Department's rejection and submit an amended report.
- 5) If any report(s) required under the Contract indicates noncompliance with established financial criteria, a written corrective action plan (CAP) to correct such noncompliance shall be submitted by the Contractor with the report. The plan shall be accompanied by a specified time schedule for the corrective activities and/or actions to be completed.
- 6) The Contracting Officer shall have the authority to accept or reject the CAP and/or its time schedule for its implementation and completion, as proposed by the Contractor, as unreasonable or unacceptable. Where the Contracting Officer rejects the CAP and/or the proposed time schedule, the Contracting Officer shall notify the Contractor in writing of the reason(s) for such rejection. The Contractor shall have five State work days from receipt of such notice to submit an amended CAP and/or time schedule to the Contracting Officer.

**

> [Force Majeure \(see Provision 69 on Page 95\)](#)

**

31. **Guaranty Provisions**

If the Contractor is a subsidiary of a corporation or other legal entity, the full and prompt performance of all covenants, additional provisions, terms and conditions, and agreements resulting from this RFP for the term of the Contract shall be guaranteed by that entity in the Contractor's chain of ownership which is publicly traded. This entity shall be known as the Contractor's parent corporation for purposes of the Contract.

The Guaranty shall, at a minimum, include all of the following:

- A. Be made to the Department, in writing, by CED.
- B. Be signed by an official (corporate officer) authorized to bind the guarantor organization.
- C. Accept unconditional responsibility for all performance, financial requirements and obligations of the Contract including, but not limited to, payment of liquidated damages.
- D. Recite that "for good and valuable consideration, receipt of which is hereby acknowledged," the GUARANTOR is making the Guaranty.

Exhibit E
Additional Provisions

37. Liability for Overpayment

- A. The Contractor is liable to the Department for unrecoverable overpayments and any associated administrative expenses occurring in any fiscal year up to a maximum amount of ten percent (10%) of the annual Operations price paid to the Contractor under the Contract during the same fiscal year. Unrecoverable overpayments shall be defined as:
- 1) Erroneous payments where the collection has been delayed one hundred twenty (120) calendar days because of negligence or inaction by the Contractor.
 - 2) Erroneous payment for claims paid to a provider who was inappropriately enrolled in the Medi-Cal Dental Program due to system related problems;
 - 3) Erroneous payments caused by the Contractor where the Department and the Contractor are unable to collect from the provider.
 - 4) Erroneous payments for claims processed when a beneficiary's eligibility would preclude reimbursement for services through CD-MMIS, e.g., the beneficiary is enrolled in a dental managed care plan.
- B. If an unrecoverable overpayment(s) was caused, in part, by the FI Contractor, liability for the overpayment will be apportioned in an amount proportionate with each Contractor's culpability, as determined by the Contract Officer, for the cause of the overpayment.

**

> [Limitation of Liability \(See Provision 70 on Page 95\)](#)

**

38. Liquidated Damages

A. General

It is the policy of the California Legislature to use the liquidated damage provisions in State contracts, as shown by Civil Code, Division 3, Part 2, Title 4.5, Chapter 1, Section 1671(b), Public Contract Code, Division 2, Part 2, Chapter 1, Article 7, Section 10226, and 13 California Law Revision Commission Reports 1740 and 1741. The parties agree that if the Contractor does not provide or perform the requirements referred to or listed in this Contract, damage and harm to the State will result.

- 1) The maximum amount of liquidated damages payable by the Contractor over any twelve (12) month period is seven million, three hundred thousand dollars (\$7,300,000).
- 2) The Department will notify the Contractor in writing of its intent to assess liquidated damages five calendar days before taking action.
- 3) In the event of cascading Contractor failures resulting from a single failure subject to liquidated damages, the Department will be entitled to assess the highest single liquidated damage only.
- 4) The Department may, at its discretion, offset liquidated damages from payments due under this Contract to the Contractor or require direct payment from the

Exhibit E
Additional Provisions

D. Notice Confirmation

- 1) If the Contracting Officer confirms that the conduct provides a basis for an adjustment in the Contract price and/or performance schedule of the Contract, or both, the Contracting Officer shall issue a Change Order, or negotiate a Contract Amendment, and the parties shall proceed in accordance with Exhibit E, Additional Provisions, Change Orders, or Exhibit E, Additional Provisions, Amendment Process, as applicable. Any payment adjustment shall be computed as of the date of the Notification of Claim or upon date of delivery of additional information pursuant to Notification of Claim, Section C.4) above.
- 2) If the Contracting Officer denies that the conduct constitutes a basis for an adjustment in price and/or performance schedule, the Contracting Officer shall issue a final decision to this effect and the Contractor may proceed in accordance with the Exhibit E, Additional Provisions, Disputes and Appeals. The above "final decision" is final and conclusive, unless a Notice of Appeal is timely filed.

E. Contractor Waiver

If the Contractor fails to submit a notice in the manner and within the time frame specified above, such failure shall constitute a waiver by the Contractor of all claims arising out of said conduct, whether direct or consequential in nature, and the Contractor shall not have any appeal rights, either under this Contract or at law or equity, on such claims.

F. Unsupported Claims

If the Contractor is unable to support any part of its claim and it is determined that such inability is attributable to misrepresentation of fact or fraud, including failure to provide sufficient information known to the Contractor, the Contractor shall be liable to the State for all cost attributable to the cost of reviewing said part of the claim.

44. On-Site Audit and Monitoring Staff

The Contractor shall provide, through the term of the Contract, adequate facilities for federal and State staff at the Contractor's place(s) of business, including the following, within the timeframe specified in Exhibit A, Attachment I, Takeover.

- A. Facility must conform to all applicable most current federal, State and local laws.
- B. Separate space for Department monitoring and change management staff, not to exceed fifty (50) people.
- C. ** Sufficient square footage to accommodate the above **staff and necessary equipment. This space shall be in a contiguous location adjacent to the main processing area and on the same floor as the Contractor Representative. This shall include space for up to fourteen (14) private offices, two conference rooms with the ability to conduct teleconferencing and videoconferencing, one of which that is large enough to accommodate at least fifty (50) staff for meetings, a break-room area of at least two hundred (200) square feet, a two hundred (200)-square foot room for a

Exhibit E
Additional Provisions

- 5) Consolidate and publish the plan
 - a) Prioritize initiatives
 - b) Coordinate and publish the plan by December first
- B. Implement the Strategic Plan starting January first as agreed upon by the Contractor and the Department.
- C. Monitor Operations and measure effectiveness of the Strategic Plan. Communicate the effectiveness of the Strategic Plan on a monthly basis.
- D. Adjust the direction of the Strategic Plan as required by business needs based on collaborative decision-making between the Contractor and the Department.

58. Targeted Area Contract Preference Act (TACPA) - deleted

~~* The Contractor is required to meet the requirements listed below in 1) and 2) if the Contractor submitted their Proposal claiming TACPA preference and the preference was granted in obtaining the Contract. Twelve (12) months following CED, or as requested by the Contracting Officer, the Contractor shall submit to the Department an annual report to include, but not be limited to, the following:~~

~~A. All labor hours expended during the preceding twelve (12) month time period.~~

~~B. Reference the Contract number on which the award is based for the specific reporting requirements. *~~

59. Technical Standards and/or Guidelines

The Contractor is required to meet or exceed the technical standards and/or guidelines for the various components, where appropriate, including, but not limited to, those listed in the chart below. This applies to all updates, revisions or superseding standards and/or guidelines subsequently available. The technical standards and/or guidelines are current as of November 2014.

Table 1: State of California Technical Standards and/or Guidelines
Technical Standards, Policies and/or Guidelines current as of November 2014

Requirement	References
Architecture Frameworks and Guidelines	1. Medicaid Information Technology Architecture 3.0 (MITA 3.0), Centers for Medicare and Medicaid Services, February 2012 http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MITA/Medicaid-Information-Technology-Architecture-MITA-30.html 2. California Department of Technology (, California Enterprise Architecture Framework (CEAF), Version 2.0, August 1, 2013

Exhibit E
Additional Provisions

Requirement	References
	<p>Descriptions, July 20, 2009</p>
<p>Department of Health Care Services (DHCS) Information Technology Hardware and Software Standards / CalTech Application Standards</p>	<ol style="list-style-type: none"> DHCS Hardware and Software Standards: Contractor shall use DHCS standards for desktop and office automation integration. The standards are available upon request from DHCS at: http://itsd/standards/TAC/SitePages/Home.aspx All application software standards shall reference the CEAF and CEAF Reference Architecture Documents, and not be limited to .Net internally managed DHCS limitations: DTS, California Enterprise Architecture Framework (CEAF), Version 2.0, August 1, 2013 http://www.cio.ca.gov/ea/documents.asp CEAF 2.0 Reference Architecture Documents (BI thru SOA) http://www.cio.ca.gov/ea/documents.asp
<p>DHCS MITA State Self-Assessment</p>	<ol style="list-style-type: none"> ** DHCS MITA State Self-Assessment (SS-A). Contractor shall use the SS-A for guidance and improvement of MITA maturity levels. The SS-A can be found in the Data Library at index 26.1 (2015 Medi-Cal State Self-Assessment).**
<p>Federal Medicaid Guidance / Seven Conditions and Standards / Guidance for Information Technology (IT) Systems</p>	<ol style="list-style-type: none"> The State Medicaid Manual (2000) http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html Enhanced Funding Requirements: Seven Conditions and Standards (MITS-11-02-v1.0), V 1.0, April 2011 http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Downloads/EFR-Seven-Conditions-and-Standards.pdf Guidance for Exchange and Medicaid Information Technology (IT) Systems, V 2.0, May 2011 http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/downloads/exchangemedicaiditguidance.pdf

Exhibit E
Additional Provisions

The Contractor shall be given at least sixty-five (65) State work day's prior written notice if the Department chooses to extend the Contract.

- c) If the Contracting Officer chooses to exercise one or more of these extensions, the extension executed could be any combination of consecutive extensions at any one time (e.g., the Contracting Officer may exercise extensions for Time Periods d.3)a)i and ii at the same time, effectively extending the Contract for two years).
 - d) Regardless of whether the Contracting Officer chooses to exercise any of the optional Operations Extension years (listed in this Provision, 3)a) above), there may be a one-time optional Extended Operations period of the Contract for a time frame of no less than six months and no more than twelve (12) months.
 - e. During any of the Extension Year time periods addressed above and during any period of Extended Operations, the Contractor's responsibilities shall remain the same as are defined in the Contract. Unless the Department elects an Extended Operations Period, the Operations Period shall terminate the first Friday following the start of the State fiscal year (July 1 through June 30).
- 4) Interval 4 – Turnover activities will commence prior to the end of Operations as described in Exhibit A, Attachment III, Turnover and Runout.

61. Termination

A. Immediate Termination for Cause

- 1) The Department reserves the right to immediately terminate this Contract in whole or in part by providing written notice to the Contractor after the occurrence of any of the following:
 - a) If the Contractor knowingly furnished any statement, representation, warranty or certification in connection with the Request for Proposal of this Contract, which representation is materially false, deceptive, incorrect or incomplete.
 - b) If the Contractor fails to perform any material requirement of the Contract or defaults in the performance of this Contract.
 - c) If the Department determines satisfactory performance of the Contract is substantially endangered by the action or inaction by Contractor, or can reasonably anticipate such occurrence of default.
 - d) If the Contractor files for bankruptcy or, if in the judgment of the Department, the Contractor becomes financially incapable of completing this Contract.

**

2) The Department's right to terminate this Contract under paragraphs a.1) b) and/or a.1) c) above, may be exercised only if the Contractor does not cure such action or inaction within the time frame stated in the Department's notice, which in no

Exhibit E
Additional Provisions

event will be less than fifteen (15) calendar days, unless the Statement of Work calls for a different period.**

*

~~32~~ *If the State terminates the Contract for any of the causes stated in paragraphs a.1) a) through a.1) d) above, the State shall not be liable for any cost incurred by the Contractor exceeding previously approved commitments. In the event the Department terminates this Contract in full or in part as provided in this clause, the Department may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or services similar to those terminated, and the Contractor shall be liable to the State for any excess cost reasonably incurred for supplies or services.

In addition, the Contractor shall be liable to the State for administrative cost incurred by the Department in procuring such similar supplies or services. The above cost shall be drawn from the Contractor's credit provided for in Exhibit E, Additional Provisions, Letter of Credit. However, the Contractor shall not be liable for any excess cost or administrative cost if the failure to perform the Contract arises out of causes beyond the control and without fault or negligence of the Contractor or any of its subcontractors.

B. Termination for Convenience

The Department retains the option to terminate this Contract, in whole or in part, without cause at the Department's convenience, provided that written notice has been delivered to the Contractor at least twenty-five (25) State work days prior to such termination date. If the Department terminates this Contract at its convenience, the Contractor will be entitled to compensation upon submission of an invoice and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided and its expenses necessarily incurred pursuant to this Contract, up to the date of termination. In such event, at the request of the Department, the Contractor shall furnish copies of all proposals, specifications, designs, procedures, layouts, copy and other materials related to the services or deliverables provided under this Contract, whether finished or works in progress on the termination date. The Contractor will not be entitled to reimbursement for any expenses incurred for services and deliverables pursuant to the Contract after the termination date, unless the Contractor receives written advance approval from the Department. Any services or deliverables for which the Contractor is paid which are provided according to the procedures in this paragraph shall become the property of the Department.

C. Procedures on Termination

After receipt of notification of termination of this Contract, and except as otherwise specified by the Department, the Contractor shall stop work under this Contract on the termination date and to the extent that they relate to the performance of work that is specified in the notice of termination. The Contractor shall do all of the following:

- 1) Place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portion of the work under this Contract that is not terminated.

Exhibit E
Additional Provisions

- 2) Assign to the Department, effective on the date of termination, in the manner, and to the extent specified by DHCS, all of the rights, titles and interests for the Contractor under the orders and subcontracts terminated, in which case the Department has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts and reduce any settlement amount determined by the amount paid for such orders or subcontracts.
 - 3) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent the State may require. The Department's approval or ratification shall be in writing and be final for the purposes of this Section.
 - 4) Upon the effective date of termination of the Contract and the payment by DHCS of all items properly chargeable to DHCS hereunder, transfer, assign and make available to DHCS all property and materials belonging to DHCS, all rights and claims to any and all reservations, all contracts and arrangements with subcontractors, and make available to DHCS all written and electronic information and materials regarding DHCS's Provider Relation's publications and materials and no extra compensation is to be paid to the Contractor for its services in connection with any such transfer or assignment.
 - 5) Take such action as may be necessary, or as the Department may specify, to protect and preserve all property related to this Contract which is in the possession of the Contractor or its subcontractors and in which the Department has or may acquire an interest.
- D. Termination for Non-Compliance with Financial Criteria

The Department may terminate performance of work under this Contract in whole or in part whenever the Contractor fails to meet, in whole or in part, the financial criteria in this Contract. In the event of a termination for non-compliance with financial criteria, the rights and obligations of the Department and the Contractor shall be specified in this Provision.

62. Travel

In addition to the travel provisions of Exhibit D(F), Special Terms and Conditions, Provision 2, Travel and Per Diem Reimbursement, the Department may, at its option, obtain airline tickets or other travel arrangements on behalf of the Contractor in lieu of paying the Contractor for travel expenses. The Contractor shall not be reimbursed for any mileage or travel related to required or necessary functions of the Contract, such as trainings (excluding the instructor/teacher) and meetings with DHCS, Stakeholders or the FI Contractor unless prior written approval has been received from the Contracting Officer.

63. Use of Disabled Veteran Business Enterprises (DVBE)

- A. The State Legislature has declared that a fair portion of the total purchases and contracts or subcontracts for property and services for the State be placed with disabled veteran business enterprises (DVBE).

Exhibit E
Additional Provisions

- B. All DVBE participation attachments, however labeled, completed as a condition of bidding, contracting or amending a subject agreement, are incorporated herein and made a part of this Contract by this reference.
- C. The Contractor agrees to use the proposed DVBEs as identified in previously submitted DVBE participation attachments, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by DHCS, in writing, prior to using a substituted subcontractor.
- D. Requests for substitution must be approved by the Contracting Officer in writing and must include:
 - 1) A written explanation of the reason for the substitution.
 - 2) A written description of the business enterprise that will be substituted, including its DVBE certification status.
 - 3) If applicable, the reason a non-DVBE subcontractor is proposed for use.
 - 4) A written description of the work to be performed by the substituted subcontractor identified by both task (if applicable) and dollar amount or percentage of the overall Contract that the substituted subcontractor will perform.
- E. If requested by DHCS, the Contractor agrees to provide verification, in a form agreed to by DHCS, that DVBE subcontractor participation under this Contract is in compliance with the goals specified at the time of Contract award or with any subsequent Amendment.

64. Use of Numerical Estimates

Numerical estimates are used throughout the Contract to provide further illustration of certain narrative material. These estimates are not represented by the Department as future workload the Contractor can expect nor as actual projections of expected activity or volumes. The Contractor must develop its own estimates and projections for purposes of submitting the Narrative Proposal, Cost Proposal and the various price bids. The exception to this is the ACSL, TAR and TSC volume ranges, for which the Contractor shall provide prices for processing the volumes specified in the ranges.

65. Use of Small Business Subcontractors

- A. All Non-Small Business Subcontractor Preference Request attachments and Small Business Subcontractor/Supplier Acknowledgment attachments, however labeled, completed as a condition of bidding, are incorporated herein and made a part of this Contract by this reference.
- B. The Contractor agrees to use each small business subcontractor/supplier, as identified in previously submitted Non-Small Business Subcontractor Preference Request attachments with the Contractor's Narrative Proposal, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All

Exhibit E
Additional Provisions

- requests for substitution must be approved by DHCS, in writing, prior to using a proposed substitute subcontractor.
- C. Requests for substitution must be approved in writing by the Contracting Officer and must include, at a minimum:
- 1) An explanation of the reason for the substitution.
 - 2) A written description of the business enterprise that will be substituted, including its small business certification status.
 - 3) If substitution of an alternate small business does not occur, include a written justification and description of the steps taken to try to acquire a new small business and how that portion of the Contract will be fulfilled.
 - 4) A written description of the work to be performed by the substituted subcontractor identified by both task (if applicable) and dollar amount or percentage of the overall Contract that the substituted subcontractor will perform. The substituted business, if approved, must perform a commercially useful function in the Contract pursuant to Title 2, CCR, Division 2, Chapter 3, Subchapter 10.5, Section 1896.6.
- D. DHCS may consent to the substitution in any of the situations set forth in PCC, Division 2, Part 1, Chapter 4, Section 4107 of the Subletting and Subcontracting Fair Practices Act.
- E. Prior to the approval of the Contractor's request for the substitution, DHCS shall give notice in writing to the listed subcontractor of Contractor's request to substitute and the reasons for the request to substitute. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor that has been so notified shall have five State working days after the receipt of the notice to submit written objections to the substitution to the funding program. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution. If written objections are filed, DHCS shall give notice in writing of at least five State work days to the listed subcontractor of a hearing by DHCS on the Contractor's request for substitution.
- F. Failure of the Contractor to subcontract with the small businesses listed in its bid or proposal to DHCS, or failure to follow applicable substitution rules and regulations, may be grounds for DGS to impose sanctions pursuant to GCC, Title 2, Division 3, Part 5.5, Chapter 6.5, Article 1, Section 14842.5 and Title 2, CCR, Division 2, Chapter 3, Subchapter 8, Article 3, Section 1896.16. In the event such sanctions are to be imposed, the Contractor shall be notified in writing and entitled to a hearing pursuant to Title 2, CCR, Division 2, Chapter 3, Subchapter 8, Article 4, Section 1896.18 and 1896.20.
- G. If requested by DHCS, the Contractor agrees to provide documentation and/or verification, in a form agreed to by DHCS, that small business subcontractor usage under this Contract complies with the commitments specified during the Contractor selection process.

Exhibit E
Additional Provisions

66. Waiver of Contract Provisions

- A. No covenant, condition, duty, obligation or undertaking contained in or made a part of the Contract shall be waived except by written agreement of the parties, or by the explicit language found in the Contract. Forbearance or indulgence in any other form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed or discharged by the party to which the same may apply; and until complete performance or satisfaction is achieved for all such covenants, conditions, duties, obligations and undertakings, the other party shall have the right to invoke any remedy available under the Contract or under law or equity, notwithstanding any such forbearance or indulgence.
- B. Proposed waivers must be initiated by the Contractor in a written Contract Waiver Request signed by the Contractor Representative. A Contract Waiver Request shall contain either:
- 1) Certified cost and pricing data covering either the cost or cost savings attributable to the requested waiver; or
 - 2) A certified statement that this waiver results in neither an increase in cost nor any cost savings; or
 - 3) A certified statement that the cost or cost savings attributable to the change are less than the cost involved in preparing cost and pricing data in response to a Change Order where the Change Order does not exceed ten thousand dollars (\$10,000).
- C. The Contracting Officer's approval of the Contract Waiver Request shall be in the form of a Contract Waiver Letter signed by the Contracting Officer and shall define the scope of the change. The Contracting Officer may require that the Contractor submit full documentation, including certified cost and pricing data, in support of any waiver authorized pursuant to this Provision. If there is a cost or cost savings to the State, that cost or cost savings shall be processed in a Change Order or utilized as an offset pursuant to Exhibit E, Additional Provisions, Liability for Overpayment. A Waiver shall not exist unless approved by a Contract Waiver Letter.

67. Warranty

- A. Coverage
- 1) The Contractor's warranty is applicable to all items included in the Contract. The Contractor's warranty shall cover any failures, omissions, defects or deficiencies (Warranty Items) discovered or known in any of the project deliverables or services.
 - 2) The Contractor shall promptly notify DHCS within one State work day of any failures, omissions, defects or deficiencies as they are discovered or known.

Exhibit E
Additional Provisions

- 3) The Contractor shall, within five State work days of notification to the Department of such a failure, omission, defect or deficiency, provide DHCS with written details concerning the Warranty Item.
- 4) The Contractor shall collaborate with DHCS to thoroughly test and implement Contractor mitigation and remediation solutions to software defects discovered during any Warranty Period.
- 5) DHCS will approve, in writing, all warranty problem resolution items before implementation of corrections to Warranty Items.
- 6) The Contractor's warranty on deferred Warranty Items shall not commence until after formal written acceptance of the deferred Warranty Items.

B. Services Warranty

Notwithstanding inspection and written approval for the acceptance by DHCS or any provision concerning the conclusiveness thereof, Contractor represents and warrants to DHCS that all services performed under this Contract will, at the time of written DHCS approval, be free from defects in workmanship and conform to the requirements of this Contract.

The Contractor shall immediately correct or re-perform services which are not in compliance with this Contract. If the Contractor is required to correct or re-perform, it shall be at no cost to DHCS, and any services corrected or re-performed by the Contractor shall be subject to this Warranty Section to the same extent as work initially performed. If the Contractor fails or refuses to correct or re-perform, the Contracting Officer may, by Contract or otherwise, correct or replace with equivalent services and charge to the Contractor the cost incurred by DHCS, or make an equitable adjustment in the Contract price.

C. Systems Warranty

- 1) Notwithstanding prior acceptance by DHCS of any Contractor deliverable, the Contractor shall expressly warrant that during the term of this Contract, all systems covered by this Contract, including development, modifications and upgrades, shall be properly functioning, and that all documentation shall be current and accurate and in compliance with the terms of the Contract. The Contractor must correct all Warranty Items in the systems and replace incorrect or defective documentation within ten (10) State work days or as agreed, in writing, between the Contracting Officer and the Contractor. If the Contractor fails to repair an identified Warranty Item within such period, DHCS may, at its sole discretion, act to repair, and the Contractor expressly agrees to reimburse DHCS for all reasonable cost incurred thereby. Warranty Items properly documented before expiration of the warranty shall be covered regardless of such expiration. The Contractor must expressly warrant all Contractor-provided and -supported hardware and software to be defect free, properly functioning and compliant with the terms of the Contract and/or Change Order request.
- 2) If systems fail to meet performance commitments during the Warranty Period and while the Contractor is providing administrative services, the Contractor shall

Exhibit E
Additional Provisions

modify, reconfigure, upgrade or replace Contractor-provided software, hardware and equipment at no additional cost to DHCS in order to provide a system solution that complies with such performance standards.

3) Systems Warranty Period

The Contractor's Warranty shall begin from the date of formal written acceptance and approval by DHCS of each individual system or upon CED, whichever is later, and will be considered completed after six consecutive months of Operations without a defect. If a defect is found and/or determined during the six month consecutive Warranty Period, the Contract must restart the six consecutive month Warranty Period again. This six consecutive month Warranty Period applies to all components comprising each individual system. The Contractor's Warranty is limited to defects attributable to the Contractor. In the event the Contractor is the same as the prior contractor (Contract 04-35745), all properly documented defects are covered by this Warranty.

68. Warranty Against Payment of a Broker's Fee

The Contractor (or any of its officers, director or employees) agrees it has not employed any broker or finder or incurred any liability for any brokerage fee, commission or finder's fee (or similar fees, commission or reimbursement expenses) in connection with the transactions contemplated by this Contract.

**

69. Force Majeure

Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from causes beyond the control and without the fault or negligence of the Contractor.

Examples of such causes include, but are not limited to:

- a. Acts of God or of the public enemy; and
- b. Acts of the federal or State government in either its sovereign or contractual capacity.

If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform.

70. Limitation of Liability

a) Contractor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in Contract or in tort, shall be limited to two times the Purchase Price. For purposes of this sub-section a), "Purchase Price" will mean the aggregate Contract price.

Exhibit E
Additional Provisions

b) The foregoing limitation of liability shall not apply (i) to any liability under Exhibit E, Additional Provisions, Provision 14 entitled "Conformance with Federal and State Statutes and Regulations;" (ii) to liability under Exhibit D(F), Special Terms and Conditions, Section 10, entitled "Intellectual Property Rights" or to any other liability (including without limitation indemnification obligations) for infringement of third party intellectual property rights; (iii) to claims covered by any specific provision herein calling for liquidated damages; (iv) to claims arising under provisions herein calling for indemnification for third party claims against the State for bodily injury to persons or damage to real or tangible personal property caused by Contractor's negligence or willful misconduct; (v) to costs or attorney's fees that the State becomes entitled to recover as a prevailing party in any action; (v) to any liability under Exhibit E, Additional Provisions, Provision 33 entitled "Indemnification by Contractor;" or (vi) to any liability under Exhibit E, Additional Provisions, Provision 37 entitled "Liability for Overpayment."

c) The State's liability for damages for any cause whatsoever, and regardless of the form of action, whether in Contract or in tort, shall be limited to the Purchase Price, as that term is defined in subsection a) above. Nothing herein shall be construed to waive or limit the State's sovereign immunity or any other immunity from suit provided by law.

d) In no event will either the Contractor or the State be liable for consequential, incidental, indirect, special, or punitive damages, even if notification has been given as to the possibility of such damages, except (i) to the extent that Contractor's liability for such damages is specifically set forth in the Statement of Work or (ii) to the extent that Contractor's liability for such damages arises out of sub-section b)(i), b)(ii), b)(v) or b)(vi) above." **

Exhibit I
Staffing Qualifications

9. Takeover Director (TOD)

- a. **Qualifications:** Shall have led management experience in the transfer of responsibility for an MMIS or other large government or private sector healthcare payer existing system from a predecessor Contractor to a successor Contractor. Shall be knowledgeable of and adhere to project management methods and standards which are based upon the Project Management Institute (PMI) Project Management Body of Knowledge (PMBOK), Institute of Electrical and Electronics Engineers (IEEE), and industry best practices. Shall have excellent verbal, written and presentation communications skills.
- b. **Education:** A Bachelor's degree in Business Administration, Computer Science or a related field is required. Must have a general knowledge of data processing concepts, practices, methods and principles, including Systems Development Life Cycle (SDLC).
- c. **Responsibilities:** As principal management lead, shall be responsible for Takeover of the current California Dental Medicaid Management Information System (CD-MMIS). Shall ensure close alignment between all stakeholders from initiation through close-out of all Takeover activities detailed in Exhibit A, Attachment I. Shall adhere to project management guidelines as contained within the Statewide Information Management Manual (SIMM) and ensure Information Technology (IT) project alignment and compliance with State direction, rules and regulations to deliver all Takeover requirements within approved baselines for scope, schedule and budget. Responsible for successful completion of all Takeover requirements as defined in the Contract Scope of Work.

B. Representative Resume Staff Qualifications and Responsibilities

Representative Resume staff shall be those individuals assigned to the positions listed in the table above, and shall have the following minimum qualifications, education and responsibilities. **** [At the discretion of the Contracting Officer, relative work](#) **** experience may be substituted for the required college education as indicated in the qualification requirements listed below for each position on a two for one basis.

1. Dental Consultant

- a. **Qualifications:** Shall have ten (10) years of clinical experience. Shall have a minimum of five years' experience working for a government or private sector healthcare payer similar in size and scope to this project; including a minimum of two years' MMIS experience in a state of equivalent scope to California. The Dental Consultant shall be licensed by the State of California; license must be in good standing and current at the time of hire and remain current during the entirety of their employment. Knowledge of California and federal goals and meeting the needs of California's beneficiaries, including expanding the State's provider dental network. Shall have excellent verbal, written and presentation communication skills. Additional desired experience includes: familiarity with California Medicaid and Medicare policies.