

REGISTRATION NUMBER	AGREEMENT NUMBER
	SAMPLE

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME (Also known as DHCS, CDHS, DHS or the State)
Department of Health Care Services

CONTRACTOR'S NAME (Also referred to as Contractor)

2. The term of this Agreement is: _____ through _____

3. The maximum amount of this Agreement is: \$ _____

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	X pages
Exhibit A, Attachment I – Takeover	X pages
Exhibit A, Attachment II – Operations	X pages
Exhibit A, Attachment III – Turnover and Runout	X pages
Exhibit B – Budget Detail and Payment Provisions	X pages
Exhibit B, Attachment I – Special Payment Provisions	X pages
Exhibit C * – General Terms and Conditions	GTC 610
Exhibit D (F) – Special Terms and Conditions (Attached hereto as part of this agreement)	26 pages
Exhibit E – Additional Provisions	X pages
Exhibit E, Attachment I – Bid Documentation Certification	1 page
Exhibit E, Attachment II – Change Order Pricing Form Proposal	1 page
Exhibit F – Contractor's Release	1 page
Exhibit G – Travel Reimbursement Information	2 pages
Exhibit H – HIPAA Business Associate Agreement	14 pages
Exhibit I – Staffing Qualifications	X page(s)

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

Department of Health Care Services

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Karen Johnson, Chief Deputy Director, Policy and Program Support

ADDRESS

1501 Capitol Avenue, Suite 71.5195, MS 1403, P.O. Box 997413,
Sacramento, CA 95899-7413

**California Department of
General Services Use Only**

Exempt per:

Exhibit A
Scope of Work**A. Service Overview**

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein:

1. Qualified and responsible administration and operation of the California Medi-Cal Dental Program, Denti-Cal, utilizing the California Dental Medicaid Management Information System (CD-MMIS);
2. Qualified and responsible staff to oversee the Takeover, Operation, Turnover, and Runout activities;
3. Efficient and effective adjudication of claims, Treatment Authorization Requests (TARs), and related documents;
4. Improved services to Medi-Cal Dental Program providers, beneficiaries, and federal and State users of the CD-MMIS.

B. Service Location

The services shall be performed at a site within a twenty-five (25) mile radius of the State Capitol building in the Sacramento area, calculated by actual miles to be driven in a car using readily accessible freeways.

C. Service Hours

The services shall be provided during normal Contractor working hours Monday through Friday, excluding national and State holidays, except as noted in Scope of Work, Exhibits A, Attachments I through III, inclusive.

D. Project Representatives

1. The project representatives during the term of this Contract will be:

Department of Health Care Services

Contracting Officer: [TBD]

Telephone: [TBD]

Email: [TBD]

Contractor's Name [TBD]

Name of Contract Manager [TBD]

Telephone: [TBD]

Email: [TBD]

Exhibit A
Scope of Work

2. Direct all inquiries to:

Department of Health Care Services

Medi-Cal Dental Services Division

Attention: [TBD]

P.O. Box 997413

Sacramento, CA 95899

MS Code 4708

Telephone: [TBD]

Email Address: [TBD]

Contractor [TBD]

Section or Unit Name [if applicable]

Attention: [Enter name, if applicable]

Street address & room #, if applicable

P.O. Box Number [if applicable]

City, State, Zip Code

Telephone: [TBD]

Email Address: [TBD]

3. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an Amendment to this Contract.

E. Services to be Performed

The Contractor shall be responsible for performing the services and requirements in this Request for Proposal (RFP), as well as the specific and detailed services and requirements in the following Contract Exhibits:

1. Exhibit A, Attachment I – Takeover
2. Exhibit A, Attachment II – Operations
3. Exhibit A, Attachment III – Turnover and Runout

Exhibit A, Attachment I
Scope of Work - Takeover

The use of headings of titles throughout this exhibit is for convenience only and shall not be used to interpret or govern the meaning of any specific term, function, or activity.

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Exhibit A, Attachment I
Scope of Work - Takeover**A. Takeover Requirements****1. Overview**

Upon the Contract Effective Date (CED), the Administrative Services Organization (ASO) Contractor shall be responsible for Takeover of the Contract functions to ensure continued administration of the Medi-Cal Dental Program according to the requirements of this Contract.

This Contract assumes the Contractor shall meet all existing ASO Operations deliverables and perform all existing ASO functionality of California Dental Medicaid Management Information System (CD-MMIS) throughout Takeover and the entire Contract, except where requirements in this Contract change the current Operations and activities or functions of the CD-MMIS, or when prior written approval is obtained from the Contracting Officer.

2. Objectives

The Department requires an orderly Takeover that is as non-disruptive as possible to the Department, the Fiscal Intermediary (FI) Contractor, providers, beneficiaries, and other CD-MMIS stakeholders. The Contractor shall:

- a. Take all actions required to carry out the requirements of this Contract and prepare for the assumption of Treatment Authorization Request (TAR) processing during Takeover including the identification and rapid resolution of Takeover problems.
- b. Take over the ASO Operations and administrative activities and functions, as required in Takeover, and as modified and accept, test, and implement all the prior contractor modifications. These modifications will be provided to the Contractor throughout Takeover until the Assumption of Operations (AOO), which is scheduled to begin the first day of month thirteen (13) after CED. At AOO, the Contractor shall be responsible for making all changes required for ASO Operations.
- c. Ensure the Contractor is able to fully assume all ASO Operations, functions and activities including Claims Processing at AOO.
- d. Implement changes during Takeover that require immediate action by the Department (if, for example, the change is legislatively mandated or significantly improves the administration of the program).

3. Assumptions and Considerations

- a. There are two Contracts under the currently proposed model for the Medi-Cal Dental Fee-for-Service (FFS) Program - one pertaining to the ASO Contractor and one pertaining to the FI Contractor. Both Contractors shall work in concert with each other to achieve their respective goals and responsibilities towards compliance with their respective Contract requirements and with directives from the Department.

Exhibit A, Attachment I
Scope of Work - Takeover

- b. The current CD-MMIS is certified by the Centers for Medicare and Medicaid Services (CMS).
- c. The FI Contractor shall assume responsibility for maintaining the CD-MMIS system and interrelated applications utilized by the ASO Contractor to perform activities required in this Contract during Takeover and the entire Contract. During Takeover and the entire Contract, the ASO Contractor shall work collaboratively with the FI Contractor for any necessary changes to the CD-MMIS system to perform ASO Operations and activities required in this Contract.
- d. All changes shall be approved in writing by the Department prior to development and implementation and shall be completely described by the Contractor in format and documents provided in Exhibit A, Attachment II, Administrative Contract Changes and/or Systems Group (SG) phase deliverables; (Refer to FI CD-MMIS Contract, Exhibit A, Attachment III, Change Requirements); and through the provision of updated system design documentation, user manuals and all necessary change instruments.
- e. The Department will make efforts to limit changes to the CD-MMIS system during the Contract procurement period and during Takeover, prior to the assumption of CD-MMIS Operations. However, the programs are dynamic, State and federal legislative changes, etc., may require system changes at any given time.
- f. It is the Department's intent to minimize the possibility of any interruption in the provision of services to beneficiaries or in the payment of providers during the transition to the new Contract, the first year after assumption of ASO Operations and throughout the term of the Contract. Implementation of any changes shall be as transparent and non-disruptive as possible to providers, beneficiaries, and other ASO and CD-MMIS stakeholders, ensure compliance with program policies, and meet all Contract requirements.
- g. Due to the fact the Medi-Cal Dental Program is constantly changing, the CD-MMIS to be installed during Takeover will differ from the version presented at the time of RFP release. This difference is based upon Change Orders, Dental Operating Instruction Letters (DOILs), System Development Notices (SDNs), Miscellaneous Change Documents (MCDs) and other changes throughout the procurement and Takeover process. These changes will be reflected in revised CD-MMIS software/system documentation stored in the CD-MMIS Documentation and Data Library and maintained by the FI Contractor.
- h. The term "assumption of TAR processing" refers to the Contractor's assumption of TAR processing at ten (10) months and fifteen (15) days after CED. The term "assumption of Claims processing" refers to the Contractor's assumption of Claims processing starting on the first day of month thirteen (13) after CED and includes all functions and operational activities encompassed in CD-MMIS.
- i. Takeover activities are scheduled to conclude following the Department's written approval of the User Acceptance Testing (UAT) and implementation of all requirements listed in Exhibit A, Attachment I, Takeover Completion.

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 J, 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

- f. The Contractor shall employ Quality Management (QM) measures throughout the Takeover Period and through the term of the Contract. Refer to the QM Plan for procedures, tasks, and staffing functions to be performed to ensure successful implementation of Takeover, including monitoring Contractor milestones and the Takeover Project schedule to ensure Contract compliance.

5. Expansion Items

- a. The Department has identified a new activity and system capability the Contractor shall be required to design and/or accomplish during the Takeover phase. This activity and system capability are considered an Expansion Item for purposes of payment. The new system capability, procedures or required personnel shall be completed and operational as of AOO.
- b. The cost for the Expansion Item shall not be included as part of the Takeover bid. Expansion Item cost shall be itemized and included on the Expansion Item Bid Sheet, Attachment 12-2 of the Bid Sheets. Ongoing administrative or system maintenance cost incurred by Contractor for this Expansion Item during the Operations phase shall be included in the fixed bid, Attachment 12-3 Adjudicated Claims Service Line (ACSL) Bid Sheet.
- c. Most of the Expansion Items for this procurement are administrative in nature rather than system development-related. Since this Expansion Item, except for those under the discretion of the Contracting Officer, must all be in place by AOO, the specific activities associated with this item shall be included in the Project Plan for Takeover.
- d. The Expansion Item is listed below. The list identifies the location in the Contract for the description of this Expansion Item. The description shows the context for this Expansion Item and its relationship to the overall Operation. The Contractor shall submit plans describing the approach to meeting the Expansion Item.
 - 1) On-line and Computer-Based Interactive Training - The Contractor shall develop and provide on-line and computer-based interactive training through a Web-based user interface effective the first day of AOO. See requirements in Exhibit A, Attachment II, Staff Training.

6. Department Takeover Project Schedule Guidelines

The following are Department guidelines to be used in developing the Takeover Project Schedule. Delivery of any milestone/deliverable earlier or later than required in the Exhibit A, Attachment I, Takeover shall be approved in advance and in writing by the Contracting Officer.

- a. The Department shall have ten (10) business days to review each deliverable, milestone or revision of a deliverable after its submission by the Contractor.
- b. For each day the Contractor is late submitting a specific deliverable, milestone or revision of a deliverable, the Department shall be permitted two additional business days to review the deliverable.

Exhibit A, Attachment I
Scope of Work - Takeover

- c. The Contractor shall allow for these turnaround times in its Takeover Project Plan and Takeover Project Schedule for implementing and/or performing required Takeover activities.
- d. The Contractor shall have ten (10) business days to make corrections or revisions to unapproved deliverables, and must allow for DHCS-required revisions and/or corrections.
- e. All Contractor deliverables shall be approved by DHCS in writing.
- f. All milestones shall be accepted or acknowledged by DHCS in writing.
- g. The Takeover Project Schedule is based on a Takeover Phase with the assumption of full ASO Operations by the new Contractor beginning the first day of month thirteen (13) following CED. Unless otherwise specified, all completion dates are from CED. This is followed by Takeover Completion tasks, including six months of successful operation of the full ASO Operations. Unless otherwise specified, all completion dates are from CED.

7. Contractor Transition Responsibilities

The Contractor shall incorporate the new requirements and replicate all current business functionality of the current CD-MMIS, including dental policy configuration, throughout Takeover and the entire Contract. The Contractor shall:

- a. Monitor Contractor milestones and Takeover Project Schedule to ensure that all activities are completed in accordance with Contract provisions;
- b. Maintain, update and make available to the Department, schedules, plans, charts, manuals, and procedures submitted during Takeover relating to ongoing operational components throughout the term of the Contract;
- c. Ensure that Contractor deliverables are provided to the Department in accordance with contractual schedules;
- d. Ensure completeness and accuracy of Contractor deliverables at time of submission to the Department;
- e. Provide supervisory and management review to ensure Contract compliance and timely performance of Contractor responsibilities;
- f. Identify situations, occurrences, and deficiencies where schedules and accuracy standards are not met by the Contractor; reporting those problems, deficiencies, and proposed solutions to the Department on a weekly basis; and monitoring correction of the problems and deficiencies in accordance with directions and time frames provided by the Department;
- g. When an individual plan is updated during Takeover, any changes or modifications shall require prior written approval from the Contracting Officer. The Contractor shall ensure that those deliverables, milestones, and Department

Exhibit A, Attachment I
Scope of Work - Takeover

approvals become a part of the Takeover Milestone/Deliverable Schedule for Contractor payment. In addition, the Contractor shall ensure that these items are incorporated into the Weekly Deliverable Status (WDS) Report within one week of approval;

- h. Propose critical changes to ASO Operations and policies or to the CD-MMIS system during Takeover to enhance the transfer process. In proposing any changes to ASO processes or policies, or to the CD-MMIS system, the Contractor shall provide documentation that the proposed change(s) is critical, minimizes confusion, and will not impact the ability of the Department to test the CD-MMIS system or validate any proposed Contractor systems or subsystems or to continue normal Operations and minimizes the possibility of untimely or incorrect payments to providers or untimely or incorrect reports to the Department; and
- i. Ensure the CD-MMIS includes a set of procedure manuals associated with the operation of the claims processing system, as well as general Operations under the Contract. During Takeover, the Department will require the ASO Contractor to work with the FI Contractor to assume all manuals related to ASO Operations, administrative activities and functions, and update those manuals and/or procedures that are new, unique to the Contractor, incorrectly documented by the prior Contractor, or have not been updated by the prior Contractor. To clarify, during Takeover, the Contractor may propose changes to these procedures to reflect the unique aspects of its ASO Operations necessary to allow the Contractor to meet Contract requirements. Refer to Dental ASO Contract, Exhibit A, Attachment II, Documentation.

8. Takeover Project Plan

Six weeks after CED, the ASO Contractor shall produce a comprehensive Takeover Project Plan. The ASO Contractor shall ensure the tasks and dates included in its Narrative Proposal are updated into the Takeover Project Plan (TPP) with the tasks and dates included in the FI Contractor's Narrative Proposal into ONE comprehensive Takeover Project Plan.

The FI Contractor, with the support of the ASO Contractor, shall be responsible for the integration process and the production of the comprehensive plan. Both Contractors shall be equally responsible for the execution of the comprehensive plan.

The objective of the TPP is to specify, in detail, the Contractors' activities for the duration of Takeover, including the Contractors' tasks and activities for assumption of the CD-MMIS. Takeover milestones and deliverables referenced in this section shall correlate with the prior Contractor's Turnover milestones and deliverables referenced in Exhibit A, Attachment V, Turnover and Runout Requirements of the prior Contract and with the activities on which payment will be based as set forth in Exhibit B, Attachment I, Special Payment Provisions.

The Contractor shall describe its overall Project Management methodology utilized to implement the TPP. The TPP shall include detailed identification and assignment of each task or deliverable until the end of the project. List the major project team

Exhibit A, Attachment I
Scope of Work - Takeover

roles, the individuals who will fill these roles, and their specific responsibilities. Identify the project team roles that are responsible for all major work activities including submission of all required plans and supporting processes. All plans defined in Takeover shall comply with the requirements stated in Exhibit E, Additional Provisions, Project Management Plan.

The TPP shall include activities and processes for Quality Assurance (QA). List the individual or individuals responsible for performing the identified QA tasks. Incorporate QA tasks into the Takeover Project Schedule.

a. Takeover Project Schedule

The Contractor shall specify all work activities to produce the required deliverables during Takeover, including contents and timing of those activities. Utilize a Work Breakdown Structure (WBS) to depict the work activities, corresponding deliverables and the relationships and dependencies among the activities. For each work package, specify factors such as staff, estimated duration, deliverables to be produced and predecessor tasks.

Using an alphanumeric WBS code (not to exceed ten (10) characters), all work performed during Takeover shall be subdivided as follows:

- 1) Task - Major activities as shown in Exhibit A, Attachment I, Takeover, Takeover Project Schedule;
- 2) Major Subtask - Logical grouping of subtasks;
- 3) Subtasks - Groups of work packages required to complete a task; each subtask shall consist of work packages and shall result in a defined deliverable or milestone;
- 4) Work Package - The smallest work effort or work increment;
 - a) A work package is defined by:
 - i. A description;
 - ii. An identifiable product;
 - iii. The skill/resource categories;
 - iv. The estimated resource units by skill/resource category; and
 - v. Overall duration of the activity.
 - b) Total resource unit estimates by skill category for a work package shall not exceed eighty (80) staff hours, and each work package duration total shall not exceed two weeks' duration. In the event the Contractor requests additional staff hours, the Department requires an explanation for all exceptions, and may deny such exception(s);

Exhibit A, Attachment I
Scope of Work - Takeover

- c) Contractually defined milestones, deliverables and Department approvals shall be identified:
- i. Milestones are important or key events to be realized or achieved by the Contractor during the course of Takeover activities. Milestones are acknowledged benchmarks of Contractor progress and achievement during Takeover. They may be transparent (e.g., installation of files) or visible (e.g., occupying a facility). Milestones are acknowledged by the Contractor to the Department via formal written letters stating the milestone(s) achieved and the date(s) of accomplishment. Formal written acknowledgement by the Contractor to the Department is required for payment purposes.
 - ii. Deliverables are specific products the Contractor is required to submit to the Department for review and approval upon completion of a task or subtask. When deliverables are intangible, documentation shall be provided demonstrating completion. In addition to deliverables and tasks listed on the Takeover Project Schedule, all additional deliverables and milestones identified by the Department or the Contractor in the Takeover Project Schedule are hereby incorporated into the Takeover Milestone/Deliverable Schedule by reference and are required for review and approval by the Department.

b. Gantt (or equivalent) Chart

A Gantt chart shall be included in the updated Takeover Project Schedule that depicts all Takeover activities. This Gantt (or equivalent) chart shall be submitted two weeks after CED (it shall NOT be included in the Narrative Proposal) and shall meet the following requirements:

- 1) It shall illustrate dependencies and precedence relationships between/among all Takeover activities;
- 2) The level of detail shall be at work package level;
- 3) The Gantt (or equivalent) chart shall be time-based;
- 4) The critical path shall be identified; and
- 5) The interrelationship of all activities shall be identified on the chart or in a separate report defining the precedence relationships.

c. Project Control Plan and Reporting System

The Contractor shall, as part of the overall Project Management methodology, utilize the FI Contractor's Project Control and Reporting System to advise Department and Contractor management of progress in meeting goals and schedules contained in the Takeover Project Schedule.

Within one month of CED the FI Contractor shall complete initial training for up to five ASO Contractor staff on the Project Control and Reporting system. State

Exhibit A, Attachment I
Scope of Work - Takeover

and ASO Contractor staff training for the Project Control and Reporting system shall consist of a combination of hands-on product training and practical familiarization with the tool and shall include a performance monitoring dashboard.

This reporting mechanism shall identify actual schedule performance to the planned performance and to implement a Corrective Action Plan (CAP) when actual performance deviates from planned or required performance.

The Contractor shall identify, measure, report, and control changes to the Takeover requirements. Include impact of requirement changes on the project scope, schedule, resources, and risk factors. If changes in Takeover requirements affect the Takeover Project Schedule, the ASO Contractor shall collaborate with the FI Contractor to update the comprehensive Takeover Project Plan to reflect the changes and incorporate the tasks and effort to perform the requirements into the WBS and schedule.

The Contractor shall include, as part of Project Control, contingency planning to identify, assess and track each risk, person who is responsible for each risk, and the changes needed to respond to each risk. The Contractor shall incorporate risk management tasks into the WBS and schedule.

In the event the Department disagrees with the conclusions or status provided in the Contractor's weekly progress report, the Contracting Officer will provide written notice of the Department's findings and conclusions to the Contractor for corrective action in the time periods set forth by the Contracting Officer.

The FI Contractor shall initiate the reporting mechanism two weeks after CED and weekly thereafter. The system shall have the scalability to provide various views of relevant information. The ASO Contractor is responsible to provide the FI Contractor the information needed to meet the requirements of the Project Control and Reporting System to reflect the implementation of the ONE comprehensive Takeover Project Plan. The Project Control and Reporting System shall consist of the following five elements:

- 1) Weekly progress meetings attended by the FI Contractor, the ASO Contractor, and the Department. These meetings may include walkthroughs of selected parts of the Contractors' facility(ies), as directed by the Department. All appropriate materials and documentation to be discussed at the meetings shall be collaborated with the FI Contractor prior to submission to DHCS no later than two business days prior to the meeting;
- 2) Weekly written progress reports, provided by the Contractor to the Department two business days before each subsequent weekly meeting, and containing items to be discussed at each meeting. The reports shall include the following items:
 - a) Attendees scheduled for the upcoming meeting;
 - b) Progress of each task/activity, as applicable for that period of time;

Exhibit A, Attachment I
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- c) Topics of general discussion;
 - d) Action items and decisions made at the previous weekly meeting;
 - e) Problem(s) encountered, resolution(s) proposed for each problem, projected completion date of problem resolution(s), current/actual status of problem resolution(s), and Department and Contractor contact person(s) and phone number(s);
 - f) Planned activities for the next two reporting periods;
 - g) Status of contractually-defined milestones, walkthroughs, and deliverables scheduled in the Takeover Project Schedule;
 - h) Takeover QM activities. As part of the weekly progress report the Contractor shall verify that the Takeover tasks are being installed and implemented within the required time frames and in accordance with Contract provisions in Exhibit A, Attachment II, Quality Management. Items of non-compliance shall be specifically noted and CAPs for resolution of the problems shall be submitted as a part of the report;
 - i) A listing of missing files/programs that should have been transferred from the prior Contractor during Takeover and an adjunct listing of inaccurate files/programs transferred during Takeover; and
 - j) Any other information deemed necessary by the Contractors or required by the Contracting Officer.
- 3) WDS Report. This report shall include deliverables, walkthroughs, milestones, and Department approvals, and shall be used by the Contractor and the Department: in gauging or measuring the Contractor's progress during Takeover, especially as compared to the Takeover Milestone/Deliverable Schedule; for tracking the provision to the Department of Takeover deliverables such as procedure manuals, study reports, and training guides; and, to assist the Department in determining whether Takeover invoices should be paid. (Also see Exhibit B, Attachment I, Special Payment Provisions)

The WDS Report shall be furnished to the Department weekly, on the first business day of the week, and shall be current at the time of submittal:

- a) The report shall be submitted to the Department each Monday morning by 10:00 AM Pacific Time (PT).
- b) The report shall contain the following information:
 - i. WBS Number - This shall be the number the Contractor has assigned the deliverable/activity on the Takeover Milestone/Deliverable Schedule. One version of the WDS report shall be sorted by this data element and seven copies submitted to the Department weekly;

Exhibit A, Attachment I
Scope of Work - Takeover

- ii. Description - Brief description of the deliverable/activity;
 - iii. Original Due Date - Initially, this shall be the due date originally provided in the Contractor's Takeover Milestone/Deliverable Schedule. Subsequent submittals by this sort shall be by updated or most recently assigned due date. The second version of the WDS Report shall be sorted by this data element and seven copies submitted to the Department weekly;
 - iv. Date Delivered - Actual date deliverable was delivered to the Department for review and approval;
 - v. Days Late/Early - The number of days the deliverable was delivered either late (- days) or early (+ days);
 - vi. Disposition and Date Approved, Disapproved, Pended, or Conditionally Approved - The disposition and date the Department either: approved (A), disapproved (D), pended (P), or conditionally approved (C) the deliverable;
 - vii. Resubmission Due Date - If disapproved, pended or conditionally approved, this field shall reflect the new due date set by the Department. There shall be as many entries in this column as disapprovals, pending, or conditional approvals by the Department;
 - viii. Date Submitted;
 - ix. Date Resubmitted Days Late/Early - Same definition as item (v) above, but relative to item (iii) above (the new due date);
 - x. Disposition and Date Approved, Disapproved, Pended, or Conditionally Approved - The disposition and date the Department approves, disapproves, pends or conditionally approves the resubmitted deliverable; and
 - xi. Remarks - Free form comments space allowing a minimum of one hundred (100) characters.
- 4) A Weekly Deliverable Exception (WDE) Report. This report shall extract those deliverables, milestones, walkthroughs, and Department approvals from the WDS report that are past due; and
- 5) As a precursor for the Contract monitoring tool requirements described in Exhibit A, Attachment II, Quality Management and Exhibit A, Attachment II, Administrative Support of Contract Changes, the ASO Contractor shall utilize the FI Contractor's dashboard component to monitor and report Contractor performance and status of Takeover tasks and deliverables. Therefore, the ASO Contractor shall provide data to be utilized in the FI Contractor's dashboard component.

Exhibit A, Attachment I
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The FI Contractor shall gather dashboard requirements, obtain written Department approval, perform user training on the dashboard and implement the dashboard component to monitor and report on the performance metrics of all Takeover requirements and the comprehensive TPP. During Takeover the metrics shall focus on Takeover requirements, Takeover tasks and the TPP, including the Takeover Schedule.

Beginning at AOO, it is the Contractor's responsibility to work collaboratively with the Department and the FI Contractor to:

- a) Define the performance metrics and reporting methodologies;
- b) Obtain written Department approval; and
- c) Collect, integrate, and report all metrics and performance standards from the current CD-MMIS Operations.

9. Assemble Takeover Management Team

- a. Per Exhibit E, Additional Provisions, the Contractor's Representative shall be designated five days prior to CED.
- b. The Takeover management team shall be employed by the Contractor at CED. Submit to the Department the names and resumes for the Takeover management team positions required in Exhibit E, Additional Provisions. Changes in the composition of the team as contained in the Contractor's Narrative Proposal or as required by this paragraph, are subject to the requirements set forth in Exhibit E, Additional Provisions.

10. Administrative Functions

For the Administrative Functions listed below, the Contractor shall comply with the requirements described in Exhibit E, Additional Provisions:

- a. Submit Ownership and Control Information;
- b. Designate Contractor Representative;
- c. Submit Request for Approval of Required Insurance and/or Bonding by Other than Third Party Carrier;
- d. Submit Proof of Insurance and Bonding;
- e. Submit Conflict of Interest Statement;
- f. Submit Letter of Credit; and
- g. Submit ten (10) Copies of Updated Narrative Proposal.

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11. Training Plan

The Contractor shall develop materials and courses to train Contractor staff and familiarize Department and other State staff with its Operation. The Contractor shall develop any needed training to ensure successful Takeover, as well as develop and internally distribute staff training materials as needed. The Contractor shall schedule and execute all training plans and updated training plans to fully support Takeover tasks and activities and to ensure full preparedness for the performance of all Contractor responsibilities, including those specified in Exhibit A, Attachment II, Staff Training Requirements.

- a. The Contractor shall submit to the Department for review and approval, two weeks after CED, a detailed Training Plan. The Contractor shall commence training as detailed in the plan upon Department approval of the plan. The Contractor shall plan to provide training that is specifically directed to ensure that the Contractor staff can adequately perform all Contractor responsibilities.

The Contractor staff to be trained includes, but is not limited to: technical; manual review; professional; and provider services staff. Also, the plan shall address the training of these staff in Contract changes that occur during the term of the Contract. Contract changes are defined in Exhibit A, Attachment II, Administrative Support of Contract Changes. Department staff may attend these sessions. This training program shall be developed utilizing training provided by the incumbent Contractor; however, it shall not be dependent upon that training. The Contractor's training shall be given in the greater area of Sacramento.

The Contractor shall ensure the training plan shall also include the professional qualifications of each trainer (i.e., the trainer's current job classification and responsibilities, his/her knowledge and experience in the assigned subject(s), and his/her ability to impart that knowledge to others).

The Training Plan shall include, at a minimum, training on:

- 1) Administrative Support Services;
- 2) Mailroom;
- 3) Document Control;
- 4) Para-professional and Professional Review;
- 5) Clinical Screening;
- 6) Claims Inquiry Form (CIF) Processing;
- 7) TAR Processing;
- 8) Notice of Authorization (NOA) Processing;
- 9) Claims Processing (suspense);

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- 10) Appeals Processing;
 - 11) State Hearings;
 - 12) Specialized Claims Processing (i.e., Temporal Mandibular Joint (TMJ) etc.);
 - 13) Checkwrite and Payment Verification Process;
 - 14) Share-of-Cost (SOC);
 - 15) Surveillance and Utilization Review Subsystem (S/URS), S/URS Claim Detail Report (CDR), and other applicable training;
 - 16) Provider Services;
 - 17) Beneficiary Services;
 - 18) Telephone Service Center (TSC) Operations (Provider and Beneficiary);
 - 19) Dental Outreach Activities;
 - 20) Security and Confidentiality Procedures; and
 - 21) Contractor procedures for effecting Department-required changes to ASO Operations.
- b. During Takeover the Contractor shall attend up to twenty-four (24) hours of DHCS-approved training per person on the COTS Project and Portfolio management tool utilized by the FI Contractor and Department staff;
 - c. The number of Department-designated State staff to be trained on ASO Operations by the Contractor during Takeover shall not exceed a total of fifty (50) persons. The Contractor shall provide facility tours, as part of the ASO Operations training, for not more than a total of fifty (50) Department designated personnel;
 - d. Two weeks after State training begins, and every other week thereafter, the Contractor shall provide to the Department a written report detailing the progress and status of actual training compared to the ASO Training Plan submitted two weeks after CED;
 - e. The Contractor shall, on the first day of month thirteen (13) after CED, submit a comprehensive training manual to include ongoing training plans for Operations that fully meet the requirements of Exhibit A, Scope of Work (SOW), Attachments I through III; and
 - f. The Contractor shall provide manuals for training areas that shall be maintained during Operations. These manuals are to be owned by the Department and are not to be internal only to the Contractor. Manuals shall provide very specific details, including desk procedures regarding how the employee performs all functions using the system.

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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 J, 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.

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b. Organizational Structure Plan

This Organizational Structure section of the Contractor's Takeover Organizational and Personnel Acquisition Plan shall provide a complete and detailed description of the organizational structure to be used by the Contractor during Takeover and Operations, as well as the total staffing levels for each period by classification and each organizational unit. The plan shall include the following:

- 1) The Takeover staffing levels provided shall correspond to the staffing needs indicated by the Contractor in the Takeover Project Plan and Takeover Project Schedule.
- 2) If the staffing levels needed for Takeover vary throughout the Takeover Phase, variable levels shall be indicated through a narrative description, a Gantt chart (or equivalent) and a staff loading chart indicating staffing by Takeover task.
- 3) Include organization charts and descriptions showing the location of the ASO Contractor's firm, and organization charts and descriptions for all ASO Operations areas. The functional responsibilities of each organizational unit, the delegation of responsibilities to ASO organizational units, organizational decision-making points, and unit staffing by classification shall be provided.
- 4) Include complete job descriptions (specifications) for all classifications used for senior management, Provider Services, Beneficiary Services, TSC, S/URS, Information Security and Privacy Office, and QM including job title, functional responsibilities, and experience requirements.

c. Schedule Execution And Reporting

The personnel function is to be established and all hiring completed at levels at least equal to that prescribed in the Contract and in the Contractor's Organizational and Personnel Acquisition Plan during the Takeover Period.

- 1) The Contractor shall develop and secure Department approval to implement staffing requirements and contingency plans for both TAR startup and assumption of claims processing activities under this Contract.
- 2) The first submittal of the Hiring Progress Report and Staff Loading Chart shall be subject to Department review and approval for format and content as defined in Takeover. Following Department approval of the initial submittal for format and content, subsequent reports shall conform to this approved model.

The Contractor shall adhere to Exhibit A. Attachment II, General Reporting Requirements. The Contractor shall provide DHCS two hardcopies of each report and a copy of each report shall also be submitted to DHCS electronically, in a manner designated by DHCS throughout the term of the Contract.

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a) Staff Loading Chart:

The Staff Loading Chart Report shall include all Contractor staff currently working on the Contract; fixed price and cost reimbursed; listing each by staff name, and including for each: 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. This report shall show average staffing for the past twelve (12) months, beginning with the first prior month. This report shall be provided to the Department one month after CED and every quarter thereafter, by the fifth State work day of the month, or as agreed to by the Contracting Officer.

b) Hiring Progress Report

The Contractor shall provide to the Department, two weeks after CED and every month thereafter, or as agreed to by the Contracting Officer, a written Hiring Progress Report detailing the status and progress of the actual hiring of personnel compared with the Organizational and Personnel Acquisition Plan and Staff Loading Chart submitted as part of its plan. This report shall provide the following:

- i. The number of staff proposed in the Narrative Proposal;
- ii. The number of staff who have accepted job offers and the number of staff who have reported during that month; and
- iii. The number of all staff, including billable and fixed price, by function and classification who have reported to work during that month.

- 3) The Contractor shall provide to the Department, when and if the Contractor proposes organizational structure changes during Takeover, updates to the Organizational Structure section of its Takeover Organization and Personnel Acquisition Plan. These updates shall be provided to the Department five (5) business days prior to such proposed change(s). All changes shall be subject to Department written approval prior to implementation.
- 4) At Takeover completion this deliverable shall become the Contractor's Operation Organizational and Personnel Acquisition Plan. When personnel changes occur, the Contractor shall provide a current version of the Plan and Hiring Progress Report to the Department by the fifth business day of the month following the changes as an ongoing Contract deliverable throughout the term of the Contract. The Contractor shall provide a current version of the Staff Loading Chart to the Department by the fifth business work day of the quarter as an ongoing Contract deliverable throughout the term of the Contract.
- 5) In those cases where the Contractor is required to have a position(s) filled and a hiring commitment has been made to fill the position(s) with the prior Contractor's staff member(s), the Department will work with the Contractor to

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establish a transfer date. If necessary, upon written request by the Contractor and written approval by the Contracting Officer, the Department may waive the hiring dates required in the Contract.

13. Takeover Cost Plan

The Contractor shall deliver a Takeover Cost Plan two weeks following CED. The plan shall, at a minimum, include:

- a. Contract requirement and reference;
- b. Bid price for each requirement; and
- c. Include description of how the Contractor complies with each requirement.

The Department and the Contractor shall review and mutually agree on cost related to Takeover. However, should the Department and the Contractor not reach a mutual agreement, the Contracting Officer's decision shall be final. The Department will not allow or approve any amendments to the Contractor's Operational bid as a result of any disallowances.

14. Plan for Assumption of Operation

Two months following CED the Department shall receive a comprehensive plan for assumption of CD-MMIS Operations for review and approval. The ASO Contractor, working closely with the FI Contractor, shall share in the responsibility for the integration process, production and execution of ONE comprehensive Assumption plan that outlines the activities of both Contractors.

The Assumption plan shall address specific Takeover Assumption requirements and provide detailed, step-by-step procedures for each specific Takeover Assumption task to demonstrate how the ASO Contractor proposes to successfully assume complete and full ASO Operations.

Takeover Assumption requirements and tasks to be addressed in this plan shall include, but are not necessarily limited to, those described in this Exhibit A, Attachment II, Assumption of ASO Operations Execution, as well as any additional requirements described herein.

The Contractor's plan for assumption of ASO Operations shall include narrative descriptions, supporting documentation and detailed procedures, an installation schedule, and a Gantt chart (or equivalent) to completely describe the Contractor's overall plan for undertaking and completing each task and activity associated with the ASO AOO process. The activities identified in the plan for assumption of ASO Operations shall be described under each of the following Assumption tasks:

- a. Startup of TAR Processing;
 - 1) Processing TARs/CIFs/Resubmission Turnaround Documents (RTDs), request for reconsideration of denied lines on a NOA;

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- 2) Handling misdirected mail and claims/TARs/NOAs/CIFs;
 - 3) Establishing Post Office Boxes and toll-free telephone lines;
 - 4) Implementing Clinical Screening procedures;
 - 5) Implementing State Hearing and Reimbursement Claim procedures; and
 - 6) Processing TAR inventory, records, and claims history.
- b. Assumption of Claims Processing;
- 1) Processing Claims/NOAs and appeals;
 - 2) Processing documents with prior Contractor's approved services; and
 - 3) Handling misdirected mail and claims/NOAs/CIFs.
- c. Duplicate Payment Authorization Procedures;
- 1) Checking for duplicate payments and authorizations by the prior Contractor and the current Contractor;
 - 2) Resolving duplicate payment and authorization problems; and
 - 3) Reporting to the Department on duplicate payments/recoveries, and authorizations.
- d. Provider Check Processing;
- 1) Accepting checks from providers;
 - 2) Redirecting appropriate checks to the prior Contractor;
 - 3) Reimbursing the prior Contractor's portion of appropriate checks; and
 - 4) Reporting to the Department on all checks issued by the Contractor.
- e. Handling Beneficiary Inquiries/Grievances;
- f. Utilization of the CD-MMIS forms used by the prior Contractor and procedures to modify claim forms and other documents;
- g. Processing manual interim payments in accordance with Department direction;
- h. Maintaining, processing, and storing all residual inventory at the end of the prior Contractor's Runout Processing period;
- i. Transfer the Post Office Box(s) from the prior Contractor at the end of the prior Contractor's Runout Processing period;

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- j. File Transfer and Maintenance;
 - 1) Identifying file information for report production purposes;
 - 2) Ensure cut-over/transfer of the CD-MMIS terminal network data lines, backup dial-up business lines, etc., from the incumbent Contractor to the Contractor;
 - 3) Ensure cut-over/transfer of all CD-MMIS line connectivity between the Office of Technology Services data center to the Contractor;
 - 4) Testing of two-way transfer;
 - 5) Exchanging processing information/data; and
 - 6) Acceptance, update, and maintenance of files (e.g. Provider Master File (PMF)).
- k. Execution of new subcontracts and/or renewal of all subcontracts that may be expiring at Takeover assumption of ASO Operations;
- l. Transfer and installation of all Department-owned or leased equipment;
- m. Implementation of records retention responsibilities;
- n. Implementation of security and confidentiality responsibilities;
- o. Implementation of QM responsibilities;
- p. Provide staffing and contingency plans. The Contractor shall develop, secure Department approval for, and implement staffing requirements and contingency plans for both TAR startup and assumption of claims processing activities under this Contract;
- q. Cycle time requirements: The Contractor shall address how it will meet cycle time requirements during the Assumption Period and ensure that no backlogs arise in the area of claim/TAR adjudication, and appeals processing;
- r. Produce reports;
- s. Special provider services occurring during the Assumption Period; and
- t. Implement methods of assisting providers who are submitting documents to the prior Contractor or who are having difficulty determining who has their document.

15. Facilities Acquisition and Installation

- a. Facilities Acquisition and Installation Plan

The Contractor shall deliver an updated and detailed Facilities Acquisition and Installation Plan to the Department three weeks following CED. The Plan shall describe the planned usage of space for the Contractor's operation of ASO

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Operations, provision of space for Department on-site staff during Takeover, Design, Development, and Implementation (DDI), Operations, and provision of space for all equipment.

The Facilities Acquisition and Installation Plan shall include narrative descriptions, supporting documentation, installation schedule and a Gantt chart (or equivalent) detailing the installation schedule. The plan shall provide information that includes, but is not limited to:

- 1) The location of the Contractor's Sacramento facility(s) and facilities in different California locations and/or outside of California (if applicable);
- 2) The extent to which the Contractor's site(s) is/are currently under lease or ownership or planned to be leased or bought. If the site(s) is/are not currently under lease or ownership, the Contractor shall, at a minimum, provide a guaranteed lease option on the facility(s) including the name, address, and telephone number of the leasing or selling agent for contact by the Department. The Contractor shall completely describe facilities it currently has in the greater area of Sacramento for use in the ASO Contract and what facility space, and for what functions, it must obtain and/or finalize development. Temporary facility(s) shall be located in the greater area of Sacramento and be obtained by the Contractor, if necessary, and be available for occupancy by the Department and Contractor staff two weeks after the CED. Any change in facility(s) location from that which the Contractor specified in its Narrative Proposal shall be subject to prior written approval by the Contracting Officer;
- 3) A description of the modifications that shall be made to the Sacramento facility(ies), a schedule for completing those modifications, and the actions taken by the Contractor to ensure that this schedule is met. This shall address at a minimum:
 - a) Installation of raised floors or specialized commercial building modifications to accommodate and support computing equipment;
 - b) Installation of special computer electrical equipment;
 - c) Installation of computer air conditioning and cooling systems for servers, server rooms and other computing equipment requiring special environmental conditioning;
 - d) Acceptance of any lease transfer on the existing building; and
 - e) Major facility(ies) installation milestones.
- 4) Certification that the Contractor has verified that electrical, telecommunications (voice and data), phone, and any other required services can be provided to the Contractor facility(ies) and on-site Department offices in order to adequately support ASO Operations;

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- 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) 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.

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Scope of Work - Takeover**16. Hardware and Equipment Acquisition and Installation**

a. Hardware and Equipment Acquisition Plan

The Contractor shall deliver an updated and more detailed Hardware and Equipment Acquisition and Installation Plan one month following the CED. The plan shall completely describe the on-/off-site hardware/equipment and the installation of the hardware/equipment to support ASO Operations, including all non-mainframe systems. The plan shall describe all Central Processing Units (CPUs), data storage devices, printers, terminals, key entry devices, telecommunications equipment, scanning equipment, and any other data processing peripheral devices and Department cost reimbursable equipment.

The plan, at a minimum, shall describe:

- 1) A configuration schematic showing all hardware and communication networks;
- 2) A description of all hardware including, but not limited to, the information included in the Hardware/Software Inventory List described in this section under Hardware/Equipment Inventory. In addition include capacity available to support the ASO Operations (if equipment is proposed as a shared environment) and expansion capability related to ASO Operations and CD-MMIS processing;
- 3) A projected reduction or increase in the proposed hardware and equipment based on a reduction or increase in CD-MMIS claim/TAR and call volume ranges;
- 4) Industry ratings of proposed hardware;
- 5) Compliance with State purchasing and procurement procedures (<http://www.pd.dgs.ca.gov/polproc/default.htm>) and State requirements for "Environmentally Preferable Purchasing" (<http://www.calrecycle.ca.gov/EPP/>);
- 6) The installation dates, order points, all required line connectivity between the FI Contractor and the ASO Contractor, and projected critical path of the Hardware and Equipment Acquisition and Installation Plan in order to support all Takeover tasks and begin operation of the ASO Operations with the startup of TAR processing ten (10) months and fifteen (15) days after CED. This plan shall include a phase-in of sufficient equipment to support each Takeover task and, if the Contractor's permanent facility is not completed, the facility in which the equipment will be installed. This shall include equipment necessary for Acceptance Testing (to be installed five months after CED), and equipment needed for staff training (to be installed prior to training);
- 7) Plans for Department telecommunication network switchover from the prior Contractor to the Contractor;
- 8) Contingency plans for acquisition and installation of all hardware and equipment in case of schedule slippage;

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- 9) Backup and recovery facility(s) and equipment in the event of facility or equipment failure. Backup facility(s) shall have active telecommunication hookups to all locations necessary to assume processing in the event of an emergency;
 - 10) The maintenance contracts/agreements in detail for all proposed hardware and equipment; including the level, number, and availability of maintenance personnel, and whether maintenance personnel are on-site or on-call (if on-call, give maximum response times);
 - 11) Plans and approach describing how the Contractor shall meet the requirements stated in Exhibit E, Additional Provisions, Hardware/Equipment and Software for hardware replacement at equipment end-of-life;
 - 12) Compliance with the most current federal and State mandates; including the requirements of the State Administrative Manual (SAM), State Information Management Manual (SIMM) and State Medicaid Manual (SMM); and
 - 13) The Hardware and Equipment Acquisition and Installation Plan shall identify the Contractor's acquisition and installation plan for non-data processing equipment. At a minimum the plan shall describe:
 - a) All types of equipment required;
 - b) Purchase orders or proposed delivery dates;
 - c) Installation dates; and
 - d) Interdependencies with other Takeover tasks and contingencies for problems or delays in deliveries or installations;
- b. Hardware and Equipment Installation Execution
- 1) Data Processing Hardware

The Contractor shall obtain and install all equipment required to support the Takeover and assumption of ASO Operations without interruption of service to providers, other data trading partners and the Department. Time shall be allowed for testing of and training on hardware prior to the point it is required.
 - 2) Equipment
 - a) Equipment shall be installed, as needed, to support each Takeover task. Equipment needed for Contractor Acceptance Test support to the Department shall be installed and operational five months after CED; this equipment shall also be identified in the Contractor's Acceptance Test Plan. All equipment needed for staff training shall be installed prior to that training. All ASO Operations equipment shall be installed no later than ten (10) months, fifteen (15) days after CED unless specifically exempted in writing by the Contracting Officer.

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- b) Ensure that all necessary telecommunication systems and equipment are installed and fully operational one month prior to the startup of TAR processing activities;

3) Department Owned/Leased Equipment

The Contractor shall install Department owned/leased equipment operated by the prior Contractor. This equipment includes items such as personal computers, printers, controllers, servers, and modems to be connected to the Contractor's host computer, or, in the case of modems and associated equipment, to be installed at the Contractor's data processing center.

This equipment also includes all non-mainframe systems and network equipment, etc. This equipment shall be transferred from the prior Contractor, via the Department, to the Contractor ten (10) months, fifteen (15) days after CED (startup of TAR Processing).

The Contractor shall ensure two months after CED all required line connectivity to ensure access to the Fiscal Intermediary Access to Medi-Cal Eligibility (FAME) data.

c. Hardware/Equipment Inventory

As hardware and equipment is acquired and installed, the Contractor shall prepare a detailed inventory of hardware/equipment used to support the ASO Operations, including mainframe and non-mainframe systems, whether owned by the Contractor or the Department. The Hardware/Equipment Inventory shall include, at a minimum:

- 1) Who owns/leases the hardware/equipment (Contractor or Department), is it leased or owned (if leased expiration date, lessor and terms), quantity, purchase date, manufacturer, description, model, firmware release level, serial number, asset tag number, what CD-MMIS Subsystem(s), application, or business function(s) it supports, physical location, age, configuration (CPU, data storage devices, etc.), shared disk capacities, and responsible contact for information. A separate document should be kept for secured information for all hardware/equipment such as Internet Protocol (IP) addresses to be approved by the Department in writing;
- 2) Software components installed on the hardware/equipment including, but not limited to, the operating system and associated licenses loaded onto equipment. Include release or version levels;
- 3) All application and/or programming language support components residing on the hardware/equipment;
- 4) The maintenance contracts/agreements details for all existing hardware and equipment; including the maintenance level, number of units covered, and availability of maintenance personnel, and whether maintenance personnel are on-site or on-call;

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- 5) Hardware configuration charts to illustrate the interfaces between hardware components, application systems and communication systems;
- 6) History of maintenance performed on the hardware/equipment; and
- 7) All mainframe or non-mainframe documentation shall include all configuration, security and parameters.

The information above shall be incorporated in the Hardware/Software Inventory List (a copy is included in the incumbent Contractor's electronic documentation library) and delivered to the Department for written approval no later than two months after CED and monthly thereafter until the Operations Phase begins. Throughout the term of the Contract the Contractor shall continue to update and submit the Hardware/Software Inventory List to the Department for written approval at the end of each fiscal quarter through the end of the Contract or as directed by the Department. The Contractor shall also update and submit for written approval the Hardware/Software Inventory List during the process of implementing change instruments such as SDNs, MCDs, Change Orders, DOILs and PSs. In addition to the use of this list for general management of ASO Operations, it is the intent of the Department that this list shall be maintained and updated diligently to allow for an easy and seamless transition into a future CD-MMIS Documentation and Data Library.

17. Software Installation

a. Software Installation Plan

- 1) The Contractor shall submit an updated and more detailed Software Installation Plan one month following CED. The plan shall completely describe the operating system and licensed system software proposed to support the CD-MMIS, and all non-mainframe systems, as well as the proposed installation schedule for such system software. The plan shall include:
 - a) License arrangements, purchase orders, delivery dates, and installation dates;
 - b) All system software products;
 - c) Versions and release dates;
 - d) IBM compatibility (for mainframe CD-MMIS applications) and overall operating system and licensed system software compatibility with the non-mainframe CD-MMIS applications;
 - e) Product support agreements;
 - f) Purpose of the products;
 - g) Installation dates;

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- h) Industry ratings of software;
 - i) Minimum qualifications of system software support staff; and
 - j) Interdependencies with other Takeover tasks and contingencies for problems and delays with acquisition and installation of software.
- 2) The plan shall further describe the Contractor's installation plan for software, and specifically describe, at a minimum:
- a) Tasks and resources allocated;
 - b) Provisions for walkthroughs with Department designated personnel during Takeover;
 - c) Interdependencies with other Takeover tasks and contingencies for software installation and/or operational problems and delays, including the potential need to request corrections to, or additional, software from the prior Contractor;
 - d) The methodology to install the current system changes to software throughout the Takeover period until the assumption of claims processing. The Contractor shall describe how its changes shall be integrated with the current system changes; and
 - e) Plans and approach describing how the Contractor shall meet the requirements stated in Exhibit E, Additional Provisions, Hardware/Equipment and Software for Software Refreshes.
- 3) The Software Installation Plan shall also describe the Contractor's installation plan for additional applications software. Such software includes software which the Contractor considers necessary to successfully operate ASO Operations and is not currently part of the current ASO or CD-MMIS system. The plan shall describe, at a minimum:
- a) Description of the software;
 - b) Any development effort required on the Contractor's part;
 - c) Installation dates;
 - d) Tasks and resources allocated;
 - e) Provisions for walkthroughs with Department-designated personnel during Takeover;
 - f) Interdependencies with other Takeover tasks and contingencies for problems or delays with additional application software acquisition and installation;

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- g) Design, development, and testing of such software, if applicable; and
 - h) License arrangements.
- b. Software Installation Execution
- 1) System Software

The Contractor shall obtain and install the necessary operating system software and licensed system software required for operating and supporting the ASO Operations. The installation of the system software shall be completed two months following CED.
 - 2) CD-MMIS Mainframe Software

The Contractor shall ensure connectivity to CD-MMIS in its own facility two months after CED. The Contractor shall receive, at the beginning of Takeover, the current version of the CD-MMIS being operated by the CD-MMIS FI Contractor.

After the startup of TAR processing, the Contractor shall be responsible to ensure all changes necessary are made to maintain, the CD-MMIS in compliance with program policy and procedures as directed by the Contracting Officer.
 - 3) CD-MMIS Non-Mainframe Systems

The Contractor shall accept and fully install and/or ensure connectivity to applicable non-mainframe systems software in its own facility two months after CED. The Contractor shall receive, at the beginning of Takeover, the current versions of the non-mainframe software being operated by the prior Contractor. The Contractor shall install/assume all changes made to non-mainframe systems software during the period between the beginning of Takeover and the startup of TAR processing.

After the startup of TAR processing, the Contractor shall be responsible to ensure all changes necessary to maintain, the non-mainframe systems in compliance with program policy and procedures as directed by the Contracting Officer.

Ensure that all necessary telecommunication systems and equipment (e.g.; Interactive Voice Response (IVR), Web Portal, State Hearings, S/URS Reporting) are installed and fully operational as described in the Takeover Project Plan.
 - 4) Additional Applications Software

The Contractor shall obtain, or design, develop, and install, any other applications software necessary to operate Operations two months after CED. Some applications software in the present CD-MMIS may be proprietary and the Contractor shall secure a license for the proprietary

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software, or design and develop a substitute. As necessary, the Contractor shall secure software licenses so Operations continue without interruption. Any necessary new development(s) shall be as transparent and non-disruptive as possible to providers, beneficiaries, and other ASO and CD-MMIS stakeholders. The resulting software shall be installed and utilized by the Contractor only after written Department approval is secured.

c. Software Inventory

- 1) The Contractor shall maintain an inventory of Non-mainframe Licensed and/or Open Source Software (OSS) to include who owns/leases the software (Contractor or Department), is it leased or owned (if leased, the expiration date, lessor and terms), product name, version, release date, product support agreements, type of software (e.g., Operating System, Database Management System, Help Desk, Programming Language, Middleware, Web Browser, Web Filtering, Antivirus, Intrusion Detection System, Network Manager, Utility Software, etc.), purpose of product, installation date, quantity or number of licenses, description, what ASO or CD-MMIS Subsystem or Medicaid Information Technology Architecture (MITA) business function it supports, and location where it is installed. The Contractor shall follow the California Department of Technology's Information Technology Policy Letter 10-01 (01/07/2010) for the identification and use of OSS.
- 2) This information above shall be incorporated in the Hardware/Software Inventory List (a copy is included in the incumbent FI Contractor's electronic documentation library) and delivered to the Department for written approval no later than two months after CED and monthly thereafter until the Operations Phase begins.
- 3) During Operations the Contractor shall continue to update and submit the Hardware/Software Inventory List to the Department for written approval within thirty (30) calendar days of the implementation of any new software through the end of the Contract or more frequent if requested.
- 4) The Contractor shall update and submit for written approval the Hardware/Software Inventory List during the process of implementing changes resulting from SDNs, Change Orders, DOILs, MCDs and PSs.
- 5) In addition to the use of this list for general management of ASO Operations, it is the intent of the Department that this list shall be maintained and updated to allow for an easy and seamless transition into a future CD-MMIS Documentation and Data Library.

d. Software Management

- 1) The Contractor shall manage the software following the California Department of Technology's Software Management Plan Guidelines (Rev. April 2011).

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- 2) The Contractor shall include a Software Management subsection in the Software Installation Plan which details its software management strategy and processes.
- 3) The Software Management subsection shall include the method to integrate software management with the Contractor's Configuration Management and Change Control processes.

18. File Installation

a. File Installation Plan

The Contractor shall submit the File Installation Plan five weeks after CED. The plan shall, at a minimum, describe:

- 1) Installation dates for each file;
- 2) Availability of computer hardware and system software to enable installation;
- 3) Storage media for files;
- 4) Interdependencies with other Takeover tasks and contingencies for problems or delays. This shall include the files needed to support each Takeover task, including Acceptance Testing, Regression Testing and the various components of the claims processing functions;
- 5) Procedures to be used for installation of files with additional history during assumption of claims processing functions (e.g., residual history transferred); and
- 6) Procedures for generating files for transmittal to the prior FI Contractor during the Assumption Period.

b. File Installation Execution

Test files will be made available to the Contractor for testing prior to the required installation date. The Contractor shall:

- 1) Accept, install, test, and utilize FI Contractor and/or Department supplied files or production files for Acceptance Testing;
- 2) Ensure installation of all files necessary to take over ASO Operations no later than three business days after receipt by the FI Contractor. A complete listing of all files to be installed is available in the Data Library;
- 3) Ensure connectivity to the specific files prior to the startup of TAR and claims processing functions. The methods utilized to access and maintain the files shall not be altered by the Contractor. For the following files, which require special consideration, the Contractor shall:

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- a) Ensure installation of the entire PMF from the FI Contractor beginning thirty (30) days prior to the startup of TAR processing. From the startup of TAR processing until the beginning of claims processing, the prior FI Contractor will continue to enroll providers and provide weekly updates to the PMF and the Other Intermediary (OI) PMF. Beginning on the first day of claims processing, all enrollment requests will be transferred to the successor ASO Contractor and the Contractor shall then begin processing provider enrollment requests and updating the PMF from that time forward. These transfers shall occur weekly and shall continue until the prior FI Contractor ceases all claim processing functions;
- b) Ensure access to the FAME two months after CED. The Contractor shall receive FAME eligibility data through the FI Contractor;
- c) Ensure installation of history files from the FI Contractor one month prior to the startup of TAR processing and receipt of weekly updates from the FI Contractor until the end of the prior FI Contractor's Contract Runout Processing period;
- d) Ensure installation of S/URS files during the month prior to assumption of claims processing;
- e) Ensure installation of the MMIS Tables File (UT-F-001), the Edit and Audit Criteria File, the Procedure and Pricing File, and all the support files identified to support TAR and claims processing during the month prior to the startup of TAR processing;
- f) Ensure installation of files from programs such as California Children's Services (CCS), Genetically Handicapped Persons-Program (GHPP), and Regional Center Consumers to support TAR and Claims processing during the month prior to the startup of TAR processing. The Contractor shall maintain these files from this date forward;
- g) Ensure installation of records of all TARs authorized by the prior FI Contractor one business day prior to the startup of TAR processing. The Contractor shall use this file for editing new TAR requests and claims submitted after the start of claims processing to avoid duplicates; and
- h) Ensure installation of the Procedure Master File from the FI Contractor one month prior to the startup of TAR processing.

For all of the above files, the Contractor shall provide appropriate reports to the Department in compliance with the requirements of Exhibit A, SOW, Attachments I through III.

c. Plan Execution during Assumption

Various files shall be transferred by secure storage media or by secure transmission from the FI Contractor for usage in this ASO Contract. Installation of the files shall occur within three business days after receipt by the FI Contractor. Some files that are transferred during Assumption will have been

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transferred earlier. The Contractor shall update or merge newly transferred files with prior files that the Contractor has already installed and has been maintaining.

d. Two-Way File Transfer

Two-way file transfer is a process by which the prior Contractor transfers all files necessary for CD-MMIS Operations to the successor Contractor as described in Exhibit A, Attachment V, Turnover and Runout Requirements of the prior Contractor's Contract, and by which the successor Contractor installs these files necessary for the assumption of CD-MMIS Operations in accordance with the requirements in this section. The ASO Contractor shall test the Two-Way File Transfer for both the Acceptance Test and production environments. This testing shall begin three and one-half months prior to startup of TAR processing and shall continue, if necessary, throughout the entire period immediately preceding startup of TAR processing under this Contract. The Contractor shall use the record containing the date created to identify which Contractor created the file. Two-way file transfer shall be implemented ten (10) months, fifteen (15) days after CED.

e. File Maintenance

As provided in File Installation, the Contractor shall maintain applicable files including receipt of data from the FI Contractor through the end of the prior FI Contractor's Runout Processing period.

For S/URS reporting activities, the combined data from both this Contract and the prior FI Contractor's Contract shall be utilized; all other reports produced by the Contractor (e.g., Management and Administrative Reporting Subsystem (MARS)) shall reflect only data relative to documents being processed or adjudicated by the Contractor.

19. Surveillance and Utilization Review Subsystem (S/URS)

a. S/URS Plan

The Contractor shall, two months prior to assumption of claims processing, update its plan presented in its Narrative Proposal and submit it to the Department for approval. The plan shall include:

- 1) Narrative descriptions, detailed procedures, an implementation schedule, and a Gantt chart (or equivalent) demonstrating how responsibilities shall be performed;
- 2) Describe procedures, tasks, activities, and staffing for all S/URS functions, to ensure Contractor compliance with all Contract requirements. Procedures shall reflect a comprehensive training program to ensure complete understanding of provider/beneficiary utilization review, Claim Detail Reports (CDRs), Aged History Reports (AHRs), and interrelationships and functional dependencies; and

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- 3) Include organization charts and provide functional responsibilities of each organizational unit within S/URS. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided.

b. Quality of Care Review Plan

The Contractor shall develop a Quality of Care Review Plan. The Contractor shall, two months prior to assumption of claims processing, submit the plan to the Department for approval. The plan shall include narrative descriptions, detailed procedures, an implementation schedule and a Gantt chart (or equivalent) detailing the tasks, activities and staffing needs by the Contractor to ensure quality of dental care is provided to beneficiaries as described in Exhibit A, Attachment II, Surveillance and Utilization Review Subsystem. The plan shall include, at a minimum:

- 1) A quality of care review system based upon the community standard of care in the dental profession;
- 2) Specific recommendations regarding proposed corrective actions that can be taken to improve the quality of care for Medi-Cal dental beneficiaries and possible methods to follow-up to ensure the corrective actions have been effective; and
- 3) Recommendations to the Department for review and approval.

c. S/URS Plan Execution

The Contractor shall:

- 1) Execute the S/URS plan at the assumption of claims processing.
- 2) Develop procedure manuals to be used by S/URS. Manuals shall describe at the desk level detail, the procedures the Contractor shall follow in meeting the operational requirements as described in Exhibit A, Attachment II, Surveillance Utilization and Review Subsystem. Manuals shall be submitted for Department approval one month after the assumption of claims processing. The Contractor shall update the manual every twelve (12) months after the approval of the plan.

d. Quality of Care Review Plan Execution

The Contractor shall:

- 1) Execute the Quality of Care Review Plan at the assumption of claims processing;
- 2) Provide a copy of the Quality of Care Review Plan to the Department of Managed Health Care once approved by the Department; and

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- 3) Employ the services of California licensed dentists and para-professionals to continually assess and address problems brought by various sources, e.g., Contractor's dental professional/para-professional staff, including clinical screening dentist staff; dental record/claim/TAR audits, beneficiary complaints, complaints or concerns resulting from a beneficiary referral or advocacy group or statistical reports.

20. Provider Services

a. Provider Services Plans

The Contractor shall, one month after CED, update its Provider Services Plan presented in its Narrative Proposal. The 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) Describe procedures, tasks, activities, and staffing for all Provider Services functions, including Customer Support, to ensure Contractor compliance with all Contract requirements. Procedures shall reflect a provider orientation and training program to ensure complete provider understanding of billing procedures, provider agreements and any new requirements;
- 3) Include organization charts and provide functional responsibilities of each organizational unit within Provider Services, including Customer Support. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided;
- 4) Demonstrate the Contractor's plan for receiving, accepting, updating, and maintaining the PMF during the Takeover period. The Contractor shall identify and describe the functions necessary to maintain the PMF from receipt through TAR processing, as well as the specific functions for PMF maintenance (during the six month period of time from the first day of claims processing under this Contract through the last day of the prior Contractor's Runout Processing period); and
- 5) Additionally, as part of the Provider Services Plan, the Contractor shall develop a Contingency Plan to include contingency tasks, identify risk, and procedures to be followed should Provider Services and Customer Support staffing prove inadequate for the Contractor to meet all of its contractual requirements.

b. Provider Services Plan Execution

The Contractor shall:

- 1) At a minimum, employ staff as described in the Contractor's Narrative Proposal. The Contractor's staffing shall show that it is adequate to perform the required work. The Provider Services areas shall have a sufficient number of trained staff to handle all of Takeover and meet all of the

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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 Subsystem); 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 Subsystem. 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;

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- 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 Subsystem) 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.

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21. Beneficiary Services

a. Beneficiary Services Plan

The Contractor shall, two weeks after CED, update and execute its Beneficiary Services Plan presented in its Narrative Proposal. The 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) Describe procedures, tasks, activities, and staffing for all Beneficiary Services functions, including Customer Support, to ensure Contractor compliance with all Contract requirements. Procedures shall reflect a comprehensive orientation and training program to ensure staff is knowledgeable in the practice of dentistry within California and have a familiarity of how claims and TARs are processed within the CD-MMIS. Scope of knowledge and skill are defined to include, but not be limited to: knowledge of the Medi-Cal Dental Program's regulations, policies, and procedures. The knowledge and skill requirement may be met through applicable work experience, being a licensed dental para-professional, or by completing Medi-Cal dental program training courses administered by the Contractor;
- 3) Include organization charts and provide functional responsibilities of each organizational unit within Beneficiary Services, including Customer Support. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided;
- 4) Include procedures for responding to all beneficiary inquiries, complaints, and grievances; assisting beneficiaries in securing Medi-Cal dental provider referrals in their geographical area; securing clinical screenings for the purpose of obtaining a "second opinion"; providing written notifications to beneficiaries on TAR decisions; processing beneficiary appeals of denied services, hereafter referred to as dental State Hearings or Fair Hearings, and processing provider and beneficiary reimbursement claims. These procedures shall be submitted for review and approval as part of the Beneficiary Services Plan and they shall provide for minimal disruption of service to providers and beneficiaries and in the resolution of concerns;
- 5) Include the development of a dental outreach and education program for Medi-Cal beneficiaries in accordance with Welfare & Institutions (W&I) Code Section 14132.91 regarding recommended frequencies for regular and preventive dental care, how to obtain Medi-Cal dental care, how to avoid inappropriate care or fraudulent providers, and how to obtain assistance in getting care or resolving problems with dental care. This plan shall be delivered to the Department for review and approval on an annual basis by the end of each calendar year;
- 6) Include a plan for receiving, updating, and maintaining the dental State Hearings database during the Takeover period. The Contractor shall identify and describe the functions necessary to maintain the database from

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installation through TAR processing, as well as the specific functions for State Hearing maintenance (during the six month period of time from the first day of claims processing under this Contract through the last day of the prior FI Contractor's Runout Processing period); and

- 7) Include contingency tasks, and identify risks and procedures to be followed should Beneficiary Services and Customer Support staffing prove inadequate for the Contractor to meet all of its contractual requirements.

b. Beneficiary's Services Plan Execution

The Contractor shall:

- 1) At a minimum, employ staff as described in the Contractor's Narrative Proposal. The Contractor's staffing shall show that it is adequate to perform the required work. The Beneficiary Services areas shall have a sufficient number of trained staff to handle all of Takeover and meet all of the requirements described in Exhibit A, Attachment II, at the startup of TAR processing;
- 2) Ensure all Beneficiary Services staffing are adequately trained to answer beneficiary concerns;
- 3) Handle beneficiary inquiries and process beneficiary grievances/complaints for denials of service made by the prior Contractor. If the Contractor believes that the prior Contractor incorrectly denied the service, the Contractor shall raise this concern to the Department. These are services in addition to those required in Exhibit A, Attachment II, Beneficiary Services;
- 4) Ensure beneficiaries are provided with assistance in locating a Medi-Cal dental provider within their geographical location;
- 5) Ensure beneficiaries are mailed a notification when services that require prior authorization are denied or modified, within the requirements described in Exhibit A, Attachment II, at the startup of TAR processing and maintained thereafter;
- 6) Establish and maintain staff to respond to beneficiary or authorized representative inquiries regarding notifications received informing them that dental services requiring prior authorization were either denied or modified;
- 7) Develop procedure manuals to be used by Beneficiary 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, Beneficiary 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 be limited to the following:

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- a) Overview of the Contractor's Beneficiary Services activities;
 - b) A comprehensive plan describing all Beneficiary Services functions;
 - c) Quantitative and qualitative reporting requirements;
 - d) Procedures for correspondence control including inquiries by telephone and/or in writing;
 - e) Procedures for completing beneficiary reimbursement claims; and
 - f) Procedures for completing State Hearings.
- 8) Ensure beneficiary reimbursement claims are processed in accordance with the court orders issued in Conlan v Bonta and Conlan v Shewry, and the court approved Beneficiary Reimbursement Plan;
 - 9) Ensure clinical screening functions, State Hearing processes, and reimbursement claim processes are operational at the start of TAR processing and maintained thereafter;
 - 10) Ensure that all necessary telecommunication systems and State Hearing equipment are installed and fully operational one month prior to the startup of TAR processing activities; and
 - 11) Ensure Beneficiary 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.

22. Telephone Service Center

a. Telephone Service Center Plan

The Contractor shall, two weeks after CED, update its TSC Plan presented in the Narrative Proposal. The 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) Describe procedures, tasks, activities, and staffing for the TSC to ensure Contractor compliance with all Contract requirements. Procedures shall reflect a provider orientation and training program to ensure complete provider understanding of billing procedures, provider agreements and any new requirements. Procedures shall reflect an orientation and training program to ensure staff is knowledgeable in the practice of dentistry within California and have a familiarity of how claims and TARs are processed within the CD-MMIS. Within the TSC Plan include the organizational charts and provide functional responsibilities of each organizational unit. The delegation of responsibilities to the organizational units, organizational

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decision-making points, and unit staffing by classification shall be provided;
and

- 3) Additionally, as part of the TSC Plan, the Contractor shall develop a Contingency Plan to include contingency tasks, identify risk, and procedures to be followed should TSC staffing prove inadequate for the Contractor to meet all of its contractual requirements;

b. TSC Plan Execution

The Contractor shall:

- 1) Include procedures for responding to all provider and beneficiary complaints and/or questions received. These procedures shall be submitted for review and approval as part of the TSC Plan and they shall provide for minimal disruption of service to providers and beneficiaries and in the resolution of concerns;
- 2) Include procedures for the operation of Customer Relations Management (CRM), Toll-Free Telephone Lines, and IVR;
- 3) Completely describe the procedures the Contractor shall follow in implementing the requirements of the TSC qualitative and quantitative reporting requirements during the Takeover period;
- 4) Develop procedure manuals to be used by the TSC. 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. 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 be limited to, the following:
 - a) Overview of the Contractor's TSC activities;
 - b) A comprehensive plan describing all TSC functions; and
 - c) Quantitative and qualitative reporting requirements.
- 5) At a minimum, employ staff as described in the Contractor's Narrative Proposal. The Contractor's staffing shall show that it is adequate to perform the required work. The TSC shall have a sufficient number of trained staff to handle all of Takeover and meet all of the requirements described in Exhibit A, Attachment II, one month prior to the startup of TAR processing;
- 6) Provide sufficient provider and beneficiary toll-free lines, all necessary telephone system infrastructure and support, and maintain toll-free business lines for the Provider and Beneficiary TSC in order to meet all Provider and Beneficiary TSC requirements;
- 7) Ensure beneficiary TSC is operational and staffed between the hours of 8:00 am and 5:00 PM, PT, Monday through Friday, excluding State holidays, and

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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 seven 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.

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The Contractor shall:

- 1) Throughout the term of the Contract, be responsible for updating documentation as well as procedure manuals as changes occur. However, during Takeover the Department requires the Contractor to review all manuals but only update those procedures that are new, unique to the Contractor, or have not been updated by the current Contractor with new changes, as discovered by the Contractor;
- 2) Each of these revisions shall result in a Takeover deliverable requiring written Department approval;
- 3) Notify the Contracting Officer in writing that the manual needs to be updated, assign a new work breakdown number and add to the updates and tasks in the Takeover project schedule and Takeover tracking reports, if the manual is other than one listed in this Takeover section;
- 4) Distribute the appropriate number of revisions to the Department's manual users, once the Department has given final approval to the updates at no additional cost to the Department, whether the updates occur during system changes or as required in this Contract; and
- 5) In addition to developing and updating procedure manuals, the Contractor is also responsible for implementing those procedures. All ASO Operations Manual Procedures shall be installed five months after CED in order to be tested as part of the Department's Acceptance Testing Phase.

b. Reports Distribution List

The Contractor shall, at a minimum, meet all the requirements specified in Exhibit A, Attachment II, General Reporting Requirements. The Reports Distribution List shall be submitted for Department review and approval four months after CED. The Contractor shall execute the Department-approved Reports Distribution Lists five months after CED.

c. Reports Users Manuals

Three months after CED, the Contractor shall submit the Report Users Manuals to the Department for review and approval. Department approved manuals shall be installed by the Contractor four months after CED.

The Contractor shall work with the FI Contractor to update or develop and maintain, as necessary, Report Users Manuals, by subsystem, for all ASO Operations reports. The FI Contractor shall be responsible for ensuring all manuals are stored and accessible in the document management system.

d. Clinical Screening Dentist Manual

The Contractor shall update and submit for Department review three months after CED the Clinical Screening Dentist Manual. The Department-approved manual shall be installed four months after CED.

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These manuals shall be developed or updated incorporating the Contractor responsibilities, as addressed in this Takeover Requirements section and Exhibit A, Attachment II, Operations, along with the all User Manuals that were developed by the prior Contractor.

24. Documentation and Data Library Security

The FI Contractor shall be responsible to provide and maintain the Documentation and Data Library in a Department-approved electronic document repository. The Data Library shall contain copyrighted and/or proprietary information belonging to vendors or other entities. For example, detailed information about a particular piece of equipment shall be obtained through that manufacturer's literature and may not be duplicated within a CD-MMIS manual. Refer to the FI Contract, Exhibit A, Attachment I, Takeover for requirements.

The Contractor shall:

- a. Complete a comprehensive inventory of all the items to be submitted in the Documentation and Data Library. CA Dental ASO documentation shall consist of ASO operational manuals and other documentation requirements defined in Exhibit A, Attachment II, Operations, and all new manuals created during the term of the Contract. Other documentation shall include, but is not limited to, inventory lists/reports, internal procedures not in manual format, reports, completed Documentation and Data Library assessment reports and PSs.
- b. Complete assessment reports for all ASO documentation listed in the ASO Documentation and Data Library. The assessment reports shall:
 - 1) Establish that the documentation is current, accurately and completely reflects the existing ASO, and meets all contractual documentation requirements.
 - 2) Include a complete and comprehensive documentation review and evaluation, identification of documentation requiring updates, and a gap analysis identifying specific documentation requiring updates or revisions.
 - 3) Be submitted for written approval from the Department prior to proceeding with updates and revisions.
- c. Ensure the ASO Documentation and Data Library Inventory List includes a complete assessment report for each of the following, but not be limited to:
 - 1) Report Descriptions Documentation;
 - 2) Licensed Software;
 - 3) Non-mainframe Applications;
 - 4) Data Descriptions;
 - 5) User Documentation;

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- 6) Hardware/Software Configuration;
 - 7) Documentation to facilitate the Contractor's understanding of overall standards, network bandwidth needs, hardware capacity, software needs, and network topology to run the current ASO Operations;
 - 8) Master Index of all records maintained by the Contractor pursuant to its records retention responsibilities that shall, for each record, include the name, span of dates covered, volume and medium; and
 - 9) List of Post Office Boxes, telephone numbers, facsimile numbers, and all other Department-approved methods of accessing the Contractor to receive information, including, but not limited to, CD-MMIS forms, data and inquiries; and a description of the purpose of each method of access.
- d. For each fiscal quarter, submit to the Department all Documentation and Data Library updates, including an updated Master List of ASO Manuals. The Master List of ASO Manuals shall contain the following information: manual name, Contract cite, change source reference (if it is a new manual developed in the current Contract period or an obsolete manual), status of manual (i.e., "new" if created in the current Contract or "existing" if listed in Exhibit A, Attachment II, Operations), and assessment report.

25. Security and Confidentiality**a. Security and Confidentiality Plan**

Two weeks after CED, the Contractor shall update and submit to the Department, for review and approval, a Security and Confidentiality Plan and associated procedures provided in its Narrative Proposal. This plan shall meet the requirements of the SOW. This plan shall incorporate the following:

- 1) Establishment of the Information Security and Privacy Office;
- 2) Security and Confidentiality Training Program;
- 3) Statewide Entity Plan;
- 4) Backup and Recovery Plan (Business Continuity Plan);
- 5) Disaster Recovery Plan;
- 6) Risk Analysis;
- 7) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt chart (or equivalent) demonstrating how the Takeover responsibilities will be performed;

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- 8) Include organization charts and provide functional responsibilities within the Information Security and Privacy Office. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided; and
- 9) Describe procedures, tasks, activities, and staffing for all Information Security and Privacy functions to ensure Contractor compliance with all Contract requirements.

b. Security and Confidentiality Plan Execution

The Contractor shall implement the Security and Confidentiality Plan and procedures as required in the SOW on CED. The Contractor shall:

- 1) For the term of the Contract, establish and maintain an Information Security and Privacy Office;
- 2) Establish position(s) for a Medi-Cal Dental Information Security Officer and a Privacy Officer position to head the Information Security/Privacy Office. The Information Security Officer and Privacy Officer shall be a fulltime, dedicated FTE(s) and shall be housed at the Contractor's facilities;
- 3) Ensure all Information Security and Privacy Office staffing are extremely knowledgeable with security and privacy policies;
- 4) Ensure all Information Security and Privacy Office staffing are adequately trained;
- 5) Provide adequate physical and technical (system) security for the systems and those portions of the network not supported by the FI Contractor and/or Office of Technology Services data centers. The Security and Confidentiality Plan shall address the requirements contained in this section and as required in the SOW and shall conform to the applicable principles contained in the most current versions of the following documents:
 - a) Federal Information Processing Standards (FIPS) Publications
 - b) SAM and Health Administration Manual (HAM)
 - c) Federal and State mandates (including the SMM)
 - d) Federal and State legislation (including Health Insurance Portability and Accountability Act (HIPAA) and the Information Practices Act (Civil Code section 1798, *et seq.*)
 - e) Office of Management and Budget (OMB) Circular A-130
 - f) Federal Information Security Management Act (FISMA) Compliance
 - g) Applicable International Organization for Standardization (ISO) Standards

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- h) Sarbanes-Oxley Act;
 - i) AB 1298 (California Civil Code Sections 56.06, 1785.11.2, 1798.29, and 1798.82, relating to personal information); and
 - j) National Institute of Standards and Technology (NIST) Publications.
- 6) Provide oversight of the Contractor's Information Security Program and conduct reviews of the Contractor's Operations (to include internal financial controls and Contractor employee system access and rights) on an ongoing basis to prevent and detect fraud. This program encompasses all sensitive systems (i.e., automated and manual, physical and logical). It includes the development, implementation, and monitoring of policies, procedures, guidelines, safeguards, and audit controls that shall protect data confidentially, data integrity, and privacy rights, and ensure the integrity, security, and availability of these information systems;
- 7) Conduct reviews on an ongoing basis to ensure that the Contractor is in compliance with the established privacy policies, procedures, and guidelines; and
- 8) Treat all data supplied by the Department during all testing as confidential, subject to protection identified in the Security and Confidentiality Plan. Upon receipt of Department approval of the Security and Confidentiality Plan, the Contractor shall implement any procedural modifications previously approved by the Contracting Officer.

26. Quality Management

a. Quality Management Plan

Two months after CED, the Contractor shall update and submit for Department review and approval the Quality Management Plan provided in its Narrative Proposal. This plan shall meet all the requirements described in Exhibit A, Attachment II, Quality Management as well as demonstrate Contractor performance for all quantitative and qualitative standards as defined in Contractor's Narrative Proposal. The plan shall:

- 1) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt chart (or equivalent) demonstrating how the Takeover responsibilities will be performed;
- 2) Describe procedures, tasks, activities, and staffing for all QM functions to ensure Contractor compliance with all Contract requirements; and
- 3) Include organization charts and provide functional responsibilities of each organizational unit within QM. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided.

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b. Quality Assurance Procedures and Standards Manual

Five months after CED the Contractor shall submit for Department review and approval the Quality Assurance Procedures and Standards Manual for the Operations Period. The procedures and standards described in the manual shall be installed ten (10) months fifteen (15) days after CED.

c. QM – Takeover

The QM functions shall be installed at the start of the Takeover Period beginning on CED. QM shall oversee installation and implementation of all the Takeover tasks listed in the Contract to ensure the tasks are performed in accordance with Contract requirements. Reports shall be submitted weekly to the Department as part of the weekly Takeover Progress Report verifying that the Takeover tasks are being installed and implemented within the required time frames and in accordance with Contract provisions.

d. Quality Management Integration of Contract Management

The Contractor shall incorporate Contract Management as a part of the overall QA Plan described as part of Exhibit A, Attachment II, Quality Management and the Contractor's approach to QM. The QA Plan shall be submitted to the Department for review and approval two months after CED and describe the organization staffing and activity required to support overall QM including, but not limited to:

- 1) Management and control procedures to monitor all Contractor functions;
- 2) Management and control procedures to monitor all subcontractor functions;
- 3) Inventory management procedures and controls;
- 4) Internal quality control and assurance tools;
- 5) Backlog monitoring, controls, and contingency plans;
- 6) Project monitoring, controls, and contingency plans;
- 7) Back-up and cross training plans; and
- 8) Personnel resources.

The Contractor shall develop and implement CAPs to resolve areas identified as non-compliant. Liquidated and actual damages may be assessed for unsatisfactory performance, pursuant to Exhibit E, Additional Provisions and Exhibit B, Attachment I, Special Payment Provisions.

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27. Problem Correction Tracking Report

The Contractor shall utilize the Problem Correct System (PCS) developed and maintained by the FI Contractor.

The PCS shall be used by both Contractor staff to input all initial PS information, and shall be used as a tool to document the status of all PSs to final resolution. Reporting shall be produced weekly, and on-demand reports on all PSs tracked in the system by PS date and scalable to sort by Department-requested data element. Reporting shall follow a similar format as the reports provided in the Data Library, including all reporting elements.

28. Department Access and Availability – Automated Methods and Procedures

The Contractor shall submit an Automated Methods and Procedures Plan that allows automated access and availability to the Department, as required in Exhibit A, Attachment II, Quality Management. The plan shall be submitted three months from CED, and the access and availability implemented five months from CED, to allow Department usage during Acceptance Testing.

29. Records Retention

a. Records Retention Procedures Plan

Two months after CED, the Contractor shall collaborate with the FI Contractor to submit its Records Retention Procedures Plan as required in the SOW. This plan shall completely describe the procedures to be followed in order to execute the Contractor's record retention responsibilities. A definition of the records subject to these procedures is contained in Exhibit A, Attachment II, Records Retention. At a minimum, this plan shall include:

- 1) A description of the Contractor's procedures to ensure the preservation, protection, and maintenance of all claims payment records that are a part of, or result from, the Contractor's ASO Operations under this Contract or have been transferred to the Contractor, in accordance with Contract requirements;
- 2) The procedures the Contractor shall undertake in order to ensure the production of acceptable copies of claims payment records that have been converted to microfilm/microfiche or that have been retained in on-line environments;
- 3) A description of the procedures the Contractor shall utilize to provide access, retrieval, encryption and certification of claims payment records services. This portion of the Contractor's plan shall describe the design and compilation of a master index to assist in the location and retrieval of claims payment records; and
- 4) The name of the specific office or position within the Contractor's organization that shall be responsible for executing the Contractor's records retention responsibilities.

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b. Records Retention Procedures Manual Execution

The Contractor shall:

- 1) Four months after CED, the Contractor shall prepare and deliver to the Contracting Officer a copy of the Record Retention Procedure Manual required in Exhibit A, Attachment II, , Records Retention Requirements;
- 2) Implement its record retention responsibilities and perform the responsibilities of custodianship of payment records with the start-up of TAR processing ten (10) months and fifteen (15) days after CED. A complete description of these responsibilities is contained in the Exhibit A, Attachment II, , Records Retention Requirements;
- 3) Develop and submit for written approval by the Contracting Officer a Records/Files Summary that shall include a brief description of all records and/or files maintained under this Contract. The first Records/Files Summary shall be delivered to the Department fourteen (14) months after CED. Upon approval by the Contracting Officer, the summary shall be maintained, updated, produced, and resubmitted to the Department for approval on a quarterly basis.
- 4) Seventeen (17) months after CED, the Contractor shall deliver to the Contracting Officer a copy of the master index to claims payment records. The master index shall list at least all items under the custodianship of the Contractor, their volume, their medium, and whether they are complete in terms of the period of time required as described in Exhibit A, Attachment II, Records Retention Requirements;

30. Reporting Requirements

The Contractor shall deliver reports to the Department in an agreed upon format that document the design, testing, and installation. These reports shall be presented in separate steps, to be individually approved for design, testing, and installation. The Contractor shall provide the following:

- a. User desk manuals;
- b. User training for Department staff prior to implementation;
- c. On-site technical assistance during the implementation phase and continuing assistance throughout the term of the Contract; and
- d. Report to the Contracting Officer any performance problems on the system, define the nature of the problem, the nature of the solution, and describe any corrective measures to prevent the problems' reoccurrence within a forty-eight (48) hour timeframe.

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31. Expert Witness

a. Expert Witness Plan

Three months after CED the Contractor shall submit, for Department review and approval, a plan for providing expert witness services. This plan shall establish the procedures to be utilized to fulfill the Contractor's expert witness responsibilities. These responsibilities are detailed in Exhibit A, Attachment II, Expert Witness Requirements. At a minimum, this plan shall include:

- 1) A description of the classification specification(s) that shall be utilized for the position(s) assigned to execute the Contractor's expert witness responsibilities. The description shall provide that the employee(s) designated to be chiefly responsible for delivering the Contractor's expert witness services shall be a dentist at a management or senior analyst level within the Contractor's firm;
- 2) A description of the qualifications to be held by the Contractor's expert witness(s).
- 3) A description of the training plan that shall be utilized to ensure that the Contractor's expert witness(s) is/are thoroughly familiar with all aspects of the Contractor's Operations under this Contract; and
- 4) Provisions for backup expert witness(s) with the same and/or equal qualifications.

b. Expert Witness Plan Execution

The Contractor shall:

- 1) Acquire/designate the individual(s) assigned to execute the expert witness responsibilities one week prior to the startup of TAR processing. The Contractor shall transmit the identity, office location, and telephone number of the expert witness(s) to the Contracting Officer five business days after the acquisition/designation of the individual(s); and
- 2) Implement all procedures established for the execution of its expert witness responsibilities one week prior to the startup of TAR processing.

32. Accounting Requirements

a. Financial Management Manual

Four months after CED, the Contractor shall submit the Financial Management Manual for approval by the Department that shall meet the requirements described in Exhibit E, Additional Provisions, Accounting Requirements. At a minimum the manual shall include:

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- 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, three 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, three 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.

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- 2) The Contractor shall begin Acceptance Testing to obtain Department approval six months after CED. 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 one month 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.

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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;

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- 13) Provide matrix to clearly outline and validate traceability back to the requirements;
- 14) Specify the criteria the Contractor shall use in determining the completion of each System Test activity; and
- 15) Provide risk and risk mitigation strategy.

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

35. Acceptance Testing

a. Acceptance Test Plan

The FI and ASO Contractors shall conduct Acceptance Testing to ensure the Contractors have correctly and completely installed the CD-MMIS and supporting applications. The ASO Contractor shall take the primary role to ensure the system(s) are adequately prepared for assumption of full CD-MMIS Operations. The FI Contractor shall assume all supporting activities to ensure the ASO Contractor conducts complete and comprehensive acceptance testing.

The ASO Contractor shall work with the FI Contractor to develop a comprehensive Acceptance Test Plan during Takeover. While the ASO Contractor shall perform the majority of the work in developing the Acceptance Test Plan, each Contractor shall have a role. The FI Contractor's support role will include providing a test environment to allow the ASO Contractor to conduct acceptance testing, executing the test jobs, and providing support activities. Thus each Contractor shall have a role in the development of the Acceptance Test Plan. The ASO Contractor shall have the responsibility to assemble and submit the combined Acceptance Test Plan to the Department for review and approval five months and fifteen (15) days after CED.

The ASO Contractor's Acceptance 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 acceptance testing described in the Acceptance 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 acceptance 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

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- 5) Completely describe the operating system and licensed system software proposed to support the acceptance test environment, for non-mainframe systems supported by the ASO.

b. Acceptance Test Support Plan

The FI and ASO Contractors shall submit ONE comprehensive Acceptance Test Support Plan to the Department for review and approval five months after CED.

The ASO Contractor's Acceptance Test Support 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) Define acceptance testing criteria;
- 3) Clearly define, provide detailed description, uniquely identify, and independently schedule each test to be performed;
- 4) Describe comprehensive test cases to be executed;
- 5) Include a full description of how the Contractor shall perform and fulfill its Business Continuity and Disaster Recovery responsibilities in compliance with all requirements of this Contract; and
- 6) Accommodate requirements submitted by the Department.

c. Acceptance Test Execution

Begin Acceptance Testing seven months and fifteen (15) days after CED. Acceptance Testing shall follow completion of System Testing, certification by the Contractor that the CD-MMIS is ready for Acceptance Testing, and Department review of the Contractor's System Test results. The Contractor shall continue to provide office space for the ten (10) on-site Department staff during Acceptance Testing.

Acceptance Testing shall test the automated and manual processing portion of CD-MMIS and all supporting applications. Acceptance Testing shall ensure that the Contractor can maintain at least the same level of accuracy within the automated and manual processing portion of the CD-MMIS as maintained by the prior Contractor. Contractor CD-MMIS Operations shall not be permitted until the Department approves, in writing, completion of Acceptance Testing.

The Contractor shall execute the Department-approved Acceptance Test Support Plan, make corrections, and keep the Department informed on the status of all tasks and activities identified in the plan.

The Department may continue testing the CD-MMIS software, including supporting software applications, after the assumption of Contractor CD-MMIS

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Operations beginning with the startup of TAR processing ten (10) months and fifteen (15) days after CED, and full Contractor CD-MMIS Operations the first day of month thirteen (13) following CED in order to identify and ensure correction of any remaining CD-MMIS or operational deficiencies, or as part of the Department's ongoing monitoring of the SG testing. This is necessary to ensure federal and State goals concerning accuracy, efficiency, and policy conformance shall be met. Upon completion of the Takeover Acceptance Testing, the Contractor shall maintain and make those test files available to Department staff for Acceptance Testing of system changes during the Operations Period of this Contract.

- 1) The Contractor shall execute all Acceptance Tests as directed by the Department. Acceptance Testing of both manual and automated processes shall be comprehensive based on the following objectives:
 - a) Ensure the transferred system processes claims in accordance with contractual requirements and that any differences between the Contractor's results and the results from the existing system can be explained as a higher level of compliance with these requirements;
 - b) Ensure that integrity has been maintained with regard to established standards and acceptable data processing techniques;
 - c) Ensure a smooth transition of all CD-MMIS Operations at startup of TAR processing and assumption of claims processing while ensuring that the transition remains as transparent and non-disruptive to providers, beneficiaries, system users and other ASO/CD-MMIS stakeholders as possible; and
 - d) Ensure that the Contractor's operation of the CD-MMIS is ready for assumption of TAR processing ten (10) months and fifteen (15) days after CED and all remaining functions at the assumption of claims processing.
- 2) Identify where the CD-MMIS or operational areas do not conform to program policies and procedures in order to ensure correction of any system deficiencies.
- 3) Acceptance Testing shall follow completion of System Testing, certification by the FI Contractor the CD-MMIS is ready for Acceptance Testing, and Department review of the Contractor's System Test results.
- 4) Utilize the FI Contractor's methodologies and procedures (i.e., System Variance Report (SVR), Request for Information/Clarification (RIC)) for identifying, describing, and tracking areas of unacceptable performance, problems and issues, which shall be assigned and logged using unique control numbers for reference. The ASO Contractor shall identify where the problem occurred and explain the differences between expected and actual results. The ASO and/or FI Contractors shall also include a summary analysis of the SVR, programs affected, and the corrective action process or processes applied to each deficiency/problem. All SVR/RIC reports shall be initiated and responded to within three business days of identification of the

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problem/deficiency. These methodologies and procedures shall include steps for Department review and approval during the problem identification/tracking and corrective action processes, and provisions for daily written notification to the Department when problems are identified;

- 5) Report on the status of each SVR/RIC identified during System/Parallel Testing, including the SVR/RIC control number, brief description of problem, date problem was identified, date initiated, current status (e.g. pending or resolved), and date of final resolution, and description of the resolution/fix;
- 6) The Contractor shall conduct its second of two parallel tests of the CD-MMIS claims during the Acceptance Testing period. The results of both 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 (see requirements below). If either or both of these tests fail to show the Contractor is capable of processing claims with the same results as the prior Contractor or if the Contractor encounters problems, the test(s) shall be rerun until the Department approves the results.

d. Acceptance Testing Tasks

The Contractor shall:

- 1) Prepare comprehensive Acceptance Test cases and describe expected results. These test documents, developed from the test cases as described in the Acceptance Test Support Plan shall be reviewed by the Department;
 - 2) Assist the FI Contractor to develop the base file data;
 - 3) For each test described below, ensure sufficient and knowledgeable resources/staffing are allocated to the test;
 - 4) Collaborate with the FI Contractor to execute tests with predetermined sets of data; track processes performed; and verify actual, against expected, results; and
 - 5) Collaborate with the FI Contractor to ensure all elements of facilities, staff, hardware, software, and other resources required for Acceptance Testing, including the initialization of all files and tables prior to the start of Acceptance Testing, are ready.
- e. For both the period of Acceptance Testing and for the period of ongoing Operations under the Contract, the ASO Contractor shall provide a separate testing unit to provide ongoing testing capabilities and support to the Department. This testing unit shall include all necessary resources to support such a unit including, but not limited to, adequate hardware, software, physical facilities and knowledgeable personnel.

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- f. Perform Acceptance Test functions as directed by the Department within the time frames established by the Department. The Contractor shall maintain open communication with the Department during testing, and shall provide walkthroughs to Department staff on specified tests.

Upon request the Contractor shall:

- 1) Deliver or make available to the Department all Acceptance Test documentation, including files, reports, Contractor initiated SVR/RIC documentation, and individual claim, eligibility and TAR data necessary to validate test results. These materials shall be provided to the Department no later than one business day following test execution. The Contractors shall provide to the Department a list of such test documentation each week;
- 2) Permit the Department to submit, observe the tests, analyze results, and document any problems found through the SVR/RIC process;
- 3) Within twenty-four (24) hours of problem identification, notify the responsible party to respond to, and correct, all problems identified as a result of the Acceptance Testing. The Contractor shall repeat Acceptance Testing until criteria defined by the Department are satisfied;
- 4) Upon satisfactory completion of Acceptance Testing, the Department shall approve full operation of the CD-MMIS by the Contractor and shall retain Acceptance Test documentation for future reference. The Department may approve portions of the CD-MMIS for Operations and require additional testing of the remaining functions;
- 5) Upon completion of Takeover Acceptance Testing, ensure the Acceptance Test environment reflect those of the production environment. These Acceptance Test files, programs, etc., shall be used to conduct Acceptance Testing of all Expansion Items described in this Contract as well as all system changes that occur during the Operations Period of this Contract;
- 6) For the entire Takeover Acceptance Test period as well as the Operations Period of the Contract; collaborate with the FI Contractor to:
 - a) Utilize a separate test environment for Acceptance Testing purposes;
 - b) Create a PMF of test providers for Acceptance Testing purposes only;
 - c) Create and maintain test history files for beneficiaries for Acceptance Testing purposes only, and ensure TAR files are also included and available for testing;
 - d) Create Acceptance Test reference files as needed for testing, modify these files through Acceptance Test DOILs, and ensure TAR files are also included and available for testing;

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- e) Specify migration schedule for program "fixes" from the System Test environment to the Acceptance Test environment and migrate only after Department approval;
- f) Create and maintain Acceptance Test for FAME and other support files according to Department direction; and
- g) Ensure End-to-End (E2E) testing validates the entire application to ensure that it satisfies previously established acceptance criteria and performs as an integrated system. Ensure that the overall process flows as expected and that the business and system components integrate together correctly.

g. Acceptance Test Structure

All Acceptance Testing on manual and automated segments of the Contractor's operation of the CD-MMIS shall be performed thoroughly with the same equipment to be used for full Operations. The Contractor shall:

- 1) Ensure appropriate classifications and training to support CD-MMIS testing is in place prior to the start of Acceptance Testing. Management staff may not be used for manual operations processing activities;
- 2) Ensure staff be required to demonstrate adequate proficiency in performing assigned tasks;
- 3) Perform volume and stress tests, and the parallel test as directed by the Department, to demonstrate the ability to process expected ASO/CD-MMIS workloads accurately within prescribed time frames;
- 4) Where resources permit, tests shall be scheduled concurrently so that Acceptance Testing can progress more rapidly;
- 5) Compare expected results against the actual test results. Work with the FI Contractor to resolve any problems found during testing as described in this Takeover section;
- 6) Permit Department staff to access all CD-MMIS facilities, equipment, software, files, and other materials covered by this Contract, in support of any tasks related to CD-MMIS testing. Such access shall include the use of on-line terminals to access any CD-MMIS related data;
- 7) The Department reserves the right to:
 - a) Take the primary role in the evaluation of Acceptance Testing. The Contractor shall participate in the evaluation as directed by the Department. The evaluation process shall compare expected results against the actual test results. Any problems found during testing shall be resolved as described in this Takeover section;

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- b) Reduce the scope of Acceptance Testing if the Contractor can adequately demonstrate preparedness for CD-MMIS Operations;
- c) Expand levels of testing where the Department determines additional testing is needed; and
- d) Continue CD-MMIS testing and monitoring until all testing SVRs identified during Acceptance Testing have been resolved. The Contractor shall provide all necessary support. The Department shall prioritize any problems identified by these tests. The Contractor shall be responsible for correcting all deficiencies.

h. Acceptance Test Categories

Each main category of Acceptance Testing shall be subdivided into segments to provide for selecting tests of all elements therein as defined in the detailed Acceptance Test Plan. The main categories and related general Acceptance Test activities are described below:

1) Subsystem Tests

- a) Each CD-MMIS subsystem described in Exhibit A, Attachment II, Operations Requirements of the SOW shall be thoroughly tested.
- b) Each CD-MMIS non-mainframe system described in this Takeover section shall be thoroughly tested to ensure each process is operating as designed.

2) Manual Operations

- a) Manual operations include, but are not limited to: input preparation, data entry, Claim/TAR/NOA/CIF/RTD/TAR re-evaluation processing, professional review, clinical screening, recoupment, accounts receivable, claims control and Share-of-Cost.
- b) Input preparation shall be tested from receipt of all inputs in the mailroom through sorting, batching, numbering, scanning, and controlling, to submission to data entry. Outputs from data entry shall be examined. All manual processes such as Claim/TAR/NOA/ RTD/TAR reevaluation/CIF processing, professional review, etc., shall be tested. Input and/or output activities and functions performed by both Contractors shall be included in the Manual Operations Acceptance Testing process.

3) Automated Processing

- a) Automated Processing includes all on-line automated processes performed on the Contractor's computer and all processing of EDI documents from receipt through adjudication. Comprehensive testing shall be conducted on all CD-MMIS subsystems and non-mainframe systems.

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- b) All transactions supported by the CD-MMIS shall be tested with both valid and invalid data. All forms of input data and processing cycles shall be tested to ensure that appropriate files are updated. Files, reports, and screens produced by each process shall be examined for conformity to design requirements.

4) Technical Operations

- a) Technical Operations includes all factors associated with computer job submission, and operation/maintenance of the Contractor's computer equipment and operating system software. This category also includes simulated testing of the Department's network interface with the Contractor's data center.
- b) Manual procedures may be analyzed, operator logs shall be reviewed, and general Operations tests may be run. The ability of the Contractor to adequately perform the required work may be evaluated by the Department.

5) Provider and Beneficiary Operation

The ASO Contractor's Provider and Beneficiary Service Operation includes activities such as retrieval of claim copies, claims research, responding to and researching Department and provider and beneficiary correspondence, telephone response, Department/Contractor interfaces, (including interfaces with other Department governmental organizations), and support materials/equipment. Provider and Beneficiary Services activities may be tested to determine that the Contractor's staff is prepared to perform appropriate service activities.

6) Administrative/Fiscal Responsibilities

- a) Administrative/fiscal responsibilities include such functions as accounting, accounts receivable, auditing, project control/standards, QM, security and confidentiality, and administrative functions at the Contractor's organization.
- b) The Department may analyze the Contractor's ability to perform administrative and fiscal responsibilities associated with operating the CD-MMIS.

i. Selected Acceptance Tests

Selected tests shall be incorporated into Acceptance Tests and shall be structured as follows:

1) Evaluation of Manuals

- a) The Contractor shall demonstrate that all manuals required for the CD-MMIS and Operations are available, current, complete, and adequate for

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the Contractor's environment. The Department shall evaluate all procedure, training, and any other CD-MMIS and Operations manuals.

b) Assumptions:

- i. For those manuals needing development and/or revision, the Contractor shall provide the Department with new or updated CD-MMIS and Operational manuals by the start of Acceptance Testing. The Contractor shall, concurrently, provide to the Department a list of those manuals requiring no development and/or revisions.
- ii. For each CD-MMIS and Operational manual, key Contractor staff from organizational units affected by the manuals shall provide walkthroughs to Department staff.
- iii. The Contractor shall provide to Department staff sufficient copies of the manuals or other Department-approved presentation materials for the walkthroughs.
- iv. The Contractor shall update any CD-MMIS and Operational manual(s) found to be inadequate by the Department within time frames specified by the Department.

2) General CD-MMIS Accuracy Tests

- a) The Contractor shall develop documents designed primarily to test the edits, audits, updates and on-line applications for the various CD-MMIS subsystems, and non-mainframe systems. Invalid data will be used to check the accuracy of rejection and error notification routines. Valid data will be used to ensure that transactions meeting the edit/audit criteria result in appropriate actions, such as file(s) updates, claim(s) approval/denial, TAR(s) approval/denial and claim(s) payments.
- b) The Contractor shall execute the CD-MMIS Accuracy Tests as directed by the Department. Daily and weekly processing shall be run two times a week and each cycle shall typically be organized with less than one hundred (100) documents to provide better control over test evaluations. However, the Department may elect to use more than one hundred (100) documents.
- c) Assumptions:
 - i. All CD-MMIS and supporting software shall be fully installed before the start of Acceptance Testing.
 - ii. Key Contractor staff from each organizational unit shall be allocated for this series of Accuracy Tests.

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- iii. Sufficient Contractor staff of adequate proficiency shall be allocated to enable rapid turnaround of submitted tests within the timelines defined in this Contract.
- iv. Sufficient computer hardware and other support equipment shall be allocated to ensure rapid turnaround of the tests.
- v. This series of tests shall consist of individual tests of manual and automated processes.
- vi. Contractor staff shall be prepared to perform timely correction of any deficiencies that are found.
- vii. Any portion of the CD-MMIS or Operations affected by deficiencies shall be subject to retesting.
- viii. This series of Accuracy Tests shall be successfully satisfied when the Department is adequately confident of CD-MMIS Operations accuracy.

3) On-Line Functions Test

Department and Contractor staff shall enter transactions supported by the CD-MMIS line terminal entry. Transactions shall be submitted to test all variations of input. Input and output screens shall be checked, and outputs required by transactions requests shall be produced.

Contractor staff proficient with the Reference, Provider, Beneficiary and S/URS subsystems shall be allocated for this On-Line Functions test.

This test shall:

- a) Include all forms of online inquiries, provider updates and correspondence, S/URS functions, report requests; and
- b) Be designed for the on-line entry of data used to test all subsystems in the General CD-MMIS Accuracy Tests.

4) Contractor Staff Proficiency Test

- a) The Contractor shall process no more than one hundred (100) computer media submissions with no more than ten thousand (10,000) claim lines to be processed for this test. Typically, these will be actual claims submitted by health program providers. The documents and computer media submissions shall include a wide variety of documents normally processed through the CD-MMIS. The Contractor's staff shall demonstrate proficiency in the submission, operation, and result checking from all types of automated processing.

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- b) The Contractor's staff shall demonstrate proficiency in corresponding with providers, beneficiaries, FI Contractor and Department staff in a variety of situations. Department staff may take provider roles for the test.
- c) Assumptions:
 - i. Key Contractor staff from each organizational unit shall be allocated for this test.
 - ii. Sufficient Contractor staff of adequate CD-MMIS proficiency shall be available to ensure test completion within three business days.
 - iii. Sufficient computer hardware and support equipment shall be allotted to ensure rapid turnaround for this test.
 - iv. This test shall include both manual and automated processes.
 - v. This test will be satisfied if completed on a timely basis and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.
- 5) Volume, Stress, and Parallel Tests
 - a) The Contractor shall, with documents or secure storage media, simulate some or all of a full day's worth of CD-MMIS production processing. The documents will represent typical situations. The Contractor shall demonstrate the ability to process the documents, from start to finish, within specified time limits. The Contractor, as directed by the Department, shall also execute other existing CD-MMIS processing, such as MARS and S/URS.
 - b) The Department will require that the Contractor perform two parallel tests of the CD-MMIS before the Contractor begins CD-MMIS and ASO Operations with the startup of TAR processing ten (10) months and fifteen (15) days after CED. The FI Contractor shall conduct the first during System Testing while the second of the two parallel tests shall be conducted during Acceptance Testing. Testing will include all on-line applications for eligibility transactions and include Service Authorization Request (SARs) from special programs such as CCS/GHPP and all non-mainframe applications. The results of both tests shall be reviewed by the Department and will be utilized to assist the Department's Acceptance Test decisions on Contractor readiness for assumption of full operation of the CD-MMIS.

If either or both of these tests fail to show the Contractors are capable of processing claims in accordance with Contract requirements, with the same results as the current system or if the Contractors encounter problems, the test(s) shall be rerun until the ASO Contractor and the Department approve the results. The Contractors shall perform and analyze tests that shall each duplicate the prior Contractor's processing of one daily and one weekly cycle, including financial payment and

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checkwrite secure storage media generation. These tests shall compare the prior Contractor operation and Contractor operation at each stage of processing, i.e., compare output from at least each program in daily, weekly, and financial cycles.

c) Assumptions:

- i. Key Contractor staff from each organizational unit shall be allocated for this test.
- ii. Sufficient Contractor staff of adequate CD-MMIS proficiency shall be available to ensure test completion within three business days. The Contractor shall be prepared to handle daily, weekly, and monthly volumes for evaluation purposes.
- iii. Sufficient computer hardware and support equipment shall be allotted to ensure rapid turnaround for this test.
- iv. The ASO Contractor shall utilize parallel CD-MMIS files to perform the parallel tests.
- v. This test shall include automated processes.
- vi. This test shall be satisfied if completed on a timely basis as agreed to by the Contractor and the Department, and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.
- vii. The Contractor shall compare the output of each test and determine any discrepancies that exist and the source of those discrepancies.

6) Security and Confidentiality Test

- a) The Contractor shall demonstrate how the security and confidentiality requirements contained in the Security and Confidentiality Plan and procedures have been met in their Security and Confidentiality Plan and shall show how developed procedures ensure Contract compliance. The Contractor shall visibly demonstrate, to the Department, the existence of these factors within the Contractor's facilities.
- b) Assumptions:
 - i. The Contractor shall prepare a comprehensive checklist and/or traceability matrix of factors from the Security and Confidentiality Plan.
 - ii. The Contractor shall provide walkthroughs to Department staff on all security and confidentiality factors, including, but not limited to, off-site storage of required documents and Business Continuity and Disaster Recovery facilities.

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- iii. The Contractor shall provide a facility tour to demonstrate all visible security factors for Department staff.
 - iv. The Contractor shall apply corrective action(s) to any security and confidentiality factors the Department determines to be inadequate.
 - v. This test shall be satisfied if completed on a timely basis as agreed to by the Contractor and the Department and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.
- j. Acceptance Test Evaluation Response
- 1) Each problem identified shall be described in a SVR or RIC. Include appropriate information to identify where the problem occurred, and explain the differences between expected and actual results.
 - 2) The Contractor in collaboration with the FI Contractor shall provide a written response to each SVR/RIC within two business days unless otherwise approved by the Department.
 - a) The response shall include:
 - i. A summary analysis of the SVR/RIC;
 - ii. Programs which are affected; and
 - iii. A time frame for correction and resolution of each problem.
 - b) The Department shall:
 - i. Review and approve/disapprove the proposed resolution; and
 - ii. Determine the priorities for the system corrections.
 - 3) All deficiencies found during Acceptance Testing shall be corrected prior to the start of CD-MMIS Operations which begins with the startup of TAR processing ten (10) months and fifteen (15) days after CED, unless otherwise approved in writing by the Contracting Officer. The Contracting Officer will review those deficiencies caused by the incorrect computer applications of policy. If any of these deficiencies are determined by the Contracting Officer to be a Department responsibility, the SG shall make the correction and recommence the System Testing process. Otherwise, the Contractor shall be responsible for correcting the deficiency.
 - 4) The Contractors shall, at the Department's option, be required to repeat specified Acceptance Tests as a result of modifications applied by the Contractor in the resolution of SVRs/RICs.

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k. Acceptance Decisions

- 1) Prior to the start of Contractor operation of the CD-MMIS, which begins with the startup of TAR processing, the Department will use Acceptance Test results to determine if the Contractors are ready to begin claims processing. If the Contractors are not ready, Acceptance Testing and Contractor corrective actions shall continue. If, in the Department's judgment, the Contractors are not ready to begin claims processing, claims processing shall be delayed for whatever period of time is needed for the Contractors to pass Acceptance Testing.
- 2) Written Department approval of Contractors' readiness for assumption of claims processing shall be provided to the Contractors prior to the assumption of claims processing.
- 3) After the Department's decision, the Contractor shall notify providers through Department-approved provider bulletins about the Department's decision and submission requirements.

36. Assumption of ASO Operations Execution

This section discusses the transfer processes to take place during the assumption of TAR and claim processing. This time frame overlaps Operations, which will also be in effect during this time period. The Contractor shall be prepared to process TARs and claims at the time of transfer from the previous Contractor. To make the transition orderly and smooth, the Contractor shall be adequately staffed in accordance with the proposed staffing plan to begin the processing of TARs and claims. The Contractor shall be prepared for the processing of the transferred inventory, including, but not limited to, records, claims history, and accounts receivable.

a. Assumption of ASO Operations:

- 1) The Assumption task shall commence on the first day of the thirteenth (13th) month after CED and end with the completion of Takeover, which shall occur no earlier than the end of the fifth day of the nineteenth (19th) month following CED (ending concurrently with the completion of Runout Processing of the prior Contractor's Contract and the completion of the transfer of residual inventory and file transfer).
- 2) On the first day of assumption of Claims Processing, a date-of-service transfer of claim/NOA processing responsibilities and functions shall occur from the prior Contractor to the Contractor.
- 3) Claims/NOAs for services shall be provided on or after the first day of the thirteenth (13th) month following CED. The determination of which Contractor shall process a claim/NOA with multiple dates of service(s) shall be made based upon the latest date of service on the claim/NOA as defined below. Split billing of claims/NOAs by providers shall not be required. At the end of the Assumption Period (the completion of the Runout Processing

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Phase), residual inventory, regardless of dates of service, shall be transferred from the prior Contractor to, and processed by, the Contractor.

- 4) Incoming Denti-Cal mail will be scanned and forwarded to the ASO Contractor by the FI Contractor.
- 5) The record storage responsibilities shall be transferred to the Contractor at the start of Assumption.

b. Overlapping Processing Timeframes

STEP	CONTRACTOR	PRIOR CONTRACTOR
1	Startup of TAR processing starts ten (10) months and fifteen (15) days after the CED and ends the first day of month thirteen (13) (assumption of claims processing).	Runout Startup the last two months of the prior Contractor's pure premium period (PPP).
a	Monday following Startup on date of receipt basis receive TARs requiring clinical screening.	Monday following the fifteenth (15 th) day of Runout Startup on a date of receipt basis transfer TARs requiring clinical screening.
b	Eleven (11) months after CED. Date of receipt cutover for remaining TARs.	Eleventh (11 th) day of month two of Runout Startup date of receipt transfer of remaining TARs.
c	Last day of month twelve (12) after CED receive residual TAR inventory.	Last day of month two of Runout Startup transfer TAR residual inventory.
2	Assumption of claims processing starts the first day of month thirteen (13) after CED and ends the fifth day of month nineteen (19).	Runout processing the six months immediately following the PPP for which the prior Contractor is responsible for processing CD-MMIS documents with date of service exclusively through the last day of the PPP.
a	First day of month thirteen (13) start claims processing based on date of service.	Last day of month twelve (12) after CED is last date of service for the prior Contractor responsibility. (Also last day of Runout Startup.)

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STEP	CONTRACTOR	PRIOR CONTRACTOR
b	During first six months of Operations (end of Contract month eighteen (18)), edit claims for the prior Contractor processing responsibility.	The prior Contractor Runout Processing for six months of Runout processing.
c	First day of month nineteen (19) stop editing claims for the prior Contractor responsibility and process all claims. Fifth day of month nineteen (19) after CED receive residual claim inventory and records from the prior Contractor. Earliest end date for Takeover.	Fifth day of month seven following end of the PPP. Residual claims and records, if any, will transfer to Contractor.
3	N/A	Contract Closeout the nine months immediately following the end of Runout processing which is fifteen (15) months following end of PPP.

c. Startup of TAR Processing

Ten (10) months and fifteen (15) days after CED the Contractor shall begin processing TARs. The time period called startup of TAR processing shall be from this point to the start of claims processing. With the startup of Contractor TAR processing activities, the following requirements exist relative to ASO processing responsibilities:

- 1) For the first part of the period in which the Contractor has begun processing TARs, the prior Contractor will also receive and process TARs. Providers will be given the option to request from the Contractor authorization for services beginning the first day of startup of TAR processing or to continue submitting TARs to the prior Contractor;
 - a) On the Monday following the startup of TAR processing, on a date-of-receipt basis, the FI Contractor shall transfer to the ASO Contractor all TARs which may require clinical screening;
 - b) Beginning eleven (11) months and eleven (11) days following CED, the prior Contractor (under its current Contract), will cease processing TARs on a date-of-receipt basis and forward all TARs received from that day forward to the FI Contractor. The Contractors shall process all TARs received from then onward. This date-of-receipt transfer will include any CIFs related to TARs and any requests from reconsideration or extension of time for NOAs submitted to the Contractor; and

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- c) One business day prior to assumption of claims processing, the ASO Contractor shall receive all residual TAR inventory from the FI Contractor and shall receive, install, maintain and process that residual inventory (see below for residual inventory requirements).
- 2) Beginning with the first day of TAR processing, and continuing through the day prior to assumption of claims processing, any NOA generated by the Contractor which authorizes performance of services shall have an authorization effective date of the first day of claims processing under this Contract. The provider shall be required to perform the service(s) on or after the FI Contractor's first day of claims payment responsibility. Beginning with the first day of claims processing, the authorization effective date shall be the system-generated day of approval; and
- 3) Until eleven (11) months and eleven (11) days following CED, the Contractor shall transmit to the prior Contractor any prior Contractor-generated NOA received from a provider that requests a reconsideration of denied lines on the NOA. For the remaining period of time prior to assumption of claims processing and thereafter, the Contractor shall process prior Contractor-generated requests for reconsideration or extension of time documents.

d. Contractor Responsibilities

The Contractor shall:

- 1) Address how cycle time requirements shall be met during the Assumption Period and ensure that no backlogs arise in the area of claim adjudication, and appeals processing;
- 2) Process tracer CIFs received by the Contractor but for TARs submitted to the Contractor during this early TAR processing period. Tracer CIFs for TARs still being processed by the prior Contractor shall be transferred to the prior Contractor until the start of claim processing. All CIFs shall be redirected to the prior Contractor within three business days of their receipt;
- 3) Implement Clinical Screening requirements with the startup of TAR processing. Beginning on the first Monday following startup of TAR processing, the ASO Contractor shall receive and process from the FI Contractor (on a daily basis) all newly received TARs with procedures that may require Clinical Screening. If, during the time period, the ASO Contractor receives a TAR not requiring Clinical Screening, the Department shall be notified to resolve as to who processes the TAR;
- 4) Process misdirected mail (such as, but not limited to, RTDs, CIFs, NOAs, claims, correspondence, returned checks, appeals, etc.) which belongs to the prior Contractor, and shall receive misdirected mail from the prior Contractor;
- 5) Establish new Post Office Boxes and toll-free telephone numbers one month prior to the startup of TAR processing, and shall ensure that providers and beneficiaries are informed of any changes;

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- 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 a weekly report listing each duplicated authorization and the provider(s) requesting services. Beginning Ten (10) months and fifteen (15) days after CED and continuing through month nineteen (19), update the weekly report and submit to the Department for review.
 - 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

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Takeover which shall occur no earlier than the fifth day of the nineteenth (19th) month following CED (ending concurrently with the completion of Runout Processing of the prior Contractor's Contract and the completion of the transfer of residual inventory and file transfer);

- 2) On the first day of assumption of Claims Processing, a date-of-service transfer of claim/NOA processing responsibilities and functions shall occur from the prior Contractor to the Contractor. Claims/NOAs for services provided on or after the first day of the thirteenth (13th) month following CED shall be processed by this Contractor. The determination of which Contractor shall process a claim/NOA with multiple dates of service(s) shall be made based upon the latest date of service on the claim/NOA as defined below. Split billing of claims/NOAs by providers shall not be required. At the end of the Assumption Period (the completion of the prior Contractor's Runout Processing phase), residual inventory, regardless of date of service, shall be transferred from the prior Contractor to, and processed by, the Contractor;
- 3) During the Assumption Period, the transfer of claims processing responsibilities, for services rendered on or subsequent to the specified period will be handled by the provider submitting the claim to a Contractor Post Office Box. This process will be facilitated by a daily physical transfer of claims/tapes/records between the prior Contractor and the FI Contractor. Part of this process shall include the Contractors providing the prior Contractor with weekly processing information including, but not limited to, adjudicated claim history, claim receipts, provider information and updates to the PMF. After the completion of Runout Processing by the prior Contractor, and through the prior Contractor's Contract Closeout period, the Contractors shall continue to provide claims paid data to the prior Contractor for ACSLs with a date of service prior to the first day of claims assumption. The Contractors shall be required to provide adequate staff to sort documents, support and handle such courier/transfer services;
- 4) For a claim/NOA with a single date of service, if the date of service is on or after the first day of claims processing, the Contractor shall process the document, even though the service was authorized by the prior Contractor;
- 5) For a claim/NOA with multiple dates of service, if at least one date of service is on or after the first day of claims processing, the Contractor shall process the document, even though the services were authorized by the prior Contractor;
- 6) Processing responsibilities for prior Contractor-approved NOAs received by the Contractor on or after the first day of claims processing shall be processed as follows:
 - a) In the event that the prior Contractor authorizes a NOA, but all services are rendered on or after the first day of claims processing:

Services rendered on or after the first day of claims processing are part of the Contractor's responsibility. If, after final adjudication for paid services, the Contractor believes the prior Contractor-authorized services are not

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covered services of the Medi-Cal Dental Program, the Contractor shall notify these services to the Department. If radiographs are required for adjudication, and were submitted with the NOA, they shall be included with Contractor's claim. If radiographs were not included with the NOA, but are needed for evaluation with Department prior approval, the Contractor shall adjudicate the NOA and request the radiographs from the provider.

- b) NOAs authorized by the prior Contractor for services rendered prior to, on, or after the first day of claims processing:
 - i. Services rendered prior to the first day of claims processing are part of the prior Contractor's underwriting responsibility but shall be processed by the Contractor; and
 - ii. If the Contractor has processed a request for reconsideration of the prior Contractor's decision, for these purposes the NOA will be considered authorized by the Contractor and not the prior Contractor.
- 7) Processing responsibilities for claims which are not NOAs with dates of service prior to, on, or after the first day of claims processing:
 - a) Services rendered prior to the first day of claims processing are part of the prior Contractor's underwriting responsibility but shall be processed by the Contractor; and
 - b) Processing services rendered on or after the first day of claims processing are part of the Contractor's responsibility.
- 8) The Contractor shall work with the FI Contractor to develop a report of essential ACSL and month of service (MOS) data. The ASO Contractor shall include this report as part of the invoice.

The report shall:

- a) Be a weekly CP-O-052 report or equivalent;
 - b) Only reflect those services paid which occurred prior to the first day of claims processing and are part of the prior Contractor's payment liability;
 - c) Be submitted starting with the first payment cycle after assumption of claims processing responsibilities twelve (12) months after CED and continue through the end of the prior Contractor's Contract Closeout period; and
 - d) Ensure the format for this report be designed and submitted to the Department for review and approval four months after CED;
- 9) All administrative payments to the Contractor for claims/NOAs with dates of service prior to the startup of claims processing shall be made through bid ACSL rates; and

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10) Starting the first day of the nineteenth (19th) month the Contractor shall process all claims/NOAs regardless of date of service.

f. Duplicate Payment Procedures

The Contractor shall:

1) Check for duplication of payment for claims and NOAs, and payment of procedures with service limitations, which were submitted to and processed by both the Contractor and the prior Contractor. If the prior Contractor has paid for the same procedure with the same date of service or if both the Contractor and the prior Contractor have paid for a procedure which has service limitations and fails the history cross check after receipt of processing data from the prior Contractor, the Contractor shall recover the money from the provider utilizing the in-house CIF process. This process shall include, but not be limited to, the following consideration:

Weekly manual and automated reviews by the Contractor for potential duplicate payments and identification of procedures which fail the history cross check because of service limitations, initiation of adjustments, and recovery of payments;

- 2) Work with the FI Contractor to develop Duplicate Payment Reports for Department review and approval six months after CED;
- 3) Submit a weekly report within the first check write after assumption of claims processing continuing through month nineteen (19) which identifies each duplicate payment; each procedure which fails the history cross check because of service limitations; the action taken by the Contractor to recover the payment(s); and the amount to be recovered from the provider.
- 4) Work with the FI Contractor to design monthly Duplicate Payment Recovery reports to report money recovered previously paid by the Department. The report format shall be submitted to the Department for review and approval six months after CED. The report shall be produced on a monthly basis after the startup of claims processing and through month nineteen (19); and
- 5) Deposit money recovered into the Health Care Deposit Fund (HCDF). Any money recovered for dates of service prior to the first day of claims processing shall be separately reported to the Department monthly.

g. Provider Check Processing

The Contractor shall accept prior Contractor issued checks from providers and establish procedures that incorporate the following considerations:

- 1) The prior Contractor-issued checks and associated documentation shall be redirected to the prior Contractor;

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- 2) Provider-issued checks and associated documentation for services authorized, and paid for, by the prior Contractor shall be redirected to the prior Contractor;
- 3) Provider-issued checks and associated documentation for services authorized, and paid for, by both the Contractor and the prior Contractor shall be accepted and processed by the Contractor according to Department-approved procedures that clearly specify the Contractor's method for reimbursing the prior Contractor its portion; and
- 4) Submit the Prior Contractor Check Report format to the Department for review and approval six months after CED. Specific data elements to be included on this report are:
 - a) Check Number (Old and New);
 - b) Check Date (Old and New);
 - c) Contractor Who Paid Original Claim/NOA (service);
 - d) Dollar Amount Paid by Contractor;
 - e) Provider Name;
 - f) Provider Number;
 - g) Provider Address; and
 - h) A Comments section.
- 5) Develop Prior Contractor Check Report, which lists all checks issued to the prior Contractor as required in three above, and the amounts paid by the Contractor to the prior Contractor during the Assumption Period. This report shall be submitted to the Department on a monthly basis, after the start of claims processing and continuing through the nineteenth (19th) month of Operations and completion of the prior Contractor's Contract Closeout period.

37. Transfer of Remaining ASO Responsibilities

- a. The Contractor shall take over from the incumbent Contractor all other operational activities. Responsibilities to be transferred include, but are not limited to, the processing of residual inventories; the physical transfer and receipt of inventory; maintenance and retrieval of all Contract-required records (see Exhibit A, Attachment II, Records Retention Requirements), claims history and accounts receivables; and the processing of all inquiries, appeals, RTDs, telephone calls, and returned mail. (Hard copy claims documents will only be transferred for claims not entered and those claims where there is no image. The Contractor shall pick these up from the FI contractor.)
- b. Beginning the first day of assumption of claims processing the Contractor shall produce S/URS reports, and beneficiary history reports (see Exhibit A,

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Attachment II, Reference File Subsystem, and Surveillance and Utilization Review Subsystem) utilizing history created under the prior Contractor's Contract. The Contractor shall ensure installation of all S/URS support files and S/URS History Files. The remainder of the Contractor's reports shall be produced using only data generated by the Contractor. MARS and other reports begin with the startup of TAR processing and shall be produced using only the Contractor's data.

These responsibilities shall be transferred for all claim types on the fifth day of the prior Contractor's Contract Closeout period.

c. Additional Responsibilities

During the assumption of ASO Operations, the Contractor shall:

- 1) Assure a smooth transition by processing both automated and manual interim payments in accordance with Department direction. The Contractor shall use the automated interim payment process developed by the current Contractor in accordance with Department direction;
- 2) Interim Payments - The Contractor shall work with the FI Contractor to develop, as part of the Takeover Phase, an automated payment calculation process capable of determining interim or emergency payments, as defined in Exhibit A, Attachment II, Claims Processing Subsystem, for all or specific providers (as defined by DHCS). Interim payments are normally those payments made to providers for unpaid claims that have been in the system for at least thirty (30) days, due to Contractor or Department errors, or for paid claims affected by retroactive changes;
- 3) Deliver to the Department, one month following Contractor assumption of ASO Operations, the following deliverables that fully describe the revised characteristics of the Contractor's Operation at that time:
 - a) Facilities;
 - b) Hardware configuration; and
 - c) Inventory of operating system software.

The above deliverables shall cover the same items that were contained in the corresponding plans delivered during Takeover.

38. Takeover Completion

The Takeover Phase shall be considered complete and the Contractor responsibility accomplished upon the conclusion of the following items:

- a. Complete implementation of all plans required in Exhibit A, Attachment I, Takeover of this Contract and written approval from the Department;
- b. Contracting Officer's written approval of all deliverables;

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- c. Correction of all errors/deficiencies identified during Acceptance Testing, and verification and written approval of such corrections by the Department;
- d. Successful operation of the full CD-MMIS and supporting applications for all claim types for six consecutive months, as determined and approved in writing by the Department;
- e. Receipt of all residual inventory and residual records from the prior Contractor and the processing of inventory and storing of records for retrieval; and
- f. Receipt of all data files produced by the current Contractor during the Assumption Period;

All Takeover deliverables shall be completed, milestones attained, and State approvals obtained within one month of the Takeover Completion scheduled due date established in the Takeover Milestone/Deliverable Schedule, Exhibit A, Attachment I. In the event that State approvals for Takeover deliverables and milestones, or corrections to them are obtained more than one month after the Takeover Completion scheduled due date established in the Takeover Milestone/Deliverable Schedule, Exhibit A, Attachment I, then the Takeover deliverables and milestones shall not be subject to Contractor payment. Instead the State's obligation to pay the associated invoice shall be excused.