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Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

December 22, 2015

Dear Interested Parties:

CALIFORNIA DENTAL MEDICAID MANAGEMENT INFORMATION SYSTEM FISCAL INTERMEDIARY SERVICES REQUEST FOR PROPOSAL 13-90270

ADMINISTRATIVE BULLETIN 6, ADDENDUM 1

Administrative Bulletin 6, Addendum 1, issued by the California Department of Health Care Services (DHCS), Office of Medi-Cal Procurement (OMCP), announces release of information pertaining to Request for Proposal (RFP) #13-90270 for the California Dental Medicaid Management Information System (CD-MMIS) Fiscal Intermediary (FI) Services procurement. DHCS provides notification to interested parties of the following:

- 1) Enclosed with this Administrative Bulletin is the second release of DHCS' official responses to questions submitted by prospective Proposers. Prospective Proposers are reminded that no additional questions will be accepted, with the exception of questions or inquiries as described in RFP Section G, Proposer Questions.
- 2) Addendum 1 incorporates changes to the following RFP sections:
 - RFP Main
 - Attachment 1, Proposal Cover Sheet
 - Attachment 12-5, Turnover and Runout Bid Sheet
 - Exhibit A, Attachment I Takeover
 - Exhibit A, Attachment II Operations
 - Exhibit A, Attachment III Change Requirements
 - Exhibit A, Attachment IV Turnover/Runout
 - Exhibit B, Attachment I Special Payment Provisions
 - Exhibit E Additional Provisions
 - Exhibit I Staffing Qualifications

These changes are being made to modify or clarify sections in the RFP. Within the text of the documents, changes are indicated as red text strikethroughs (deletions) and/or underlined blue text (additions) to denote revisions. For Americans with Disabilities Act purposes, text deletions

will be preceded and ended with an asterisk (*), while text additions will be preceded and ended with a double asterisk (**). The locations of revisions will be indicated by a vertical line in the right margin of the page where applicable. Language modifications supersede prior published language. It is the responsibility of the Proposer to assure they are working from the latest version of all sections and subsections of the RFP.

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

REMOVE EXISTING PAGES	INSERT REPLACEMENT / ADDED PAGES
RFP Main - Pages 10, 27, 33, 41-44	RFP Main - Pages 10, 27, 33, 41-44
Attachment 1 - Proposal Cover Page	Attachment 1 - Proposal Cover Page
Attachment 12-5 Turnover/Runout bid sheet	Attachment 12-5 Turnover/Runout bid sheet
Exhibit A, Attachment 1 Turnover - Pages 5-7, 18, 25, 49-53	Exhibit A, Attachment 1 Turnover - Pages 5-7, 18, 25, 49-53
Exhibit A, Attachment II Operations - Pages 12, 20-21, 29, 42, 63, 178, 180-182, 191, 193-194	Exhibit A, Attachment II Operations - Pages 12, 20-21, 29, 42, 63, 178, 180-182, 191, 193-194
Exhibit A, Attachment III Changes Reqs. - Page 18 only	Exhibit A, Attachment III Changes Reqs. - Page 18 only
Exhibit A, Attachment IV Turnover/Runout - Table of Contents (1 page) and Pages 22-23	Exhibit A, Attachment IV Turnover/Runout - Table of Contents (1 page) and Pages 22-23
Exhibit B, Attachment I Special Payment Provisions - Pages 2, 15-16, 22	Exhibit B, Attachment I Special Payment Provisions - Pages 2, 15-16, 22
Exhibit E Additional Provisions - Table of Contents (3 pages) and Pages 48, 54,62, 66, 83, 85, 92-98	Exhibit E Additional Provisions - Table of Contents (3 pages) and Pages 48, 54,62, 66, 83, 85, 92-99* *new page(s) due to text revisions and page shift
Exhibit I Staffing Qualifications - Page 7	Exhibit I Staffing Qualifications - Page 7

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

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

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

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement

Enclosure

Q #	RFP Reference	Section	Question-Issue	DHCS Response
1	General Legal Comment		<p>There is currently no Force Majeure clause or savings mechanism should failures be for causes outside Contractor's control as a general matter.</p> <p>We request this clause be added to allow us to further participate in this bid.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>A Force Majeure clause will be added to Exhibit E.</p>
2	RFP Main	F. Contract Term; Page 10	<p>RFP states: "The term of the resulting Contract is expected to be forty-eight (48) months and is anticipated to be effective from July 1, 2016, or upon approval by CMS and the Department of General Services (DGS), whichever is later."</p> <p>Elsewhere in the RFP (for example, the price sheets), it appears that the term should be 60 months, anticipated to be effective from July 1, 2016 or upon approval by CMS and the DGS, whichever is later. Please clarify if the initial term is 48 months or 60 months (including the takeover).</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The initial term of the Contract is sixty months (60) months (including takeover).</p>
3	RFP Main	N.6.a.4., Page 18	How many years of projected detailed financial plans and proposed cash flow budgets are required?	<p>No RFP change required.</p> <p>As stated in the RFP Main, N, 6, a, 3, the Contractor is required to submit pro forma financial statements for three years and statement of changes in financial position for the next three years predicated upon operation without the award of this contract. Please see RFP Main section N, 6, a,3 for additional details.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
4	RFP Main	N.6.a.2), Page 18	<p>The RFP states, "Proposer's public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of the Narrative Proposal."</p> <p>The process of creating month end financial statements for November 2015 requires more time than the December 4, 2015 submission date allows. Will the State consider interim financial statements through October 2015 to be in compliance with this requirement?</p>	<p>No RFP change required.</p> <p>Yes, the State will accept interim financial statements up through the month prior to submission, if the month proceeding the proposal due date is not completed and ready for inclusion in the proposal.</p>
5	General	RFP Main; page 27, 33	Please confirm the references to "4.s, Appendix" should be "4.r, Appendix"	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The references to "4.s, Appendix" shall be corrected to read "4.r, Appendix"</p>
6	RFP Main	P.4.s Narrative Proposal Attachments; Page 40	Item 3 – Client References within the list of attachments table states "Complete, sign and include..." Please confirm the References attachment does not need to be signed. There is no signature block on the form.	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The References attachment does not need to be signed.</p>
7	RFP Main	Q.4.h; Page 43	RFP states: "The Cost Proposal Transmittal Letter, required Cost Proposal Attachments and the original RFP Attachment 2b, Cost Proposal Required Attachments/ Certification Checklist, are to be submitted..." We	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Please see RFP Main, Q.1.a. and b., and Q.2.h.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			understand the Transmittal Letter and Attachment 2b need to be provided outside of the sealed cost proposal, but we do not understand what is meant by "required Cost Proposal Attachments."	
8	Bid Sheet, Attachment 12-6	Cell H8	This cell references Attachment 12-3, Sheet 1, cell G56. Should it reference Attachment 12-3, Sheet 1, cell G58?	DHCS will correct the RFP reference(s) in a future addendum. The four cells that did not link properly to Bid Sheet 12-3 have been linked to the correct cell site of the Amended Evaluation Sheet 12-6.
9	Bid Sheet, Attachment 12-6	Cell I8	This cell references Attachment 12-3, Sheet 1, cell G63. Should it reference Attachment 12-3, Sheet 1, cell G66?	DHCS will correct the RFP reference(s) in a future addendum. Yes, the referenced bid sheet, 12-3, sheet 1, will be revised to reference the correct cell.
10	Bid Sheet, Attachment 12-6	Cell J8	This cell references Attachment 12-3, Sheet 1, cell G70. Should it reference Attachment 12-3, Sheet 1, cell G74?	DHCS will correct the RFP reference(s) in a future addendum. Yes, the referenced bid sheet, 12-3, sheet 1, will be revised to reference the correct cell.
11	Exhibit A, Attachment I	3.c; Page 3 of 81	RFP states: "Application program changes shall be accomplished through an early and partial staffing of the Systems Group (SG). Prior to the assumption of CD-MMIS Operations, which is scheduled to commence the first day of month thirteen (13) after CED, the Contractor (non-SG staff) shall assume responsibility for performing table updates to reflect routine Adjudicated Claim Service Line (ACSL), TAR, and	No RFP change required. The Contractor must be prepared to support, apply and synchronize program changes made by the current contractor after bringing up the system during Takeover. The Contractor must also apply, test, and submit for approval the changes necessary to produce the new contract billing reports. The incumbent does not have the responsibility to

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			Telephone Service Center (TSC) price changes or changes in program policy and for updating all other support files and programs.”	make these table changes. They are part of the new contract, not the prior contract.
12	General	Exhibit A, Attachment I – Takeover; Page 5 of 81	Please confirm the reference to “Exhibit J, Staffing Qualifications” should be “Exhibit I, Staffing Qualifications”	DHCS will correct the RFP reference(s) in a future addendum. The reference to Exhibit J shall be changed to Exhibit I.
13	Exhibit A, Attachment I and Attachment II	A.5 and U.8, Pages 6 of 79 and 211 of 217	The Takeover SOW identifies the EPMO an Expansion Item to be developed during Takeover and in place by AOO. But the Operations section requirement states that the EPMO is to control all changes beginning with the start of Takeover. Please clarify start date for the EPMO.	DHCS will correct the RFP reference(s) in a future addendum. The role of the EPMO is to control all changes beginning with the start of Takeover. The EPMO is an expansion item, under the direction of the Contracting Officer, and must be in place by Takeover.
14	Exhibit A, Attachment I	A.8.c.5)a)-c), A.12.c.4), A.26.b.3), A.26.b.4) p.15, 20, 47 of 81	There are several requirements in the Takeover portion of the RFP that require submission of information after the completion of Takeover. These include: Collaborate with the FI Contractor beginning at AOO to develop performance metrics and reporting mechanisms; providing Staff Loading Charts and Hiring Progress Reports as Takeover Deliverables after Takeover Completion; submission of Records/File Summary and Master Index 1 and 4 months after Takeover Completion; processing duplicate authorizations through the end of month 19. These	No RFP change required. The FI Contractor shall implement and utilize a dashboard component to provide monitoring and metrics utilizing information available on CD-MMIS, and the systems supported by the FI. These metrics include both FI and ASO Contractor’s performance, and the status of all Takeover tasks and deliverables as defined in the Takeover Project Plan. The Contractor shall continue to use the dashboard component to monitor and report both Contractors’ performance during Operations. Beginning at AOO, those requirements shall be defined and approved by the Department.

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>requirements have the potential to jeopardize Takeover Completion by January 5, 2018. Please clarify if this should be removed from the Takeover section and placed in the appropriate Operations section; or, if there is no appropriate location there, as part of Exhibit E.</p>	<p>Staff Loading Charts and Hiring Progress Reports, Records Retention Manual, and Duplicate Authorization reports are Takeover deliverables and shall continue to be updated and approved by the Department as part of Operations. Refer to Takeover and Operations for additional information.</p>
15	Exhibit A, Attachment I	A.15.b.1), Page 25 of 81	<p>The RFP states, "The Contractor shall comply with all requirements as defined in Exhibit E, Additional Provisions, for providing facilities and equipment for up to twenty (20) Department staff ... no later than ten (10) months and fifteen (15) days after CED."</p> <p>Exhibit E, 45, b however states, "Separate space for Department monitoring and change management staff, not to exceed fifty (50) people."</p> <p>Please clarify how many staff the FI Contractor needs to provide space for.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Exhibit E, Section 45, On-Site Audit and Monitoring Staff, will be updated.</p>
16	Exhibit A, Attachment I	A.27.c.2), Page 49 of 81	<p>According to statistical data provided the Hard Copy Claims and TARS only add up to be 2,339,077 which is 5,860,919 below the Lower Base Volume base and 2,760,923 below the bottom of the Lower Minus Level as listed on Attachment 12-3 Oper. Year 1.</p> <p>Do the volume levels for Scanned</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The volume levels in Attachment 12-3 are correct. The table referenced in Exhibit A, Attachment I, Takeover, page 49 will be removed. It does not relate to Attachment 12-3.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			Claim/TAR Documents include both Hard Copy and EDI documents? If not, will the volume levels in Attachment 12-3 be adjusted?	
17	Exhibit A, Attachment I	A.29, Page 50-51 of 81	The introduction to this section states that the Financial Management Manual is to be submitted four months after CED, and is to include three things - a) accounting procedures and processes, b) specifications and layout for Estimated Expenses and Actual Expenses reports, and c) specifications and report formats for new reports for ACSLs, TARs, and TSC billable minutes. However, the last two items are to be submitted three months after CED. Will the last two items be submitted separately three months after CED and again in the FMM four months after CED? Or, will the time frame be updated to submit all three at the same time - four months after CED?	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Exhibit A, Attachment I, A.29, Accounting Requirements, will be updated.</p> <p>All 3 items must be submitted at the same time, 4 months after CED.</p>
18	Exhibit A, Attachment I	A.28 p.50 of 81	The Reporting Requirements section seems to be addressing documentation deliverables that are to be developed and submitted as part of the SDLC development cycle for system changes, and as problems are identified, but this is not clear.	<p>No RFP change required.</p> <p>The FI and ASO contracts contain unique reports. The requirements for these reports are contained throughout the contract.</p> <p>Information regarding design, testing and implementation of reports are included in the corresponding RFP sections.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
19	Exhibit A, Attachment I	A.29.c.2), Page 52 of 81	The requirement is to have the ACSL and other billable reports ready for Acceptance Testing 6 months after CED. But Acceptance Testing is not scheduled to start until 7 months and 15 days after CED. The date should be changed to coincide with the scheduled start of Acceptance Testing.	DHCS will correct the RFP reference(s) in a future addendum. The requirement is to have the ACSL and other billable reports ready for Acceptance Testing 7 months and 15 days after CED.
20	Exhibit A, Attachment II Exhibit A, Attachment 1	Section 4, pg 2 of 217 Section 27.c 2), table on pg 49-50 of 81	These sections note the volumes for claims and TAR processing The totals in Attachment II for claims and TARs would be approximately 5.4M per year. And the total in Attachment I would be about 4.7 for Fiscal year 12/13. The pricing sheets have far greater volumes. Please validate the yearly TAR and claims processing volumes.	DHCS will correct the RFP reference(s) in a future addendum. The table referenced in RFP Exhibit A, Attachment 1, Section 27.c 2), pages 49-50 of 81 will be removed. Exhibit A, Attachment II, Section 4, page 2 of 217 is correct and shall remain as is.
21	Exhibit A, Attachment II.	C.2.e ; Page12 of 217	RFP States: "Ensure the system of record, the PMF, is updated and maintained with current, accurate, and useful information for the objectives of this Contract and the objectives of the ASO Contract, Exhibit A, Attachment II, Provider Services;"	DHCS will correct the RFP reference(s) in a future addendum. The reference implying FI RFP requirements are contained in the ASO RFP will be modified. The FI Contractor is responsible to ensure the CD-MMIS is operational and properly functioning and all processes and procedures are in place.
22	Exhibit A, Attachment II.	A.12.b.1; Page20 of 217	RFP states: Design, develop and produce a monthly Enrollment Cycle Time report." The report is not currently produced by	DHCS will correct the RFP reference(s) in a future addendum. The new Enrollment Cycle Time Report

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>the system so it would be a new report Please clarify whether this report should be developed as part of takeover.</p>	<p>requirement will be removed.</p>
23	Exhibit A, Attachment II.	A.12.b.2; Page 20 of 217	<p>RFP states: "Produce monthly revalidation reports including but not limited to"</p> <p>Is this a new report the System should produce? Please clarify if this report should be developed as part of takeover. We assume the provider revalidation reporting is currently done manually by ASO Provider Enrollment group. If it remains with the same as the current, it should move to the ASO RFP and be removed from FI RFP.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>New System generated revalidation reports will be removed.</p>
24	Exhibit A, Attachment II.	D.6.a ; Page 29 of 226	<p>RFP States: "Process EDI claims/TARs/CIFs/RTDs with the capability to link the EDI record to the radiographs or attach supporting documents received in the mail."</p> <p>EDI standards do not support the electronic submission of the RTD.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>DHCS will remove references of an RTD submitted via EDI.</p>
25	Exhibit A, Attachment II	Section D.16.a, p 37	<p>The RFP states: "The Contractor shall: a. Issue RTDs when claim/NOA/TAR errors or omissions can only be corrected via changed or additional data from the billing provider.... All RTDs generated for a provider during one business day's processing shall be mailed to the provider in the same</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The requirement is to mail RTDs within three calendar days.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
		Section D.20.e, p41	<p>envelope and shall be mailed within three calendar days to the provider's service location address.</p> <p>"Mail RTDs to providers within five calendar days of determination a RTD is required."</p> <p>These two requirements have conflicting processing timeframes. Please confirm the requirement to mail RTDs is five calendar days.</p>	
26	Exhibit A, Attachment II	T.3.b, p. 191 of 217	<p>Exhibit A, Attachment II, T.3.b. states, "Radiographs are returned within twelve (12) business days after adjudication to providers and are not scanned, although in some cases a copy shall be made;" However, Contract Waiver 15-120, dated 7/8/15 (SC-7595) Return of Radiographs to Providers Cost Reduction Change Proposal, radiographs will not be returned effective 12/1/15.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The return of radiographs is not required; the referenced item will be changed.</p>
27	Exhibit A, Attachment II	Section T,4.a 6), 8), 9), pg 193-194	<p>The RFP has these set of requirements for responding to subpoenas, PRAs and Expert Witness:</p> <p>6) Accept and respond to all subpoena duces tecum served either on the Contractor or on the Department for documents in the possession of the Contractor;</p> <p>8) Ensure that deadlines set by the court</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The referenced Expert Witness requirements are outside the scope of the FI contract. They will be removed from the RFP.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>for responding to subpoena duces tecum and PRAs are met, and that when necessary, provide expert witness testimony regarding the named records within the court's deadlines. (For additional requirements refer to Exhibit A, Attachment II, Operations, Expert Witness Requirements). This provision shall apply to claims that were adjudicated under a prior contract and that are in the Contractor' possession;</p> <p>9) Notify the Department prior to, or concurrent with, responding to subpoena duces tecum, PRAs and/or providing expert witness testimony;</p> <p>Regarding the subpoena and Expert Witness related components of these requirements, there is no section labeled Expert Witness. However the ASO RFP does have Expert Witness requirements. Additionally the ASO RFP also has the exact same PRA requirements.</p> <p>This is a duplicate in both RFPs. Please confirm that these requirements, regarding subpoena requests, PRA, and Expert Witness are outside the scope of the FI RFP.</p>	
28	Exhibit A, Attachment III	15.a.3), Page 18 of 38	The SDN Notice/Request shall include identified in the PDA and GFA phases. Please clarify whether the	DHCS will correct the RFP reference(s) in a future addendum.

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			second acronym is a different phase from GFR or simply a typo.	Clarification: GFA should be GFR.
29	Exhibit A, Attachment IV, Turnover and Runout	Section 6.c, p7	<p>RFP states: “c. Two and one-half years prior to the end of the COP, the Contractor shall provide a listing (using System Management Facility (SMF) data) of all CD-MMIS mainframe jobs executed during the previous twelve (12) months.... “This documentation shall be delivered to the Department no later than twenty-six (26) months before the end of the COP. The Contractor shall verify the electronic media before the media is sent to the Department as defined below, and utilize existing CD-MMIS jobs to automate the process.”</p> <p>Is the CD-MMIS Mainframe Production Jobs Executed Inventory List due initially to DHCS 30 months (2 and ½ years) or 26 months before end of COP?</p>	<p>No RFP change required.</p> <p>The Contractor shall begin generating and submitting for Department approval the ‘CD-MMIS Mainframe Productions Executed Inventory List’ two and one-half years prior to the end of COP. The Department has the option to receive this data on secure electronic media, and if requested, this must be provided 26 months before end of COP.</p>
30	Exhibit A, Attachment IV, Turnover and Runout Exhibit B,	Section 10, p16. Section 8.A.1, p22	<p>RFP States: “Runout begins two months prior to the end of the Contractor’s COP and continues for a total length of seventeen (17) months.”</p> <p>RFP States “The first fifty-five percent (55%) of the Runout bid price shall be paid in seven equal monthly installments, with seven percent being</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The payment schedule referenced in Exhibit B, Attachment I, 8, Runout Processing, A will be modified to remove the word ‘Monthly’ and the new language will state ‘Seven equal installment payments’. The payment schedule, as currently stated in the RFP, will be set by the contracting</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
	Attachment I		<p>withheld from each installment. The schedule for the seven payments shall be set by the Contracting Officer based on the Contractor having met the Conditions Precedent to Payment stated below are met....”</p> <p>These two statements appear contradictory. Please confirm the term of the runout period and assumed start date.</p>	<p>officer. The Runout schedule will follow the schedule outlined in Exhibit A, Attachment IV, 10, Runout. The start of Runout will begin two months prior to the end of COP.</p>
31	Exhibit A, Attachment IV	10. Runout Page 16 of 23	<p>There are numerous references in this section regarding the processing of TARS and Claims based on date of service. For example, if a TAR is received with a date of service prior to assumption of operations by the successor contractor, it is the prior contractor’s obligation to process the TAR until the start of claims processing. Similarly for claims, if the date of service falls within the prior contractor’s contract term, then the RFP requires that they process those claims. Since this is not an at risk contract, the financial obligations to pay these claims are not held with the prior contractor and therefore the processing cutoff dates should not be based on date of service, but rather on receipt date which should align to when the successor contractor begins operations.</p>	<p>No RFP change required.</p> <p>The State will retain the existing Turnover and Runout process in the upcoming contract. There is a significant cost associated with researching and programming the system to support the proposed model. The State may, at its discretion, consider making this change prior to the start of Turnover in the new Contract.</p>
32	Exhibit A, Attachment IV,	Section 10.c.2, p19	<p>RFP states: “c.Runout Processing During the six month Runout Processing</p>	<p>No RFP change required.</p> <p>The predecessor (outgoing) contractor will receive</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
	Turnover and Runout		<p>period, (which begins at the assumption of claims processing), the Contractor's obligations and liabilities shall be as follows:</p> <p>2) <i>Receive all data files from the successor contractor and shall update various files (such as the Provider Master File) needed to process claims.</i></p> <p>How often will the contractor receive these files?</p>	these files on a daily, weekly, or monthly basis, as appropriate.
33	Exhibit A, Attachment IV	12. Runout Liabilities Page 22 of 23	<p>Requirement 12. Runout Liabilities states: The Contractor shall at the end of the COP, reimburse the Department for any of the following:</p> <p>a. TARs that were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and later approved by the successor contractor or the Department due to appeal, dental scope State hearing, or request for reconsideration;</p> <p>b. Claims which were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and subsequently approved by the successor contractor or the Department due to appeal or request for reconsideration (CIF); or</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The provisions referenced in Exhibit A, Attachment IV, Turnover and Runout, Section 12, Runout Liabilities, will be removed.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>c. Claims/NOAs with date(s) of service(s) through the end of the COP processed by the successor Contractor during the Runout Processing or Contract Closeout periods of this contract.</p> <p>Upon billing by the Department, the Contractor shall reimburse the Department within thirty (30) calendar days. The Contractor may dispute all such billings through the contract dispute provisions. This process shall continue for a period of fifteen (15) months following the end of the COP.</p> <p>Please confirm the prior contractor should not be liable for these since this RFP is no longer an at risk contract.</p>	
34	Exhibit B, Attachment I	A.1 & 2;Page 2 of 24	<p>Between bullets 1 and 2, the State is in essence asking for a 50.5% holdback on takeover payments. This will cause a serious cash flow problem and will force us to drop out of the competition unless changed to a more reasonable amount. Industry standard is typically a 10% holdback which is part of bullet 1. Chapter 2, Article 4, Section 10346 of the California Public Contracting Code suggests a minimum holdback of 10%. The California State Contracting Manual (April 2015) recommends a 10% withhold for progress payments in subsection 7.33B and 7.33.D.6.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The Department will address the holdback percentage. The intent is to ensure the withhold percentage and approach does not negatively impact the Contractors' ability to compete and execute Takeover, while ensuring the State's interests are protected.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			<p>7.33.B - Not less than 10% of the contract amount shall be withheld pending final completion of the contract. If a contract consists of the performance of separate and distinct tasks, then any funds withheld for a particular task may be paid upon completion of that task (PCC § 10346).</p> <p>7.33.D.6 - Contracts shall require a withhold of 10% of each progress payment either pending satisfactory completion of the contract or completion of a separate and distinct task.</p> <p>Also, according to the RFP, the monthly takeover payment is not approved for payment unless appropriate deliverables have been approved. "The schedule for the twelve (12) payments will be set by the Contracting Officer based on the Contractor meeting milestones and deliverables for Takeover in Exhibit A, Attachment I, Takeover." This ensures that the required progress is being made throughout the takeover period and payments are withheld if that is not the case. DHCS does not also need to hold back 45% of the takeover price to ensure contractor performance when there is already a process in place to withhold</p>	

Q #	RFP Reference	Section	Question-Issue	DHCS Response
35	Exhibit B, Attachment I	4. Hourly Reimbursed Systems Group; Page 15 of 24	<p>payments.</p> <p>RFP states: "If the Contractor chooses to pay overtime, they will only be reimbursed the hourly rate as bid in the Attachment 12-7 and 12-8 Price Bid Sheets."</p> <p>The RFP only included price bid sheets 12-1 through 12-6. Please provide vendors with price bid sheets 12-7 and 12-8.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The language should reference Attachment 12-4, Systems Group Blended Billable Person Hourly Rate.</p>
36	Exhibit B, Attachment I	7.A., Page 21 of 24	<p>The RFP states, "Fifty-five percent (55%) of the Turnover bid price shall be paid in nine equal installments, with nine percent being withheld from each installment."</p> <p>Section 8, A states, "The first fifty-five percent (55%) of the Runout bid price shall be paid in seven equal monthly installments, with seven percent being withheld from each installment."</p> <p>As the Turnover/Runout Bid is a combined price, how will the price of each component be determined?</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Bid sheet Attachment 12-5 will be modified to include a separate line item for the Runout Bid price.</p>
37	Exhibit C (GTC610), Section 5 and Exhibit E,	Section 5, page 1 Section 34, page	<p>The current indemnification clauses are broad based and could apply to any claims and losses experienced by the Department regardless if caused by the Contractor. We recommend indemnification be limited to third party</p>	<p>No RFP change required.</p> <p>The State will not approve the suggested indemnification language.</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
	Section 34	49 of 98	claims for discrete loses and that all other loses be handled through the normal dispute/litigation procedure. We request this clause be changed to allow us to further participate in this bid.	
38	Exhibit E Additional Provisions	Section 39.b.4; Page 56 of 98	The RFP contains a \$20,000/day liquidated damage if the contractor does not forward one hundred (100%) of the total documents received to the ASO within 24 hours. This liquidated damage is excessive and we request it be changed to allow us to further participate in this bid.	No RFP change required. The Department believes that the liquidated damages as stated are reasonable and appropriate.
39	Exhibit E	40.a, Page 62	There is an exception in this section as to the services that can be provided outside the 25-mile radius from the State Capital. It appears that the exception limits the use of data centers to those which are within the State of California. This may limit competition, increase costs, and increase risks as many prime contractors would need to subcontract this work to a third party vendor.	DHCS will correct the RFP reference(s) in a future addendum. The DHCS will allow a prime contractor to use its data center(s) located within the continental US.
40	Exhibit E	57, Page 83 of 98	Exhibit E, section 57. Targeted Area Contract Preference Act (TACPA) requires completion of the TACPA form, however the form has not been provided. Please confirm that the form is no longer required.	DHCS will correct the RFP reference(s) in a future addendum. Exhibit E, Additional Provisions, Section 57, TACPA, will be removed from the RFP.

Q #	RFP Reference	Section	Question-Issue	DHCS Response
41	Exhibit E	Section 60, page 91 of 98	<p>There is currently no method by which contractor may terminate the contract even if the State is in material breach (such as through nonpayment).</p> <p>We request this clause be changed to allow us to further participate in this bid.</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The Department will not include mutual material breach termination provision language. 15-day cure notice language will be added.</p>
42	Exhibit E	65., Page 96 of 98	<p>Will waivers related to current CD-MMIS limitations (such as SURS profiling) be extended to the new FI contract/contractor? Does the Department intend for Proposers to include an alternate system/software tool with the capability to perform SURS profiling in their FI Proposal?</p>	<p>No RFP change required.</p> <p>Existing waivers will not be extended.</p> <p>The Department does not intend for Proposers to include an alternate system/software tool with the capability to perform SURs profiling with their FI Proposal.</p> <p>To clarify, the RFP requires the FI Contractor to provide a Decision Support system. One objective of this solution is to facilitate fraud and abuse research and to identify inappropriate utilization or aberrant billing patterns. The RFP allows the Contractor to propose a new software solution or use the existing tool solutions. For additional information see Exhibit A, Attachment II, L, Decision Support System.</p>
43	Exhibit I	Table, Page 1 of 14	<p>The Exhibit I, Staffing Qualifications Chart lists a Security Architect as a Representative Resume Staff Position. However, neither the table of contents nor the Staffing Qualifications that follow</p>	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>The Security Architect position will be removed from Exhibit A, Attachment II, Security Office and</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
			the chart mention this position. Should it be included in the chart, or should it be deleted? If it should be included, please provide the staffing qualifications for this position.	Privacy Office.
44	Exhibit I	Pg 8	Will the State please clarify that the following statement “Work experience may be substituted for the required college education as indicated in the qualification requirements listed below for each position on a two for one basis” applies to all the representative positions?	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Yes, experience may be substituted for required education, at the State’s discretion, for representative positions.</p>
45	Exhibit I	Associate 2) Education, pg 12,	Will the State please clarify that this paragraph should refer to the Associate role and not the Apprentice Role?	<p>DHCS will correct the RFP reference(s) in a future addendum.</p> <p>Paragraph should refer to Associate. Correction will be made.</p>
46	A11_fnl_Hardware Equipment & Software.pdf – from Bidders Library	Section 1.3.4	<p>It is stated that there are 10TB assigned to the CD-MMIS, currently at 40% capacity.</p> <ul style="list-style-type: none"> • How many years of recipient history are maintained currently? • How many months of claims history are maintained currently? <p>How many additional records are added to these files each year?</p>	<p>No RFP change required.</p> <p>Currently 6 years of recipient history and 72 months of claims history is maintained in CD-MMIS. Additional information is contained in the Record Retention Manual C07.</p> <p>The number of records added varies based on fluctuations in the eligible population, State Legislation and Program policy.</p> <p>The total documents processed for the prior two years:</p>

Q #	RFP Reference	Section	Question-Issue	DHCS Response
				<p>2014 - 6,223,192 2015 - 7,721,624</p> <p>These numbers are historical, and do not represent future volumes for the reasons indicated above.</p> <p>Please refer to the Data Library for additional information.</p>
47	Bulletin #4	Limitation of Liability language	<p>The new limitation of liability language is much appreciated. We have reviewed and provide the proposed revisions as a carve out for violation of statute and regulation places undue risk on a Contractor assuming control of an existing system from the previous incumbent where violations of statutes such as HIPAA and other Federal or State regulations may already exist. The incoming vendor cannot be liable for pre-existing violations.</p>	<p>No RFP change required.</p> <p>The Department will not agree to the requested change.</p>

F. Contract Term

The term of the resulting Contract is expected to be ****sixty (60)**** months and is anticipated to be effective from July 1, 2016, or upon approval by CMS and the Department of General Services (DGS), whichever is later. DHCS may extend the Contract using up to five one-year optional extensions. The Contract may be extended using any combination of the five one-year optional extensions at one time. Contract extensions are subject to satisfactory performance of Scope of Work (SOW) requirements, funding availability and approval by DGS, if applicable.

The Contract term may change if DHCS makes an award earlier than expected or if DHCS cannot execute the Contract in a timely manner due to unforeseen delays. DHCS reserves the right to extend the term of the resulting Contract via an Amendment as necessary to complete or continue the services. Contract extensions are subject to satisfactory performance, funding availability and approval by DGS, if applicable.

The resulting Contract will be of no force or effect until it is signed by both parties and approved by CMS and DGS, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained and the Contractor is advised by DHCS to begin work. If performance commences before all approvals are obtained, said services may be considered to have been volunteered until such approvals are obtained.

See Exhibit E, Additional Provisions, Term of the Contract for additional information.

G. Proposer Questions

Immediately notify DHCS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions or requirements. Inquiries must be in writing and transmitted to DHCS as instructed in RFP Main, Submission of Proposals and Other Related Documents. At its discretion, DHCS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a Proposal at their own risk. In addition, if awarded the Contract, the Contractor shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission or error.

Following the question submission deadline, DHCS will summarize all general questions and issues raised and post the summary of questions and responses on the OMCP website at: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx. DHCS will also notify all interested parties that have submitted a Request for Inclusion on the Distribution List form, RFP Attachment 14, with an email that there has been an update posted to the OMCP website.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

- 4) Briefly describe any experience that demonstrates the proposing firm's ability to establish and maintain effective working relationships with government entities, local community-based organizations and private non-profit organizations.
- 5) Identify three client references to which the proposing firm has provided service in the past five years that can confirm their satisfaction with the services, and confirm that the proposing firm provided timely and effective services or deliverables. Use RFP Attachment 3, Client References form for this purpose. Place the completed Client References form in the Attachments Section of the Proposal.
- 6) DHCS **will** contact references to validate the information provided by the Proposer to determine the client's overall satisfaction with the services provided. Please be sure points of contact for the selected references are current. Please be sure the references are prepared to confirm the information provided and that references will be available during the period of time that DHCS will be validating references (following the submission of the Proposal). References that fail to respond to the Department will not be considered a valid reference and may result in determining a Proposer to be found nonresponsive.

e. Management Plan

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

placement of each member within the organization, with the level of detail showing at the unit level.

f) Continuity

- i. Proposers shall describe proposed individuals' willingness and availability to perform the work required in this Contract. Proposers shall also describe the method(s) to be used to replace, should the need arise, a management team member with someone with equal or greater qualifications. This shall include management team members identified in the Narrative Proposal who are currently proposed to work on any other contracts and the manner in which their availability will be guaranteed for this Contract. The Contractor shall describe past contract experience it has had in working with its customers in the replacement of its management personnel assigned to a large contract.
- ii. The Contractor shall guarantee that any senior manager identified in its Narrative Proposal will be assigned to this Contract for at least the first two years, and the Contractor Representative for at least the first three years, unless that employee:
 1. Leaves the employment of the Contractor, any of its affiliates, or a subcontractor or any of its affiliations; or
 2. Is given advance written Contracting Officer approval.

g) Organization charts

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

- i. An organization chart and narrative that describes the organizational structure of the business, shows the location of the proposed Contract in the Proposer's firm and indicates if such location is an operation unit, separate location or wholly owned subsidiary. Include a complete description of the division of responsibility within the business.
- ii. An organization chart detailing the relationship of the Proposer to all parent entity(s), corporation(s) and affiliate(s) if the Proposer is a wholly owned subsidiary organization. Include a complete description of the division of responsibilities, decision-making processes and reporting relationships between the Proposer and its parent(s) or affiliate(s), subcontractors and/or independent consultants, if any.
- iii. Instructions are explained in RFP Main, Narrative Proposal Submission, Format and Content Requirements, ****4.r****, Appendix. Place the organization charts in the Appendix Section of the Proposal.

i. Facilities Plan

Attachment	Instructions
<p>2a - Narrative Proposal Required Attachments/Certification Checklist</p>	<p>Check each item with “Yes”, “No” or “N/A”, as applicable, and sign and include this form in the <u>Narrative</u> Proposal. If necessary, explain the choices marked.</p> <p>If a Proposer marks “Yes”, “No” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response” determined by DHCS to be unsatisfactory or insufficient to meet a requirement may cause a Proposal to be deemed nonresponsive.</p>
<p>3 - Client References</p>	<p>Complete*, sign* and include this form in the <u>Narrative</u> Proposal. Identify three clients serviced within the past five years of the Proposal submission date that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services and/or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.</p>
<p>4 - RFP Clause Certification</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contract certification clauses appearing in RFP Main, Bidding Certification Clauses.</p>
<p>5 - CCC 307 – Certification</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The Attachment supplied in this Proposal represents only a portion of the Contractor information in this document. Visit this website to view the State’s Standard Contract Language: http://www.ols.dgs.ca.gov/Standard+Language/default.htm</p>
<p>6 - Payee Data Record</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal.</p>
<p>7 - Follow-on Independent Consultant Contract Disclosure</p>	<p>Complete, sign and include this form in the <u>Narrative</u> Proposal. If applicable, attach to this form the appropriate disclosure information.</p>
<p>8 - DVBE Instructions / Forms 8a – DVBE Participation</p>	<p>Complete, sign and include form 8a in the <u>Narrative</u> Proposal. Read and carefully follow the completion instructions in RFP Attachment 8. Attach the documentation that is required for the form(s) that are submitted.</p>
<p>9 - Darfur Contracting Act Certification</p>	<p>If applicable, complete, sign and include this form and the required documentation in the <u>Narrative</u> Proposal, using the detailed completion instructions included on the Attachment.</p>

Attachment	Instructions
10 - IRAN Contracting Act Certificate	If applicable, complete, sign and include this form and the required documentation in the <u>Narrative Proposal</u> , using the detailed completion instructions included on the Attachment.
11 – Non-Small Business Subcontractor Preference Instructions	Submission of these forms is optional. If it is determined that the forms will be submitted, complete, sign and include these forms in the <u>Narrative Proposal</u> . Include Attachments 11a and 11b only if the proposing firm is a not a certified small business but is requesting a subcontractor bidding-preference by committing to use one or more certified small business subcontractors for an amount equal to at least twenty-five percent (25%) of the total bid price.
13 - Voluntary Letter of Intent	This is a non-binding Letter of Intent whose purpose is to assist DHCS in determining the staffing needs for the Proposal evaluation process and to improve future procurements (refer to RFP Main, Voluntary Non-Binding Letter of Intent). Complete, sign and include this form in the <u>Narrative Proposal</u> .
14 - Request for Inclusion on Distribution List	This is a voluntary request form, which will allow DHCS to continue to provide your firm with the automatic updates to this RFP (refer to RFP Main, Proposal Requirements and Information). Complete, sign and include this form in the <u>Narrative Proposal</u> .
16 - Proposer Response Guide	Use the instructions in this guide to provide where within the Proposal responses to Submission Requirements and Evaluation Questions are located. Submit the Guide with the <u>Narrative Proposal</u> .

Q. Cost Proposal Submission, Format and Content Requirements

1. General instructions

- a. The Cost Proposal Bid Sheets, Transmittal Letter, ~~*all required Cost Proposal Attachments*~~ and the Cost Proposal Required Attachments/Certification Checklist, RFP Attachment 2b, are to be submitted separately from the Narrative Proposal.
- b. The Cost Proposal package is comprised of all completed Bid Sheets, Attachments 12.1 – 12-6, the Cost Proposal Transmittal Letter*, ~~required Cost Proposal Attachments*~~ and the Cost Proposal Required Attachments/Certification Checklist, RFP Attachment 2b.

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

2. Submission Requirements

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

COST PROPOSAL FOR RFP 13-90270
CALIFORNIA DENTAL MEDICAID MANAGEMENT INFORMATION
SYSTEM FISCAL INTERMEDIARY SERVICES

- g. If more than one box is submitted, carefully address each one as instructed above and mark on the outside of each box, "Box 1 of X", "Box 2 of X", etc.
- h. The Cost Proposal Transmittal Letter*, ~~required Cost Proposal Attachments*~~ and the original RFP Attachment 2b, Cost Proposal Required Attachments/Certification Checklist are to be submitted in a sealed envelope, which is to be affixed to the outside of the sealed box(es) that contains the original Cost Proposal.

3. Format Requirements

- a. Hard copy pages of the Cost Proposal must be printed double-sided on white bond paper that is three-hole punched, and submitted in loose leaf or three ring binders.
- b. Assemble Cost Proposal Bid Sheets in numerical order.
- c. All original Cost Proposal documents that require a 'wet' signature are to be signed in a color other than black ink by the person authorized to bind the Proposer to the Cost Proposal. Signature stamps are not acceptable.
- d. All original-signed documents are to be placed in the Cost Proposal set marked "Original Cost Proposal", the exception being the Cost Proposal Transmittal

Letter and ****original**** RFP Attachment 2b which are to be submitted in a separate sealed envelope, as described in 2.h, above.

- e. The original-signed Cost Proposal documents may be photocopied for placement in the five duplicate hard copies.

4. Content Requirements

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

a. Bid Sheet Instructions

- 1) Proposers shall propose a fixed price on each Bid Sheet, Attachments 12.1 through 12.6, in accordance with the instructions provided in this RFP. All Bid Sheets shall be submitted as part of the Cost Proposal. DHCS shall reject Cost Proposals that it determines are not reflective of the Proposer's cost.

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

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

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

In order for there to be a financial incentive, the actual cost to perform the services must be less than the bid to perform the same service. "Actual cost" means the amount of monetary resources (including operating overhead) needed to perform a service.

- 2) Bid Sheet Attachment 12-3 is calculated using the Base Volume Method of Payment (BVMP). The explanation of BVMP methodology and the instructions for calculating the BVMP are provided in the Bid Sheet Instructions, Attachment 12. Proposers are to refer to Attachment 12 when calculating cost for Bid Sheet 12-3.

b. Bid Sheets

Complete and submit the following Bid Sheets in the Cost Proposal in numerical order:

Proposal Cover Page

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

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

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

Printed Name (*First, Last*):

Title:

Telephone number:

Fax number:

Email address

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

Printed Name (*First, Last*):

Title:

Telephone number:

Fax number:

Email address

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Signature of Authorized Representative:

Date:

Exhibit A, Attachment I
Scope of Work- 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 ASO Contract to ensure successful execution of the ONE comprehensive Takeover Project Plan. The Takeover Director shall be fully qualified for this position in accordance with requirements in Exhibit** I**, Staffing Qualifications.

- b. Activities during the Contractor's Takeover Phase and the incumbent Contractor's Turnover Phase shall be coordinated and synchronized to every extent possible. The Contractor shall work with the Department and the incumbent Contractor to understand the incumbent's Contract's Turnover requirements, Turnover Project Plan tasks, milestones and deliverables and determine how they interface with the Contractor's Takeover activities and Project Schedule. Best efforts shall be made by both Contractors to coordinate all aspects of Takeover and Turnover.
- c. The Contractor shall establish and maintain consistency in the deliverables produced in Takeover of this Contract with like or better deliverables produced during Turnover at the end of this Contract. Therefore, the Takeover hardware and software inventories described in this Takeover section of the Contract shall be in the same formats as those described in Exhibit A, Attachment IV, 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 the Takeover Project Schedule, by the required due dates. To the extent any staff billed under the Hourly Reimbursement Group is needed to complete a required deliverable or task, the cost for this staff shall be included in the Takeover Bid Price and shall not be reimbursed under Hourly Reimbursed Groups. Staff billed under Hourly Reimbursed Groups shall only be reimbursed for functions as described in Exhibit A, Attachment III, Change Requirements.
- e. Throughout Takeover and the entire Contract, all documentation shall be in the format specified in Exhibit A, Attachment II, Administrative Support of Contract Changes, Exhibit A, Attachment II, Data Processing and Documentation Responsibilities, and Exhibit A, Attachment III, Change Requirements. 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, as well as for 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

The Department has identified a series of new activities and system capabilities the Contractor shall be required to design or accomplish during the Takeover Phase. These activities and system capabilities are considered Expansion Items for purposes of payment. The new system capability, procedures or required personnel shall be completed and operational as of the Assumption of Operations (AOO).

The cost for the Expansion Items shall not be included as part of the Takeover bid. Expansion Items cost shall be itemized and included on the CD-MMIS Expansion Items Bid Sheet, Attachment 12-2 of the Bid Sheets. Ongoing administrative or system maintenance cost incurred by Contractor for these Expansion Items during the Operations Phase shall be included in the fixed bid, Attachment 12-3 Scanned Claim/TAR Documents Bid Sheet.

Most of the Expansion Items for this procurement are administrative in nature rather than system development-related. Since these Expansion Items, except for those under the discretion of the Contracting Officer, must all be in place by AOO, the specific activities associated with each item shall be included in the Project Plan for Takeover.

The Expansion Items are listed below. The list identifies the location in the Contract for the description of each Expansion Item. The description shows the context for each Expansion and its relationship to the overall Operation. The Contractor shall submit plans describing the approach to meeting each of the Expansion Items.

- a. CD-MMIS Enterprise Project Management Office (EPMO) – As mandated by the Contracting Officer, the Contractor is required to make changes mandated due to statute, regulation, judicial interpretation, policy or other DHCS initiatives. The Contracting Officer may direct the Contractor to immediately begin implementation of any change. To achieve optimal efficiency with directed change, the Contractor shall utilize an EPMO **** and shall be in place by Takeover.**** See requirements in Exhibit A, Attachment II, Administrative Support of Contract Changes.
- b. Project and Portfolio Management – A list of Department-approved and State-implemented software is available in the Data Library. Additional information is available in Exhibit E, Additional Provisions, Hardware, Equipment and Software. The Contractor has the option to use the Project and Portfolio Management tool used by the State or supply a Commercial, off-the-shelf (COTS) Project Management tool(s) to track all project artifacts enterprise-wide, such as, project tasks; action items; issues; problem reports; time reporting; automated approvals; Change Orders; and deliverables; for both the Contractor and the Department resources. See requirements in Exhibit A, Attachment II,

Exhibit A, Attachment I
Scope of Work- Takeover

Administrative Support of Contract Changes, and Exhibit A, Attachment III, Change Requirements.

- c. Business Rules Repository Maintenance – The Department has embarked on a project to create a repository of business rules implemented by CD-MMIS. The Contractor shall be responsible for maintaining and updating the Business Rules Repository (BRR). Starting with Takeover, all system changes** transitioned during Takeover, including system changes made by the Contractor, shall also be reflected in corresponding changes to the BRR as part of the Business Rules Extraction (BRE) process** ~~as reflected in the BRR~~*. The Contractor shall be responsible for keeping the BRR updated throughout the term of the Contract. See requirements in ~~*Exhibit A, Attachment II, Administrative Support of Contract Changes, and*~~ Exhibit A, Attachment III, Change Requirements.

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 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.
- 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 FI 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 FI Operations. Unless otherwise specified, all completion dates are from CED.

Exhibit A, Attachment I
Scope of Work- Takeover

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 CD-MMIS. In addition to a narrative discussion, the Personnel Acquisition section of the plan shall include a Staff Loading Chart and a Gantt (or equivalent) chart. 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 hourly reimbursed special groups, 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 CD-MMIS 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 shall assure the Department that sufficiently experienced and trained personnel are available to support all Takeover tasks and begin full CD-MMIS Operations without interruption of service to providers, beneficiaries, or 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, for such areas as the Systems Group (SG) (See also Exhibit E, Additional Provisions and Exhibit** !**, 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 Contract, without impacting the operation of CD-MMIS 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.

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:

Exhibit A, Attachment I
Scope of Work- Takeover

- 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 CD-MMIS Operation;
 - 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 the greater area of Sacramento. The Contractor shall comply with all requirements as defined in Exhibit E, Additional Provisions, for providing facilities and equipment for ~~*up to twenty (20)*~~ 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 the CD-MMIS, 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, CD-MMIS 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

Exhibit A, Attachment I
Scope of Work- Takeover

- 9) Ensure the scanning of these documents shall be performed at the Contractor’s Sacramento work site and shall be accessible to Department staff. The Contractor shall be responsible for the maintenance of the system;
- 10) Develop, design, and install the ability and capacity of scanning all accepted documents including claims, TARs, NOAs, returned RTDs, CIFs, appeals, all supporting attachments, and other documents as specified by the Contracting Officer; (Claims/NOAs/TARs/CIFs/RTDs may be submitted by hard copy or via EDI);
- 11 Adhere to the design, development, and implementation requirements outlined in Exhibit A, Attachment III, Change Requirements;
- 12) Modify the Contractor’s Document Management Responsibilities as specified in Exhibit A, Attachment II, Claims Processing Subsystem;
- 13) Assign a unique Document Control Number (DCN), Correspondence Reference Number (CRN), Most Recent Document Control Number (MRDCN) or other identifying number, as appropriate, to each claim, TAR, NOA, RTD, CIF, appeal, and all supporting attachments indicating date of receipt. The date of receipt requirement applies to all documents including Medicare crossover claims. All attachments, including radiographs, shall receive the primary document number to ensure a complete record can be retrieved; and
- 14) Retain original and scanned documents as specified in Exhibit A, Attachment II, Records Retention Requirements.

c. Statistical Data

- 1) At a minimum, the system shall be capable of permanently storing the present claims/TAR/NOA/CIF/RTD, plus any additional supporting attached documents, each year, containing images each ranging from one to four;

*

~~2) The following are the annual volumes based on the General CD-MMIS BILLING Report [(CP-O-495 and CP-O-496), excluding other documents such as provider applications, supplemental documentation, etc.];~~

Fiscal Year	Claims Media Copy	Claims Hard Copy	TAR Media Copy	TAR Hard Copy
2006-2007	1,018,741	3,502,107	147,966	722,704
2007-2008	1,219,879	3,527,322	206,322	665,015
2008-2009	1,544,050	3,225,752	413,974	868,920
2009-2010	1,500,020	2,610,944	112,724	196,676
2010-2011	1,677,660	2,337,890	77,177	146,002

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2011-2012	1,878,632	2,231,375	107,886	154,420
2012-2013	2,280,509	2,188,104	107,502	150,973

- * **
- 1)2) The system shall have the capability for long term (ten (10) years) storage of images;
 - 2)3) 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 implementation of the scanning process shall start at the beginning of TAR processing;
 - 3)4) The Contractor shall provide training to the Department and Contractor (i.e., access, printing); and
 - 4)5) The ongoing Maintenance and Operations are to be included in the Contractor’s price for all scanned documents. **

28. Reporting Requirements

The Contractor shall deliver reports to the ASO Contractor and 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. Technical designs and 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.

29. 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:

- 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, Hourly Reimbursement,

Exhibit A, Attachment I
Scope of Work- Takeover

Turnover, and each cost reimbursable category of staff, e.g., Systems Group (SG). 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; and
 - f) Allocation (internal and external) methodologies for Cost Reimbursement.
- 2) Updated specifications and report layouts for both the Estimated Expenses and Actual Expenses Reports, as specified in Exhibit E, Additional Provisions, **four** months from CED; and
- 3) Specifications and report formats for the development of new reports for ACSLs, TARs and TSC billable minutes to support ASO Contract billing, and the development of a Document Counts Report to support FI Contractor billing. These reports shall use the existing ACSL, TAR and TSC Billing Report format, and be used to support new Contract billing, as required in Exhibit B, Attachment I, Special Payment Provisions. These reports shall be due **four** months after CED for Department approval. Reports shall be scalable to accommodate various ranges.

b. Cost Reimbursement Plan

Submit a Cost Reimbursement Plan one month after CED for approval by the Department. This plan shall include, at a minimum, a narrative of the Contractor's activities in cost reimbursable areas during Takeover, and the information specified in Exhibit B, Attachment I, Special Payment Provisions.

c. Scheduled Execution and Reporting

- 1) The Contractor shall work with the ASO Contractor to develop, test, and obtain Department approval for Operations billing reports that measure the following:
 - a) Billable and non-billable Adjudicated Claim Service Lines (ACSLs);
 - b) Billable and non-billable Treatment Authorization Requests (TARs);
 - c) Billable and non-billable "minutes" for the Telephone Service Center (TSC);
 - d) Billable and non-billable Scanned Documents; and

Exhibit A, Attachment I
Scope of Work- Takeover

- e) Systems Group billable and non-billable hours.
- 2) The Contractor shall install for Acceptance Testing these approved reports **seven months fifteen (15) days** after CED. No ACSL, TAR, TSC, Scanned Document, or SG billings shall occur prior to Department approval and acceptance of these reports.
- 3) The reports shall be approved and installed at the startup of TAR Processing.

30. Other Administrative Procedures

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

31. Online Data Dictionary

- a. The Contractor shall submit to the Department, four months after the CED, the Online Data Dictionary Users Guide. The User's Guide shall be oriented toward users of the Online Data Dictionary, and shall describe, at a minimum, the following:
 - 1) The operation and capabilities of the Data Dictionary;
 - 2) Information available to users of the Data Dictionary, and how users access and retrieve this information;
 - 3) Examples and explanations of screens encountered by users;
 - 4) Information regarding additional assistance available from the Contractor to users during online sessions;
 - 5) Glossary and detailed explanation of all commands; and
 - 6) Interaction of the Data Dictionary with the rest of the CD-MMIS.
- b. The Data Dictionary Users Guide shall completely describe the Contractor's practices and procedures in updating and maintaining the Data Dictionary, as required in Exhibit A, Attachment II, Operations, Data Processing and Documentation Responsibilities.
- c. The activities required to install the Online Data Dictionary shall be incorporated into the Software Installation Plan and the File Installation Plan (See Software Installation Plan and File Installation Plan in this section.)

32. System Testing

- a. System Test Plan

Exhibit A, Attachment I
Scope of Work- Takeover

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

- 1) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart 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 will 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;
- 5) Completely describe the operating system and licensed system software proposed to support the system test environment, and all non-mainframe systems.

The FI Contractor shall incorporate a review process to include the ASO Contractor. The FI Contractor shall seek the cooperation and feedback of the ASO Contractor as to the content of the updated System Test Plan. The Department reserves the right to illicit input and feedback from the ASO Contractor prior to Department approval.

b. System Test Support Plan

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 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;

Exhibit A, Attachment II
Scope of Work - Operations

Contractor's Provider Services operations to meet their contractual requirements as referenced in ASO Contract, Exhibit A, Attachment II, Provider Services.

2. Objectives

The objectives of the Provider Services Subsystem are to:

- a. Ensure that all Provider Services Subsystem standards and responsibilities are conducted in a manner that complies with the most current federal and State program laws, regulations, policies, and procedures related to dental services under the California Medicaid program;
- b. Operate under the federal Medicaid Management Information System (MMIS) requirements;
- c. Support Claims Processing, Management Administrative Reporting Subsystem (MARS), and Surveillance and Utilization Review Subsystem (S/URS);
- d. Ensure that providers and billing intermediaries submitting claims through electronic media and/or by hardcopy comply with the laws and regulations related to electronic billing with the Medi-Cal Dental Program;
- e. Ensure the system of record, the PMF, is updated and maintained with current, accurate, and useful information for the objectives of this Contract ~~*and the objectives of the ASO Contract, Exhibit A, Attachment II, Provider Services*~~;
- f. Collaborate with ASO Contractor staff to maintain regular communication in troubleshooting barriers to timely, responsive, and reliable customer service;
- g. Enable and support the ASO's operations and communication with the provider community; and
- h. Maintain adequate staffing levels to successfully execute the requirements of this Contract.

3. Assumptions and Constraints

The Contractor shall:

- a. Work collaboratively with the ASO Contractor to resolve any provider related issues;
- b. Work with the ASO Contractor so it can meet all of the deliverable requirements as delineated in Exhibit A, Attachment II, Administrative Support of Contract Changes;
- c. Ensure providers complete a direct deposit enrollment form in order to authorize direct deposit of their provider payments; and
- d. Be liable for any erroneous payments made by the Contractor to providers who have been suspended or deactivated from the Medi-Cal Dental Program or

Exhibit A, Attachment II
Scope of Work - Operations

- d) Number of enrolled rendering providers showing up on at least one claim in the last twelve (12) months;
- e) A by-county report on provider participation on the Denti-Cal provider referral list; and
- f) A by-county report on specialist provider participation on the Denti-Cal provider.

b. Provider Enrollment

- 1) **Support** monthly Enrollment Cycle Time reports^{**} based on calendar days to be submitted to the Department no later than the tenth (10th) of the month;
* ~~to include, but not limited to the following:~~
 - a) ~~Date application was received;~~
 - b) ~~Number of days since application was received;~~
 - c) ~~Number of days to process application to date;~~
 - d) ~~If application was incomplete, date returned to provider;~~
 - e) ~~Date information requested was received;~~
 - f) ~~Date application was completed;~~
 - g) ~~Disposition of each application;~~
 - h) ~~Specialty of provider;~~
 - i) ~~Date placed on and removed from provisional status;~~
 - j) ~~Date letter confirming enrollment was mailed;~~
 - k) ~~Average time to process completed enrollment applications within the reporting month;~~
 - l) ~~Shortest processing time for a completed enrollment application within the reporting month; and~~
 - m) ~~Longest processing time for a completed enrollment application within the reporting month.~~
- 2) ~~*~~
- 3) **Support** monthly revalidation reports; ~~including but not limited to:~~
 - a) ~~Date seventy (70)-day notification was mailed;~~
 - b) ~~Date twenty (20)-day notification was mailed;~~
 - c) ~~Date revalidation package was received;~~

Exhibit A, Attachment II
Scope of Work - Operations

- ~~d) Actions taken on revalidation package;~~
- ~~e) Number of revalidation packages received;~~
- ~~f) Number of revalidation packages returned to providers;~~
- ~~g) Average length of time for a complete provider revalidation in calendar days; and~~
- ~~h) Minimum and maximum lengths of time for a completed provider revalidation completion in calendar days.*~~

**

- 4)3) Produce a monthly report that includes the volume of outgoing mail associated with provider enrollment by type for each week, and a monthly summary;
- 5)4) Produce a monthly report due no later than the tenth (10th) of each month that measures the number of pieces of provider enrollment mail returned as undeliverable and action(s) taken to correct any deficiencies; and
- 6)5) **Produce a monthly report due no later than the tenth (10th) with provider city and county information to capture number of applications received:
 - a) New enrollment applications;
 - b) Re-enrollment applications;
 - c) Revalidation applications;
 - d) Supplemental application; and
 - e) Denied applications.

13. Equipment

The Contractor shall furnish the necessary equipment to ensure effective operations and to meet all of the Contract requirements.

The Contractor shall:

- a. Ensure that all staff, wherever located within the ASO Contractor Provider Services, has the same level of functionality and can effectively communicate among themselves and with other Contractor staff or the Department as necessary;
- b. Provide all computer software (including connectivity for facilitating access to information and communications) necessary to meet all contractual requirements;

Exhibit A, Attachment II
Scope of Work - Operations

6. Electronic Data Interchange (EDI) Document Responsibilities

The Contractor shall:

- a. Process EDI claims/TARs/CIFs ~~*/RTDs*~~ with the capability to link the EDI record to the radiographs or attach supporting documents received in the mail. The Contractor shall receive and process EDI documents according to the submission procedures detailed in the EDI Specification and Protocol Manual. For additional information, refer to ASO Contract, Exhibit A, Attachment II, Provider Services;
- b. Support EDI submission and retrieval twenty-four (24) hours each day Monday through Saturday;
- c. Perform preliminary processing, to validate the number of total lines or claims and total dollar amount billed;
- d. Verify that the EDI document contains all mandatory data elements and that it is in the correct format as part of the preliminary processing;
- e. Accept for processing all EDI documents that pass the preliminary checks;
- f. As a first step in processing, assign a DCN, or MRDCN, to each claim/TAR/CIF, RTD submitted via EDI. The DCN assigned to each claim/TAR submitted via EDI must be the same DCN assigned to the corresponding attached documents. The DCNs/MRDCNs must be assigned by the Contractor in accordance with date of EDI receipt. EDI and paper claims/TARs/CIFs/RTDs are to be identified through embedded intelligence in the DCN/MRDCN/CRN;
- g. Generate an electronic media copy of each claim/TAR/CIF/RTD document submitted via EDI and an electronic copy of each attachment (except radiographs) received through the mail;
- h. Provide a media copy of the EDI claim/TAR/CIF/RTD and the scanned copy of the attachment(s) (except radiographs) together, and have all easily retrievable through the use of the assigned DCN/MRDCN.

These media and scanned copies must be:

- 1) Reformatted to look similar to paper documents when viewed on a terminal or printed to hard copy.
 - 2) Retained, by the Contractor as required in Exhibit A, Attachment II, Records Retention Requirements section;
- i. Enter the documents into the normal processing system after assignment of the DCN/MRDCN;
 - j. Return electronic acknowledgment to the provider that reports the number of claims received, which claims were accepted or rejected, and why certain claims were rejected (e.g. missing information);

Exhibit A, Attachment II
Scope of Work - Operations

- e. Mail RTDs to providers within ****three**** calendar days of determination a RTD is required.
- f. Enter one hundred percent (100%) of claims/TARs, and corrected RTDs returned from providers into the system within seven calendar days from receipt by the Contractor.

21. Treatment Authorization Request (TAR) Purge Requirement

The Contractor shall:

- a. Purge approved and denied TARs from the database to an appropriate storage media to be retained for a period of no less than ten (10) years; and
- b. Ensure CD-MMIS capability to purge TARs according to the guidelines in the CD-MMIS Processing Team Manual.

22. Claims Processing Subsystem Reports

The Contractor shall generate all Claims Processing Subsystem reports produced by CD-MMIS. All reports (including manual, ad hocs, and special requests) must meet requirements described in Exhibit A, Attachment II, General Reporting Requirements, unless otherwise specified in this section.

In addition, the Contractor shall generate documentation reporting for each respective ASO and FI Operations invoice to demonstrate requirements have been met for payment. Refer to Exhibit B, Attachment I, Special Payment Provisions.

The reports shall be made available for review and use by the ASO Contractor as necessary.

23. Document Retrieval Responsibilities

The Contractor shall provide the capability to retrieve stored claims, related documents, forms and reports from requests submitted on-line or in written form, and track the distribution of each request. Documents that can be requested through the on-line Automated Document Retrieval (ADR) system include claims, NOAs, TARs, EOBs, CIFs, and RTDs. Requests for other documents are currently submitted in written form. The Contractor shall follow the retrieval methods and procedures for all documents described in the Records Retention Procedures Manual. (See Exhibit A, Attachment II, Records Retention Requirements).

24. Department Responsibilities

The Department shall:

- a. Determine the scope of dental program benefits, benefit limitations, and provide overall policy direction to the Contractor;
- b. Provide beneficiary eligibility and SOC certification information via FAME and AEVS;

Exhibit A, Attachment II
Scope of Work - Operations

- h. Continue to generate current and new reports from CD-MMIS for the ASO Contractor QM organizational unit to perform all operational activities as required within the Dental ASO Contract;
- i. Ensure Contract compliance and timely performance of Contractor responsibilities through supervisory and management review;
- j. Ensure completeness, accuracy, and timeliness of deliverables to the Department;
- k. Identify situations, occurrences, and deficiencies where schedules and accuracy standards are not met by the Contractor; and
- l. Allocate an adequate number of trained and qualified staff including various resources to perform required quality management activities defined in this section within the time frames specified.

5. Quality Management Plan

The Contractor shall:

- a. Develop and maintain a QM Plan describing the Contractor's process for reviewing, verifying, and validating processes, work products, and deliverables to ensure compliance with Contract requirements, as well as processes for improving performance;
- b. Meet or exceed the requirements for Capability Maturity Model Integration (CMMI) Level 3 or ISO 9001: ****2015****. The Contractor staff must achieve certification from an independent third party evaluator in whatever methodology they propose by the end of Contract year one. All tools and methodology must be brought to this account and used with all quality activities. The Contractor assigned team shall have a thorough understanding of CMMI. After Assumptions of Operations (AOO), the Contractor shall become CMMI certified and shall monitor CMMI or ISO for newer versions to stay current with the latest release.
- c. Staff a Director responsible for the oversight, operation, and success of the program and who shall spend an adequate percentage of time on QA/QM activities including the Quality Management/Quality Assurance and Utilization Management Improvement programs;
- d. Submit annual updates to the QM Plan to the Department for review and approval from date of submission of the original QM Plan which shall be initially approved by the Department in the Takeover Phase;
- e. Fully document an organizational structure to support the following:
 - 1) A collaborative approach to monitoring Contract responsibilities through continuous system performance reviews and analyses of Contract processes;
 - 2) Provide regular disclosure of findings to ensure early correction of problems and issues; and

Exhibit A, Attachment II
Scope of Work - Operations

systems. This office shall conduct reviews of the Contractor's Operation, which includes internal financial controls and Contractor employee system access and rights, on an ongoing basis to prevent and detect fraud, and ensure that the Contractor is in compliance with the established privacy policies, procedures, and guidelines.

2. Assumptions and Constraints

- a. The Contractor shall employ a Denti-Cal Information Security and Privacy Officer to manage the Information Security and Privacy Office. The Information Security Officer and Privacy Officer shall be a fulltime, dedicated employee located at the Contractors' facility. A Certified Information Systems Security Professional (CISSP) certification shall be required of any individual appointed as the Denti-Cal Information Security Officer. The following Security Administration Networking and Security (SANS) certifications are desired additional qualifications: Certified Information Systems Auditor (CISA), Global Information Assurance Certificate (GIAC), Security + Cisco Certified Internetwork Expert (CCIE), Certified Wireless Security Professional (CWSP), Systems Security Certified Practitioner (SSCP), and Certified Ethical Hacker.
- b. The Information Security and Privacy Office shall employ a Security Risk Assessor ~~*and a Security Architect*~~ (required staff, see Staffing Qualifications, Exhibit I). ****This**** position will be responsible for assessing project risk and producing work product such as a security impact assessment, system security questionnaire, and risk assessment that will become part of the Systems Development Life Cycle (SDLC) project life cycle documentation.
- c. Contractor staff identified in this section shall require Department approval.

3. General Responsibilities

The Information Security and Privacy Office duties shall include, but is not limited to:

- a. Develop security policies, procedures, and criteria for the collection, storage, access, and destruction of information assets. The policies and procedures provide the operational guidelines and delineate the roles and responsibilities of the Contractor's entities for assuring the security and integrity of information assets;
- b. Develop policies, procedures, and guidelines for the use, disclosure, transmission, and storage of information that is protected and confidential under all of the most current applicable federal and State laws;
- c. Provide technical assistance to Contractor personnel to determine the need and appropriateness of proposed security provisions and review proposed modifications to new and existing electronic information processing systems as part of the project security risk assessment process determined by the Department to ensure appropriate security safeguards are implemented and maintained. Refer to CD-MMIS FI Contract, Exhibit A, Attachment III, Change Requirements, for additional information regarding Risk Assessments;

Exhibit A, Attachment II
Scope of Work - Operations

- j. Conduct annual risk assessment to identify potential vulnerabilities that could threaten the security of the Contractor's information assets and areas for potential fraudulent activities. These reviews provide an independent assessment of the effectiveness of security systems and compliance with laws, regulations, policies, and procedures;
- k. During the security control assessment, identify and document all security weaknesses and deficiencies in the security assessment report to maintain an effective audit trail;
- l. Ensure the recoverability of all California Dental Medicaid Management Information System (CD-MMIS) systems and sub-systems that support the CD-MMIS and/or the Operations of CD-MMIS by participating in the development, implementation, testing, and maintenance of the Contractor's Disaster Recovery Plans, which is designed to allow effective and efficient recovery of business functions in the event of a disaster;
- m. Develop, implement, and oversee the Contractor's Administrative, Technical, and Physical security controls for information systems. All controls to be used must be approved in writing by DHCS before they are implemented;
- n. Develop, implement, and oversee the Security Awareness Program for all Contractors' employees, technical staff, management, and any sub-contractors that support the Operations of the CD-MMIS;
- o. Support and maintain a tool for monitoring all database servers, Web servers and environments containing PHI, including all associated tasks in support of administration, compliance, and any DHCS assigned tasks;
- p. Establish a security and confidentiality training program as part of the Security and Confidentiality Plan that is specifically designed for all levels of the Contractor's staff;
- q. Conduct special reviews as requested by the Department; and
- r. Provide written and oral presentations of review issues and alleged security/privacy violation incidents to Department staff.

4. Security Risk Assessor

Duties shall include, but is not limited to:

- a. Assist systems group with completion of System Security Impact Assessments ****[\(SIA\)](#),**** Risk Assessment Questionnaire (RAQ) and any specific security system design documentation;
- b. Develop and review Risk Assessment Deliverables (RAD) before submission to DHCS; and
- c. Coordinate with the Information Security Officer * ~~and Security Architect~~ * to document all security issues identified.

Exhibit A, Attachment II
Scope of Work - Operations

5. ~~*Security Architect~~

~~Duties shall include, but is not limited to:~~

- ~~a. Review all Security Impact Assessments (SIA), RAQs, RADs and any specific security requirement in design documentation before submission to DHCS; and~~
- ~~b. Coordinate with the Security Risk Assessor and the Information Security Officer to document all security issues identified.*~~

**

6.5. **Reporting Responsibilities

The Contractor shall:

- a. Provide monthly report and/or comprehensive overview of current and planned Security and Privacy activities for DHCS use in oversight agency reporting;
- b. Provide a detailed and dashboard summary report for all activities that are a result of an audit;
- c. Provide a bi-weekly status report of projects under review by the Security Risk Assessor and the Security Architect;
- d. Develop a Plan of Action and Milestones (POAM) document that identifies tasks needing to be accomplished. The POAM document shall detail resources required to accomplish the elements of the plan, any milestones in meeting the tasks, and scheduled completion dates for the milestones.
 - 1) The POAM document prepared for the authorizing official by the information system owner or the common control provider describes the specific tasks planned:
 - a) To correct any weaknesses or deficiencies in the security controls noted during the assessment; and
 - b) To address the residual vulnerabilities in the information system.

The plan of action and milestones identifies:

- 1) Tasks to be accomplished with a recommendation for completion either before or after information system implementation;
- 2) Resources required to accomplish the tasks;
- 3) Any milestones in meeting the tasks; and
- 4) Scheduled completion dates for the milestones. **

Exhibit A, Attachment II
Scope of Work - Operations**7.6. 7.6. **Department Responsibilities**

The Department shall:

- a. Review and approve the Security and Confidentiality Plan;
- b. Review and approve Contractor policies and procedures for all information security controls before they are implemented;
- c. Review and approve all SIAs, RAQs and RADs; and
- d. Monitor any new security requirements being implemented.

S. STAFF TRAINING REQUIREMENTS**1. Overview**

The Contractor shall provide for a comprehensive training and personnel development program for all Contractor personnel involved in and performing Contractor responsibilities as specified, and to provide comprehensive training to Department staff and Administrative Services Organization (ASO) Contractor staff designated and authorized in this Contract by the Contracting Officer. The Department reserves the right to audit any and all training provided by the Contractors.

2. Objectives

The development of a comprehensive training program will require the active collaboration between the ASO Contractor and the Department's Fiscal Intermediary (FI) Contractor. The FI Contractor is responsible for supporting California Dental Medicaid Management Information System (CD-MMIS) and shall provide the ASO Contractor and the Department training regarding application software and use of the hardware for both mainframe and non-frame systems. The FI Contractor shall collaborate with the ASO Contractor training to promote a comprehensive understanding of program procedures, policies and operations brought about by change instruments to assure effective and efficient adjudication of claims, Treatment Authorization Requests (TARs), and related documents.

The Contractor shall:

- a. Provide a comprehensive training and personnel development program to all Contractor personnel involved in and performing Contractor responsibilities as specified herein; in addition to training requirements outlined throughout the Contract;
- b. Develop a training solution to allow staff access to material and manuals at their workstations and repeat training lessons at their own pace. Training sessions shall include appropriate equipment, test data and materials for each participant to engage fully in the training process;
- c. Provide hands-on training to the ASO Contractor staff and Department staff regarding application software and use of hardware to promote a comprehensive understanding of the use of CD-MMIS;

Exhibit A, Attachment II
Scope of Work - Operations

- a. Establish custodianship for all Medi-Cal Dental claims payment records and all other documents within their possession and control;
- b. Produce acceptable hard copies of claims payment records upon request;
- c. Guarantee authorized State and federal employees will have access to claims payment records when needed;
- d. Retrieve claims payment records upon request and in a timely manner;
- e. Provide for a system of certifying the authenticity of claims payment records; and
- f. Provide Contractor, authorized Administrative Services Organization (ASO) Contractors and Department employees with clear guidelines and instructions on procedures for executing the Contractor's record retention responsibilities.

3. Assumptions and Constraints

- a. There are two Contracts under the currently proposed model of the Medi-Cal Dental Fee-For-Service (FFS) program - one pertaining to the ASO Contractor and one pertaining to the Fiscal Intermediary (FI) Contractor. These two Contractors are expected to work in concert with each other to achieve their respective goals and responsibilities outlined in their Contracts to carry out the operations and policies of the Department;
- b. The FI Contractor shall preserve, protect, and maintain original documents for a minimum period of sixty (60) business days after their reproduction unless required differently, and in writing by the Contracting Officer. ~~*(NOTE: The provider must request the return of radiographs at the same time the radiographs are submitted. Radiographs are returned within twelve (12) business days after adjudication to the providers and are not scanned, although in some cases a copy shall be made. Providers are encouraged to submit duplicated radiographs to avoid return);*~~
- c. The FI Contractor shall be responsible for retaining all paper documents after the scanning process to be processed, archived and stored. The FI Contractor shall provide copies and/or access of all requested documents within 24 hours or otherwise stated to the Department or the ASO Contractor. Refer to Exhibit A, Attachment II, Operations for cycle time requirements;
- d. For the purposes of this section, claims payment records shall include but not limited to:
 - 1) Submitted claims for processing, regardless of medium i.e. hardcopy and/or magnetic media);
 - 2) Notices of Authorization (NOAs);
 - 3) Appeals and appeals responses;
 - 4) Explanation of Benefits (EOBs);

Exhibit A, Attachment II
Scope of Work - Operations

- g. For provider payment histories, retrieval for the most recent thirty-six (36) months shall be made available by the CDR;
- h. The Department may annually request a history search and/or hard copy reproductions of approximately one hundred thousand (100,000) claims payment records;
- i. These Records Retention Requirements are in addition to provisions elsewhere in this Contract, which require on-line request and retrieval of claims payment information (e.g., CDRs and/or documents); and
- j. Claims/TARs/NOAs/CIFs/RTDs/etc., will be submitted by providers on Contractor-supplied forms, or by other electronic means approved by the Department.

4. General Responsibilities

- a. Custodian of Records

The Contractor shall:

- 1) Serve as the Custodian of Records of all claims payment records under the Contractor's possession and control;
- 2) Preserve, protect, and maintain all claims payment records which are a part of, or result from, the Contractor's operations under this Contract;
- 3) Preserve and protect all claims payment records transferred to it from the preceding Contractor and the Department;
- 4) Maintain all claims payment records throughout the term of this Contract unless otherwise approved by the Contracting Officer. Records which have been involved in matters of litigation shall be kept for a period of not less than three years following the termination of such litigation regardless of the expiration or termination of this Contract;
- 5) Capture, archive, index, retrieve, present, and reproduce all stored documents via a digital storage environment that will eliminate the need for keeping a microfilmed image. The Contractor will however, retain existing microfilm for historical purposes for ten (10) years;
- 6) Accept and respond to all subpoena duces tecum served either on the Contractor or on the Department for documents in the possession of the Contractor;
- 7) Accept and respond to requests invoking the Public Request Act (PRA) either on the Contractor or on the Department for documents in the possession of the Contractor;
- 8) Ensure that deadlines set by the court for responding to subpoena duces tecum and PRAs are met, and that when necessary, provide ~~*expert witness*~~ |

Exhibit A, Attachment II
Scope of Work - Operations

testimony regarding the named records within the court's deadlines. ~~*(For additional requirements refer to Exhibit A, Attachment II, Operations, Expert Witness Requirements)*~~ This provision shall apply to claims that were adjudicated under a prior contract and that are in the Contractor' possession;

**

~~9)~~ 10) **Notify the Department prior to, or concurrent with, responding to subpoena duces tecum, PRAs and/or providing *expert witness* testimony;

**

~~9)~~ 10) **In Contractor-at-fault cases, the Contractor will be responsible for all costs related to the case including filing fees;

**

~~10)~~ 11) **Dispose of records under its custodianship only after receipt of written approval from the Contracting Officer of the time, place, method of disposal, and specific records or group of records to be destroyed;

**

~~11)~~ 12) **Preserve, protect, and maintain the original electronic media (such as disk) containing claims submitted electronically for a minimum period of fifteen (15) business days after their reproduction. The Contractor shall produce computer facsimile copies of such claims as needed to meet all requirements under this section; and

**

~~12)~~ 13) **Generate all Records Retention reports produced by CD-MMIS. Reports must meet requirements described in this section, and in the FI Contract, Exhibit A, Attachment II, Operations, General Reporting Requirements section, unless otherwise specified by the Contracting Officer.

b. Third Party Liability

To assist the Department in exercising its responsibility for tort liability and estate recoveries, the Contractor shall meet the following requirements:

- 1) If the Department requests payment information or copies of invoices or paid claims for covered services to an individual beneficiary, the Contractor shall deliver the information to the requester within ten (10) business days of the request. Paid services shall be reported with a dollar value of the usual, customary, and reasonable charge made to the general public for similar services; and
- 2) Provide the Department with the name, address, and telephone number of Contractor staff responsible for receiving and complying with requests for service history information.

5. Acceptability of Copies

Original claims payment records may be replaced with electronic image repository versions. Other forms of Department-approved reproduced copies may be substituted at the discretion of the Contracting Officer during the term of the Contract under the following conditions:

- a. If claims or other documents are submitted on other media approved by the Department, preserve, protect, and maintain the original media (such as a disk) for a minimum period of sixty (60) business days after their reproduction. The Contractor shall produce copies of such claims/documents as needed to meet all requirements of this section;

Exhibit A, Attachment III
Scope of Work - Change Requirements

15. SDLC Phase I

a. SDN Notice / SDN Notice Request

- 1) PDA Phase - The initial PDA Phase involves identifying and confirming the need for a modification of the system or system improvement and analyzing the alternative means of implementing the change. SG management, EP MO and CD-MMIS Operations Specialists/Liaisons shall participate in discussions with the Department regarding alternatives and their system impact. It is anticipated these meetings will take place on an informal and scheduled basis during the course of normal business.
- 2) Identify the GFR. The GFR includes a general description of the various objectives of the change/modification and the general desired results/solution. Include a description of the policy requirements, general description of the types of input information required by the system, general description of the processing results required and general description of the system output, outlining the format and use. EP MO shall coordinate all participants required to complete the GFR (i.e.; ASO Contracting Staff, SG staff and management).
- 3) To initiate development activity, the Contracting Officer will issue an SDN Notice or approve the Contractor's SDN Notice request. The SDN Notice or SDN Notice Request will define the change, assess the priority of the change, determine whether phases and deliverables shall be consolidated, and requested operational date(s). The SDN Notice / Request shall include requirements and information identified in the PDA and ****GFR**** phases.
- 4) The Contractor may only move forward with the SDN Notice or SDN Notice Request after receiving the Contracting Officer's approval.
- 5) The Department shall have the flexibility to authorize an SDN process that is shortened, thereby providing expedited delivery which may include combined documentation and/or approvals.

b. SDN Response

The Contractor shall have ten (10) State work days, or more if authorized by the Contracting Officer, to respond to an SDN. In that response, the Contractor shall submit the following:

- 1) SG Project Manager;
- 2) A preliminary estimate of the date when the project can begin in relation to projects currently scheduled for the SG;
- 3) An assessment of any lower priority projects that shall be delayed for implementation of the project and the impact of the delay on the schedules of the lower priority projects. The Department reserves the right to postpone or terminate a project during any portion of a phase;

Exhibit A, Attachment IV
Scope of Work – Turnover and Runout

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Exhibit A, Attachment IV
Scope of Work – Turnover and Runout

- 2) Provide an estimate of the number of residual unprocessed claims, appeals, etc., that will be transferred; and
- 3) Establish a transfer schedule acceptable to the Department and successor Contractor.

The organization and transfer shall be conducted so as to prevent any interruption in services including delivery of records retention services while the transfer is executed.

- f. Within one business day of receipt, deliver to the successor Contractor's facility, all CD-MMIS related correspondence received during the phase-out period. Following the completion of the phase-out period, the Contractor shall return all CD-MMIS mail received to the sender via the U.S. Postal Service;
- g. Develop for delivery to the Department a detailed functional area WTR for Contract Closeout. The WTR will document, at the lowest level of detail practical, the work in process under the Contractor's control to be transferred to the successor contractor's control for processing. The final WTR shall be delivered to the Contracting Officer for approval on the fourth week prior to the end of COP;
- h. Transfer to the successor contractor, in boxes or bins, all unprocessed CD-MMIS documents along with transmittal sheets indicating contents of each box or bin, the type(s) of document(s) contained therein and the exact status of each document. These documents include, but are not limited to: claims, TARs, appeals, adjustment requests, tracers, correspondence, accounts receivables, Medi-Cal billing records, microfilm, microfiche, and dental scope State hearing cases, etc.;
- i. Transfer to the successor Contractor no later than one business day prior to the end of the COP, or terminate in the event the respective carriers prohibit transfer, all data lines used for Department terminal network communication; and
- j. Complete all daily, weekly and monthly CD-MMIS reporting and all S/URS CD-MMIS reporting in process on the last day of the COP, in accordance with contract delivery requirements, except that the Contractor shall have one (1) additional business day.

> *Runout Liabilities - deleted

~~The Contractor shall at the end of the COP, reimburse the Department for any of the following:~~

- ~~a. TARs that were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and later approved by the successor contractor or the Department due to appeal, dental scope State hearing, or request for reconsideration;~~
- ~~b. Claims which were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and subsequently approved by the successor contractor or the Department due to appeal or request for reconsideration (CIF); or~~

Exhibit A, Attachment IV
Scope of Work – Turnover and Runout

~~c. Claims/NOAs with date(s) of service(s) through the end of the COP processed by the successor Contractor during the Runout Processing or Contract Closeout periods of this contract.~~

~~Upon billing by the Department, the Contractor shall reimburse the Department within thirty (30) calendar days. The Contractor may dispute all such billings through the contract dispute provisions. This process shall continue for a period of fifteen (15) months following the end of the COP.*~~

12. Post Contract Operations Phase

This phase shall begin when Operations are transferred to the successor Contractor, and shall terminate six months after the end of the COP.

- a. For ninety (90) calendar days after transfer of operations, and on a daily basis and with four (4) working hours, the Contractor shall make all misdirected contract-related mail available for pickup at the Contractor's site by the successor Contractor.
- b. For ninety (90) calendar days after termination of the COP, the Contractor shall ensure that key personnel who have not transferred to the successor Contractor are available to Department staff to answer questions regarding the operations of the system.

Exhibit B, Attachment I Special Payment Provisions

and TAR Document bid rate and are not to be included nor be payable as Takeover expenses. Any liquidated damages, related to Takeover, imposed on the Contractor pursuant to Exhibit E, Additional Provisions, will be withheld from final Takeover payment. All Takeover costs described below shall be included on the Takeover Bid Sheet, Attachment 12-1 to be considered for payment under this payment provision.

A. Takeover Payment Phases

1) Phase One

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

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

2) Phase Two

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

B. Takeover Invoicing

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

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

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

Operations constitute all contractual responsibilities required for the Contractor to administer and operate the CD-MMIS.

Exhibit B, Attachment I
Special Payment Provisions

- b) Agent Incoming minutes and calls;
- c) Agent Outgoing minutes and calls;
- d) Hold and Transfer minutes and calls;
- e) Conlan minutes and calls (for Beneficiary telephone services); and
- f) Total minutes and calls.

During Takeover, the Contractor shall revise the MR-O-495-497 report(s) to meet contractual requirements. Documentation for these reports shall be subject to the review and approval of the Contracting Officer. The report(s) shall be ready for Department acceptance testing when such testing commences (see Exhibit A, Attachment I, Takeover).

4. Hourly Reimbursed Systems Group

The Contractor shall utilize, and make available to the State, an automated Commercial Off-The-Shelf (COTS) system that records the amount of time each employee works on each Systems Group assigned activity. Refer to Exhibit A, Attachment III Change Requirements. This data shall be automatically collected into the automated system for all hourly reimbursed positions and shall record all employees' hours, (billable and non-billable hours, as well as each employee's regular hours, leave of absence hours and paid overtime hours), in accordance with Exhibit E, Additional Provision, Contractor Resource Levels. This automated system shall have the capability to generate reports and provide DHCS with electronic access to view in a screen format all positions and employees. This shall include, for each employee, the billable and non-billable hours by activity as well as the employee's regular hours worked, leave of absence hours and overtime hours displayed by project billing code (SDN, Problem Statement (PS), etc.).

If the Contractor chooses to pay overtime, they will only be reimbursed the hourly rate as bid in the Attachment [**12-4, Systems Group Blended Billable Person Hourly Rate, and 12-6, Total Cost Proposal Evaluation Sheet**](#), Bid Sheets. Examples of when the Contractor may choose to use overtime are to cover staff vacancies or ensure that performance standards are met. It is the Contractor's responsibility to manage resources in relation to the amount of work estimated by the Contractor.

It is critical that the Contractor comply with the activities performed by Systems Group (SG) as described in Exhibit A, Attachment III, Change Requirements.

In the event the Contractor fails to meet requirements or provide deliverables, payment will not be made by the Department until such time as all overdue deliverables are reviewed and approved, in writing, by the Department. Denial of payment will occur, unless, at the Contracting Officer's discretion, he/she determines that the Contractor is in substantial compliance with specific contractual requirements.

A. Blended Hourly Rate

Exhibit B, Attachment I

Special Payment Provisions

Activities performed by the hourly reimbursed SG shall be compensated based upon an all-inclusive primary blended hourly rate that includes all direct and indirect costs required to support an SG representative of a billable hour. Each rate shall be a single blended billable rate to be utilized across all direct development resources performing work on approved billable tasks, identified in Exhibit A, Attachment II, Operations and Exhibit A, Attachment III, Change Requirements.

The Contractor shall be paid this blended hourly rate for SG per month for each hour of production that is directly billable to a DHCS-approved activity as indicated in Exhibit A, Attachment II, Operations and Exhibit A, Attachment III, Change Requirements. SG vacancies or time off which occur will not be reimbursed. The Contractor shall be responsible for reconciling the hours, billable and non-billable, to the payroll records. This reconciliation shall be included with the monthly invoice. Hours billed on the invoice that are not appropriately justified by the supporting documentation submitted with the invoice will be denied. DHCS will approve, modify or deny each SG invoice based on the terms of this Contract.

Under no circumstances will the Contractor be paid for vacant positions, any leaves of absence, including sick leave, vacation and administrative non-production hours such as training and staff meetings, or for work performed on activities not specifically authorized in the Contract, except as authorized by the Department.

During any Period of Extended Operations SG shall be continued at the same rate as in the immediately preceding twelve (12)-month Phase. Payment for the Period of Extended Operations shall be reimbursed at the bid rate for the preceding Phase, except that the preceding Phase rates shall be adjusted by any changes in the last year of the CCPI immediately preceding commencement of the Extended Operations Period.

B. Payment Phases and Estimated Production Hours

The Attachment ****[12-4, SG Blended Billable Person Hourly Rate](#)****, Price Bid Sheet provides SG hours for each Contract Year and Contract Extension Year defined in the Exhibit. Billable hours shall be invoiced at the primary blended rate at the start of each new Contract Year/Phase in anticipation of remaining within the established annual hour range during the Contract Phase. The Contractor will be paid the primary blended rate for each billable hour that falls within the annual range. The Department may raise or lower the annual range of hours based on budgetary requirements, inventory or priority needs. The primary blended rate shall apply to all hours billed within the base annual range. Hours outside of the annual hour range may be subject to a new blended rate negotiated through the Change Order process, as specified in Exhibit E, Additional Provision, Change Orders.

C. Monthly Invoicing

The Contractor shall submit two monthly invoices for the Systems Group. One invoice shall be for twenty-five percent (25%) SG payment for actual utilization of available billable production hours and shall be paid upon Department verification of the hours. This invoice shall show all SG personnel by classification and their available production hours for that month. The second invoice shall be for seventy-five percent (75%) SG payment for

Exhibit B, Attachment I
Special Payment Provisions

B. Extended Operations

If the Department elects to exercise its option to extend the Contract by use of Extension Phases 1, 2, 3, 4, 5 or the Extended Operations, the bid rate for Turnover shall be adjusted by any change in the CCPI during the time period for which Operations is extended. Multiple extensions and adjustments may occur.

C. Turnover Not Required

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

8. Runout Processing

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

A. Runout Invoicing

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

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

The remaining forty-five percent (45%) and withholds will be due, payable and made when all requirements as specified in Exhibit A, Attachment v, Turnover and Runout Requirements have been met.

Each payment is contingent on written approval by the Contracting Officer based on successful completion of deliverables. If a deliverable is not approved, the payment will be withheld until the deliverable is approved.

Exhibit E
Additional Provisions

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

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Officer shall notify the Contractor in writing of the reason(s) for such rejection. The Contractor shall have five State work days from receipt of such notice to submit an amended CAP and/or time schedule to the Contracting Officer.

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> [Force Majeure \(see Provision 68 on Page 98\)](#)

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32. Guaranty Provisions

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

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

- a. Be made to the Department, in writing, by CED.
- b. Be signed by an official (corporate officer) authorized to bind the guarantor organization.
- c. Accept unconditional responsibility for all performance, financial requirements and obligations of the Contract including, but not limited to, payment of liquidated damages.
- d. Recite "for good and valuable consideration, receipt of which is hereby acknowledged," the GUARANTOR is making the Guaranty.
- e. State the guarantor stipulates that if the Contract is ultimately awarded to the subsidiary, the Department will do so in reliance upon the Guaranty.
- f. State the undersigned corporate officer warrants:
 - 1) That he or she has personally reviewed all pertinent corporate documents, including, but not limited to, articles of incorporation, bylaws and agreements between the parent and subsidiary.
 - 2) That nothing in these documents in any way limits the capacity of the parent corporation to enter into the instant Contract of Guaranty.
- g. Include the following provisions:
 - 1) "The Department need not take any action against the Contractor, any other Guarantor, or any other person, firm or corporation or resort to any security held by it at any time before proceeding against the GUARANTOR.
 - 2) Further, GUARANTOR hereby waives any and all notices and demands which may be required to be given by any other statute or rule of law and agrees that its liability hereunder shall be in no way affected, diminished, or released by any extension of time, forbearance or waiver which may be granted to _____, its successor or assignee, and that this Guaranty shall extend to and include all future Amendments, modifications and extensions of the Contract and all future supplemental and other agreements with respect to

- four (24) hours of knowledge of such loss, destruction or damage, notify the Department and shall take all reasonable steps to protect that property from further damage.
- f. The Contractor shall surrender to the Department all property of the Department held either by it or by a subcontractor prior to settlement, or upon completion or termination of the Contract.
 - g. The Contractor shall keep all Contractor-housed equipment in the system in good condition and repair, and shall not commit any waste thereof or permit anything to be done may materially impair the value thereof. The Contractor shall use such equipment only in the ordinary course of its performance hereunder and shall not permit such equipment to be used in violation of any applicable law, regulation or policy of insurance. The Contractor shall ensure that all subcontractors also meet these requirements.

37. Letter of Credit

The Contractor shall procure and maintain for the term of the Contract, a five million dollar (\$5,000,000) irrevocable and unconditional Letter of Credit to secure the State against nonperformance by the Contractor. Said Letter of Credit shall be available to the Department two weeks after CED. The Contractor shall notify the Contracting Officer in advance if it is contemplating changing the financial institution that issued the Letter of Credit. The new and all subsequent Letters of Credit, which shall meet all required conditions applied to the first, shall be transmitted to the Contracting Officer before the existing Letter of Credit expires and be effective on or before the date of expiration of the existing Letter of Credit.

38. Liability for Overpayment

The Contractor is liable to the Department for unrecoverable overpayments and any associated administrative expenses occurring in any fiscal year up to a maximum amount of ten percent (10%) of the annual Operations price paid to the Contractor under the Contract during the same fiscal year. Unrecoverable overpayments shall be defined as:

- a. Erroneous payments where the collection has been delayed one hundred twenty (120) calendar days because of negligence or inaction by the Contractor.
- b. Erroneous payment for claims paid to a provider who was inappropriately enrolled in the Medi-Cal Dental Program due to system related problems.
- c. Erroneous payments caused by the Contractor where the Department and the Contractor are unable to collect from the provider.
- d. Erroneous payments for claims processed when a beneficiary's eligibility would preclude reimbursement for services through CD-MMIS, e.g., the beneficiary is enrolled in a dental managed care plan. **

> [Limitation of Liability \(see Provision 69 on Page 98\)](#)

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40. Location of Contractor's Facilities

- a. At no time shall any activities relating to this Contract be performed outside the continental United States. The Contractor is required to perform all work specified in the Contract and to acquire facilities in accordance with contractual requirements, within a twenty-five (25) mile radius of the State Capitol building in the Sacramento area. This twenty-five (25) mile radius shall be calculated not by direct line miles but by actual miles to be driven in a car. Exempt from the twenty-five (25) mile radius requirement are the Contractor's computer data center and data center help desk ~~*and the Contractor's software coding activities as defined in the System Development Life Cycle (SDLC) Process in Exhibit A, Attachment III, Change Requirements*~~, which can be located **within the continental United States.** The Contractor shall be required to have this facility fully installed within the timeframe specified in Exhibit A, Attachment I, Takeover. However, beginning with Contract CED, all required CD-MMIS Takeover activities shall take place within the twenty-five (25) mile radius, except for the following exclusions:
- 1) Activities of system analysts and programmers actually related to the installation of the CD-MMIS during Takeover. All of the Contractor's Department/State liaison activities shall take place in Sacramento. Further, Contractor employees with first-hand knowledge of the system design, development, installation or modification, system documentation, program specifications, manual processes, deliverable development, and/or system testing, shall be made available to the Department for liaison activities in Sacramento. Once Contractor systems testing or Department acceptance testing begins, all further work on systems transfer of the CD-MMIS shall be performed at the Sacramento facility.
 - 2) The Contracting Officer may grant further exemptions with prior written approval.
- b. The Department shall have the irrevocable right to lease the processing facilities utilized in performance by the Contractor under the Contract beginning at the end of Contract Operations, or in the event of termination under Exhibit E, Additional Provisions, Termination, and Exhibit E, Additional Provisions, Term of the Contract, for a term of up to six years. The Department and the Contractor agree to negotiate in good faith to develop and agree to lease terms and conditions. The rental for the facilities shall not exceed the fair market rent for comparable facilities in the same geographic area as determined by DGS.
- c. No other uses are to be allowed within the Program Operations facilities and/or space without the Department's prior written approval. The Operations space can be on separate floors as long as the floors are connected by a stairwell and elevator (e.g., first and third floors). In the event any Contractor facility and/or space within the facility used for this Contract is no longer needed and/or DHCS has granted prior written approval by the Contracting Officer to utilize this space for work outside the scope of this Contract, the Contractor shall provide equitable adjustment to DHCS.
- d. The Contractor shall assure the State that the Contractor complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. Chapter 126, 12101 et seq). The website for the State of California access requirements for individuals with disabilities is based on Title 24 of the CCR.

accordance with the Exhibit E, Additional Provisions, Disputes and Appeals. The above “final decision” is final and conclusive, unless a Notice of Appeal is timely filed.

e. Contractor Waiver

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

f. Unsupported Claims

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

45. On-Site Audit and Monitoring Staff

The Contractor shall provide, through the term of the Contract, adequate facilities for federal and State staff at the Contractor's place(s) of business, including the following, no later than the Contract timeframe specified in Exhibit A, Attachment I, Takeover.

- a. Facility must conform to all applicable most current federal, State and local laws.
- b. Separate space for Department monitoring and change management staff, not to exceed thirty five (35) people.
- c. Sufficient square footage to accommodate the above staff and necessary equipment. This space shall be in a contiguous location adjacent to the main CD-MMIS processing area and on the same floor as the Contractor Representative. This shall include space for up to five private offices, one conference room with the ability to conduct teleconferencing and videoconferencing, a break-room area of at least two-hundred (200) square feet, a two hundred (200)-square foot room for a PC and equipment, with appropriate cooling facilities, a four hundred (400)-square foot room for storage and supplies and a sixty (60)-square foot “quiet room.” All these rooms shall be equipped with locks and all entrance doors to this area shall be equipped with keycard locks.
- d. A keycard system is required for entrance to all Department staff-designated areas. All entrance doors to the Department-designated areas shall have a keycard system that does not require the use of the keycard during normal business hours (as determined by the Department), but will restrict and/or record access of staff entering before and after hours. Access information shall be maintained for a minimum of twenty (20) State work days and shall be provided to DHCS upon request within one State work day.
- e. Private offices which shall have a method for providing natural lighting from the outside.

- c) Determine system modifications necessary to bring the CD-MMIS system into alignment to support the changes with the projects planned for the upcoming year
- 5) Consolidate and publish the plan
 - a) Prioritize initiatives
 - b) Coordinate and publish the plan by December first
- b. Implement the Strategic Plan starting January first as agreed upon by the Contractor and the Department.
- c. Monitor Operations and measure effectiveness of the Strategic Plan. Communicate the effectiveness of the Strategic Plan on a monthly basis.
- d. Adjust the direction of the Strategic Plan as required by business needs based on collaborative decision-making between the Contractor and the Department.

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

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

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

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

58. Technical Standards and/or Guidelines

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

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

Requirement	References
Architecture Frameworks and Guidelines	1. Medicaid Information Technology Architecture 3.0 (MITA 3.0), Centers for Medicare and Medicaid Services, February 2012 http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MITA/Medicaid-Information-Technology-Architecture-MITA-30.html

Requirement	References
	<p>3. IEEE 1016-2009 – IEEE Standard for Information Technology--Systems Design--Software Design Descriptions, July 20, 2009</p>
<p>Department of Health Care Services (DHCS) Information Technology Hardware and Software Standards / CalTech Application Standards</p>	<p>1. DHCS Hardware and Software Standards: Contractor shall use DHCS standards for desktop and office automation integration. The standards are available upon request from DHCS at: http://itsd/standards/TAC/SitePages/Home.aspx</p> <p>2. All application software standards shall reference the CEAF and CEAF Reference Architecture Documents, and not be limited to .Net internally managed DHCS limitations:</p> <p>DTS, California Enterprise Architecture Framework (CEAF), Version 2.0, August 1, 2013 http://www.cio.ca.gov/ea/documents.asp</p> <p>CEAF 2.0 Reference Architecture Documents (BI thru SOA) http://www.cio.ca.gov/ea/documents.asp</p>
<p>DHCS MITA State Self-Assessment</p>	<p>1. DHCS MITA State Self-Assessment **(SS-A)**. Contractor shall use the SS-A for guidance and improvement of MITA maturity levels. The SS-A **can be found in the Data Library at index 26.1 (2015 Medi-Cal State Self-Assessment)**.</p>
<p>Federal Medicaid Guidance / Seven Conditions and Standards / Guidance for Information Technology (IT) Systems</p>	<p>1. The State Medicaid Manual (2000) http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html</p> <p>2. Enhanced Funding Requirements: Seven Conditions and Standards (MITS-11-02-v1.0), V 1.0, April 2011 http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Downloads/EFR-Seven-Conditions-and-Standards.pdf</p> <p>3. Guidance for Exchange and Medicaid Information Technology (IT) Systems, V 2.0, May 2011 http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/downloads/exchangemedicaiditguidance.pdf</p>

- d) If the Contractor files for bankruptcy or, if in the judgment of the Department, the Contractor becomes financially incapable of completing this Contract.

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2) The Department's right to terminate this Contract under paragraphs a.1) b) and/or a.1) c) above, may be exercised only if the Contractor does not cure such action or inaction within the time frame stated in the Department's notice, which in no event will be less than fifteen (15) calendar days, unless the Statement of Work calls for a different period. **

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

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

b. Termination for Convenience

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

c. Procedures on Termination

After receipt of notification of termination of this Contract, and except as otherwise specified by the Department, the Contractor shall stop work under this Contract on

the termination date and to the extent they relate to the performance of work that is specified in the notice of termination. The Contractor shall do all of the following:

- 1) Place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portion of the work under this Contract that is not terminated.
- 2) Assign to the Department, effective on the date of termination, in the manner and to the extent specified by DHCS, all of the rights, titles and interests for the Contractor under the orders and subcontracts terminated, in which case the Department has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts and reduce any settlement amount determined by the amount paid for such orders or subcontracts.
- 3) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent the State may require. The Department's approval or ratification shall be in writing and be final for the purposes of this Section.
- 4) Upon the effective date of termination of the Contract and the payment by DHCS of all items properly chargeable to DHCS hereunder, transfer, assign and make available to DHCS all property and materials belonging to DHCS, all rights and claims to any and all reservations, contracts and arrangements with subcontractors, and make available to DHCS all written and electronic information and materials related to work under this Contract. No extra compensation is to be paid to the Contractor for its services in connection with any such transfer or assignment.
- 5) Take such action as may be necessary, or as the Department may specify, to protect and preserve all property related to this Contract which is in the possession of the Contractor or its subcontractors and in which the Department has or may acquire an interest.

d. Termination for Non-Compliance with Financial Criteria

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

61. Travel

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

the ASO Contractor unless prior written approval has been received from the Contracting Officer.

62. Use of Disabled Veteran Business Enterprises (DVBE)

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

63. Use of Numerical Estimates

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

64. Use of Small Business Subcontractors

- a. All Non-Small Business Subcontractor Preference Request attachments and Small Business Subcontractor/Supplier Acknowledgment attachments, however labeled, completed as a condition of bidding, are incorporated herein and made a part of this Contract by this reference.
- b. The Contractor agrees to use each small business subcontractor/supplier, as identified in previously submitted Non-Small Business Subcontractor Preference Request attachments with the Contractor's Narrative Proposal, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by DHCS, in writing, prior to using a proposed substitute subcontractor.
- c. Requests for substitution must be approved in writing by the Contracting Officer and must include, at a minimum:
 - 1) An explanation of the reason for the substitution.
 - 2) A written description of the business enterprise that will be substituted, including its small business certification status.
 - 3) If substitution of an alternate small business does not occur, include a written justification and description of the steps taken to try to acquire a new small business and how that portion of the Contract will be fulfilled.
 - 4) A written description of the work to be performed by the substituted subcontractor identified by both task (if applicable) and dollar amount or percentage of the overall Contract that the substituted subcontractor will perform. The substituted business, if approved, must perform a commercially useful function in the Contract pursuant to Title 2, CRR, Division 2, Chapter 3, Subchapter 10.5, Section 1896.6.
- d. DHCS may consent to the substitution in any of the situations set forth in PCC, Division 2, Part 1, Chapter 4, Section 4107 of the Subletting and Subcontracting Fair Practices Act.
- e. Prior to the approval of the Contractor's request for the substitution, DHCS shall give notice in writing to the listed subcontractor of Contractor's request to substitute and the reasons for the request to substitute. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor has been so notified shall have five State work days after the receipt of the notice to submit written objections to the substitution to the funding program. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution. If written objections are filed, DHCS shall give notice in writing of at least five State work days to the listed subcontractor of a hearing by DHCS on the Contractor's request for substitution.
- f. Failure of the Contractor to subcontract with the small businesses listed in its bid or proposal to DHCS, or failure to follow applicable substitution rules and regulations, may be grounds for DGS to impose sanctions pursuant to GCC, Title 2, Division 3,

Part 5.5, Chapter 6.5, Article 1, Section 14842.5 and Title 2, CCR, Division 2, Chapter 3, Subchapter 8, Article 3, Section 1896.16. In the event such sanctions are to be imposed, the Contractor shall be notified in writing and entitled to a hearing pursuant to Title 2, California Code of Regulations, Division 2, Chapter 3, Subchapter 8, Article 4, Section 1896.18 and 1896.20.

- g. If requested by DHCS, the Contractor agrees to provide documentation and/or verification, in a form agreed to by DHCS, that small business subcontractor usage under this Contract complies with the commitments specified during the Contractor selection process.

65. Waiver of Contract Provisions

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

66. Warranty

- a. Coverage

- 1) The Contractor's warranty is applicable to all items included in the Contract. The Contractor's warranty shall cover any failures, omissions, defects or deficiencies (Warranty Items) discovered or known in any of the project deliverables or services.
- 2) The Contractor will promptly notify DHCS within one State work day of any failures, omissions, defects or deficiencies as they are discovered or known.
- 3) The Contractor shall, within five State work days of notification to the Department of such a failure, omission, defect or deficiency, provide DHCS with written details concerning the Warranty Item.
- 4) The Contractor shall collaborate with DHCS to thoroughly test and implement Contractor mitigation and remediation solutions to software defects discovered during any Warranty Period.
- 5) DHCS will approve, in writing, all warranty problem resolution items before implementation of corrections to Warranty Items.
- 6) The Contractor's warranty on deferred Warranty Items shall not commence until after formal written acceptance of the deferred Warranty Items.

b. Services Warranty

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

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

c. Systems Warranty

- 1) Notwithstanding prior acceptance by DHCS of any Contractor deliverable, the Contractor shall expressly warrant that during the term of this Contract, all systems covered by this Contract, including development, modifications and upgrades, shall be properly functioning, and all documentation shall be current and accurate and in compliance with the terms of the Contract. The Contractor must correct all Warranty Items in the systems and replace incorrect or defective documentation within ten (10) State work days or as agreed, in writing, between the Contracting Officer and the Contractor. If the Contractor fails to repair an identified Warranty Item within such period, DHCS may, at its sole discretion, act

to repair, and the Contractor expressly agrees to reimburse DHCS for all reasonable cost incurred thereby. Warranty Items properly documented before expiration of the warranty shall be covered regardless of such expiration. The Contractor must expressly warrant all Contractor-provided and -supported hardware and software as part of the CD-MMIS to be defect free, properly functioning and compliant with the terms of the Contract and/or Change Order request.

- 2) If systems fail to meet performance commitments during the Warranty Period and while the Contractor is providing FI services, the Contractor shall modify, reconfigure, upgrade or replace Contractor-provided software or hardware and equipment at no additional cost to DHCS in order to provide a system solution that complies with such performance standards.
- 3) Systems Warranty Period

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

67. Warranty Against Payment of a Broker's Fee

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

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68. Force Majeure

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

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

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

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

69. Limitation of Liability

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

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

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

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

Exhibit I Staffing Qualifications

knowledge of data processing concepts, practices, methods and principles, including SDLC. Shall have excellent verbal, written and presentation communications skills.

- b. **Education:** A Bachelor's degree in Business Administration, Computer Science or a related field is required.
- c. **Responsibilities:** As principal management lead, shall be responsible for Takeover of the current California Dental Medicaid Management Information System (CD-MMIS). Shall ensure close alignment between all stakeholders from initiation through close-out of all Takeover activities detailed in the Contract, Exhibit A, Attachment I. Shall adhere to project management guidelines as contained within the Statewide Information Management Manual (SIMM) and ensure Information Technology (IT) project alignment and compliance with State direction, rules and regulations to deliver all Takeover requirements within approved baselines for scope, schedule and budget. Responsible for successful completion of all Takeover requirements as defined in the Contract Scope of Work (SOW).

B. Representative Resume Staff Qualifications and Responsibilities

Representative Resume staff shall be those individuals assigned to the positions listed in the table above and shall have the following minimum qualifications and responsibilities.

****[At the discretion of the Contracting Officer, relative work](#)**** experience may be substituted for the required college education as indicated in the qualification requirements listed below for each position on a two for one basis.

1. Database Administrator

- a. **Qualifications:** Minimum of two years of progressively responsible, full-time work experience above the trainee level in database management system administration. Experience in the utilities and operations of a database management system. Experience in development and enforcement of policies, procedures and standards to promote consistency of systems development in the data repository. Requires excellent oral and written communication skills and ability to work cooperatively with others.
- b. **Education:** Shall have a four year college degree or equivalent work experience.
- c. **Responsibilities:** Shall be responsible for all aspects of a data base management system environment including all new development. Develop data models for applications using deliverables from the SDLCs Definition phase that accurately support the customer's business requirements. Applied knowledge of data base access methods (e.g., virtual storage access method) to select appropriate configuration parameters for efficient storage and retrieval of the data. Recommends use of new functionality from data base management releases to take advantage of new features. May develop and analyze data distribution design alternatives consistent with the enterprise business and technical direction. Shall maintain and manage the data dictionary and data model within the database. Analyzes space requirements to project the amount

Exhibit I
Staffing Qualifications

accomplishments may be substituted for a degree on a two for one basis, with Contracting Officer's prior written approval.

- 3) **Certifications/Licenses:** Shall have obtained professional certification(s) and/or license(s) relative to the position. Increased relative work experience and demonstrated accomplishments may be substituted for professional certification(s) and/or license(s).

b. Advanced

- 1) **Qualifications:** Demonstrated competency in an Associate role for at least one year, and completed specialized training and demonstrated competency for at least one year in using systems tools relative to the position that enable the staff member to perform enhanced functions relative to the area assigned. This includes, but is not limited to, reporting tools, data mining tools, database management tools, statistical measuring tools, process design tools and others.

c. Associate

- 1) **Qualifications:** Possess required education level and required professional certification(s) and/or license(s). Have required breadth of knowledge and relative work experience in their assigned field for a minimum of two years. Shall possess working knowledge of Medicare and/or Medicaid regulations and standards. Shall have working knowledge of industry standards, area of study fundamentals and best practices relative to the role assignment area.
- 2) **Education:** For non-technical positions the staff member shall have completed all baseline training courses for the relative area of work. For technical positions the staff member shall be currently enrolled in and have completed at least seventy-five percent (75%) of studies leading to a Bachelor level degree from an accredited four-year university, college or similar technical institute, in a field of study relative to the work area the individual will **be expected to perform**. Other completed relative courses of study may be substituted for a degree, with Contracting Officer's prior written approval.
- 3) **Certifications/Licenses:** Shall be pursuing and have completed at least fifty percent (50%) of course segments leading to professional certification(s) and/or license(s) relative to the position. Increased relative work experience and demonstrated accomplishments may be substituted for these professional certification(s) and/or license(s) requirements.

d. Apprentice

- 1) **Qualifications:** Shall possess a minimum of one year of experience in a work area relative to the area, have a working knowledge for the position, possess working awareness of Medicare and/or Medicaid regulation and standards, and have a working awareness of industry standards, area of study fundamentals and best practices relative to the role assignment area.