



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



EDMUND G. BROWN JR.
GOVERNOR

February 2, 2016

Dear Interested Parties:

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

ADMINISTRATIVE BULLETIN 8, ADDENDUM 3

Administrative Bulletin 8, Addendum 3, 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:

Addendum 3, enclosed, incorporates changes to the following RFP section:

- Exhibit A, Attachment I (Takeover) is replaced in its entirety.

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 on page 2.

REMOVE EXISTING PAGES	INSERT REPLACEMENT PAGES
Exhibit A, Attachment I, (Takeover) – all pages	Exhibit A, Attachment I, (Takeover) – all pages

Prospective Proposers can view and download the CD-MMIS FI Services RFP and other material relative to this procurement from the following internet site:

http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPDentalFiDNLD.aspx

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

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

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement
Enclosure

Exhibit A, Attachment I
Scope of Work- Takeover

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

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A. Takeover Requirements**1. Overview**

Upon the Contract Effective Date (CED), the Fiscal Intermediary (FI) Contractor shall be responsible for Takeover of the current California Dental Medicaid Management Information System (CD-MMIS) according to the requirements of this Contract.

This Contract assumes the Contractor shall meet all existing Operations deliverables and maintain all existing functionality of the CD-MMIS throughout Takeover and the entire Contract, except where requirements in this Contract change the current CD-MMIS, or when prior written approval is obtained from the Contracting Officer.

2. Objectives

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

- a. Take all actions required to install the system and prepare for the assumptions of Treatment Authorization Request (TAR) processing during the Takeover Period including the identification and rapid resolution of Takeover problems.
- b. Take over the system as modified and accept, test, and install all the prior Contractor modifications. These modifications will be provided to the Contractor throughout Takeover until the assumption of CD-MMIS Operations, which is scheduled to begin the first day of month thirteen (13) after CED. On assumption of the CD-MMIS Operations, the Contractor shall be responsible for making all changes required for its operation of the CD-MMIS.
- c. Implement changes during Takeover that require immediate action by the Department (if, for example, the change is legislatively mandated or significantly improves the administration of the program).

3. Assumptions and Considerations

- a. The current CD-MMIS is certified by the Centers for Medicare and Medicaid Services (CMS).
- b. 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 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.
- c. 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

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performing table updates to reflect routine Adjudicated Claim Service Line (ACSL), TAR, and Telephone Service Center (TSC) price changes or changes in program policy and for updating all other support files and programs.

- d. All changes shall be approved in writing by the Department prior to development and implementation and shall be completely described by the Contractor in the format and documents provided in Exhibit A, Attachment II, Administrative Support for Contract Changes, Exhibit A, Attachment II, Data Processing and Documentation Responsibilities, and SG Phase deliverables (Refer to Exhibit A, Attachment III, Change Requirements), and through the provision of updated system design documentation, user manuals and all necessary change instruments.
- e. The Department's efforts will be toward minimizing changes to the application programs to be installed during Takeover prior to the assumption of CD-MMIS Operations. However, the programs are dynamic, and it will not be possible or desirable to freeze changes to the CD-MMIS programs for a given time period.
- f. It is the Department's intent to minimize the possibility of any interruption in the provision of services to beneficiaries or in the payment of providers during the transition to the new Contract, the first year after assumption of CD-MMIS Operations and throughout the term of the Contract. System changes shall be as non-disruptive as possible to providers, beneficiaries, and other CD-MMIS stakeholders, ensure compliance with program policy, and meet all Contract requirements.
- g. The term "assumption of TAR processing" refers to the Contractor's assumption of TAR processing at ten (10) months and fifteen (15) days after CED. The term "assumption of Claims processing" refers to the Contractor's assumption of Claims processing starting on the first day of month thirteen (13) after CED and includes all functions and operational activities encompassed in CD-MMIS.
- h. Due to the fact the Medi-Cal Dental Program is constantly changing, the CD-MMIS to be installed during Takeover will differ from the version presented at the time of RFP release. This difference is based upon Change Orders, Dental Operating Instruction Letters (DOILs), System Development Notices (SDNs), Miscellaneous Change Documents (MCDs) and other changes throughout the procurement and Takeover process. These changes will be reflected in revised CD-MMIS software/system documentation in the CD-MMIS Documentation and Data Library and, once Takeover commences, in updates to the CD-MMIS software provided to the Contractor.
- i. Takeover activities are scheduled to conclude following the Department's written approval of the User Acceptance Testing (UAT) and implementation of all requirements listed in Exhibit A, Attachment I, Takeover Completion.

4. General Responsibilities

- a. The Contractor shall designate one individual as the Takeover Director at CED. The Takeover Director shall be responsible for ensuring that all Takeover

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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.

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- 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,

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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**7. Contractor Transition Responsibilities**

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

- a. Monitor Contractor milestones and Takeover Project Schedule to ensure that all activities are completed in accordance with Contract provisions;
- b. Maintain, update and make available to the Department, schedules, plans, charts, manuals, and procedures submitted during Takeover relating to ongoing operational components throughout the term of the Contract;
- c. Ensure that Contractor deliverables are provided to the Department in accordance with contractual schedules;
- d. Ensure completeness and accuracy of Contractor deliverables at time of submission to the Department;
- e. Provide supervisory and management review to ensure Contract compliance and timely performance of Contractor responsibilities;
- f. Identify situations, occurrences, and deficiencies where schedules and accuracy standards are not met by the Contractor; reporting those problems, deficiencies, and proposed solutions to the Department on a weekly basis; and monitoring correction of the problems and deficiencies in accordance with directions and time frames provided by the Department;
- g. When an individual plan is updated during Takeover, any changes or modifications shall require prior written approval from the Contracting Officer. The Contractor shall ensure that those deliverables, milestones, and Department approvals become a part of the Takeover Milestone/Deliverable Schedule for Contractor payment. In addition, the Contractor shall ensure that these items are incorporated into the Weekly Deliverable Status (WDS) Report within one week of approval;
- h. Propose critical changes to the automated system to be made during Takeover to enhance the transfer process. In proposing any changes to the automated system, the Contractor shall provide documentation that the proposed change is critical, minimizes confusion, will not impact the ability of the Department to test the system or to continue normal Operations, and minimizes the possibility of untimely or incorrect payments to providers or untimely or incorrect reports to the Department; and
- i. Ensure the CD-MMIS includes a set of procedure manuals associated with the operation of the claims processing system, as well as general Operations under the Contract. During Takeover, the Department will require the FI Contractor to work with the ASO Contractor to review all manuals, and update those manuals and/or procedures that are either new, unique to the successor Contractor,

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incorrectly documented by the prior Contractor, or have not been updated by the prior Contractor. To clarify, during Takeover, the Contractor may propose changes to these procedures to reflect the unique aspects of its Operations necessary to allow the Contractor to meet Contract requirements. Refer to CD-MMIS FI Contract, Exhibit A, Attachment II, Data Processing and Documentation.

8. Takeover Project Plan

Six weeks after CED, the FI Contractor shall produce a comprehensive Takeover Project Plan. The FI Contractor shall incorporate the tasks and dates included in its Narrative Proposal with the tasks and dates included in the ASO Contractor's Narrative Proposal into ONE comprehensive Takeover Project Plan. The FI Contractor, with the support of the ASO Contractor, shall be responsible for the integration process, the production and the execution of the comprehensive plan.

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

The Contractor shall describe its overall Project Management methodology utilized to implement the TPP. The TPP shall include detailed identification and assignment of each task or deliverable until the end of the project. List the major project team roles, the individuals who will fill these roles, and their specific responsibilities. Identify the project team roles that are responsible for all major work activities including submission of all required plans and supporting processes. All plans defined in Takeover shall comply with the requirements stated in Exhibit E, Additional Provisions, Project Management Plan.

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

a. Takeover Project Schedule

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

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

- 1) Task - Major activities as shown in Exhibit A, Attachment I, Takeover, Takeover Project Schedule;

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- 2) Major Subtask - Logical grouping of subtasks;
- 3) Subtasks - Groups of work packages required to complete a task; each subtask shall consist of work packages and shall result in a defined deliverable or milestone;
- 4) Work Package - The smallest work effort or work increment;
 - a) A work package is defined by:
 - i. A description;
 - ii. An identifiable product;
 - iii. The skill/resource categories;
 - iv. The estimated resource units by skill/resource category; and
 - v. Overall duration of the activity.
 - b) Total resource unit estimates by skill category for a work package shall not exceed eighty (80) staff hours, and each work package duration total shall not exceed two weeks' duration. In the event the Contractor requests additional staff hours, the Department requires an explanation for all exceptions, and may deny such exception(s);
 - c) Contractually defined milestones, deliverables and Department approvals shall be identified:
 - i. Milestones are important or key events to be realized or achieved by the Contractor during the course of Takeover activities. Milestones are acknowledged benchmarks of Contractor progress and achievement during Takeover. They may be transparent (e.g., installation of files) or visible (e.g., occupying a facility). Milestones are acknowledged by the Contractor to the Department via formal written letters stating the milestone(s) achieved and the date(s) of accomplishment. Formal written acknowledgement by the Contractor to the Department is required for payment purposes.
 - ii. Deliverables are specific products the Contractor is required to submit to the Department for review and approval upon completion of a task or subtask. When deliverables are intangible, documentation shall be provided demonstrating completion. In addition to deliverables and tasks listed on the Takeover Project Schedule, all additional deliverables and milestones identified by the Department or the Contractor in the Takeover Project Schedule are hereby incorporated into the Takeover Milestone/Deliverable Schedule by reference and are required for review and approval by the Department.

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b. Gantt (or equivalent) Chart

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

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

c. Project Control Plan and Reporting System

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

Within one month of CED the Contractor shall complete initial training for up to fifteen (15) State staff and five ASO Contracting staff on the overall Project Management methodology as well as the Project Control and Reporting system. State and ASO Contractor staff training on the Project Management methodology shall be of sufficient depth and breadth to give staff a working knowledge of the methodology and how the methodology will be applied to this Contract. State and ASO Contractor staff training for the Project Control and Reporting system shall consist of a combination of hands-on product training and practical familiarization with the tool and shall include a performance monitoring dashboard.

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

The Contractor shall identify, measure, report, and control changes to the Takeover requirements. Include the impact of requirement changes on the project scope, schedule, resources, and risk factors. If changes in Takeover requirements affect the Takeover Project Schedule, the Contractor shall update the comprehensive Takeover Project Plan to reflect the changes, including those submitted by the ASO Contractor. Incorporate the tasks and effort required to satisfy the requirements into the WBS and schedule.

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

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

This reporting mechanism shall be initiated two weeks after CED and applied weekly thereafter. The system shall have the scalability to provide various views of relevant information. The FI Contractor shall include information required by the ASO Contractor in the Project Control and Reporting System to reflect the implementation of the ONE comprehensive Takeover Project Plan. The Project Control and Reporting System shall consist of the following five elements:

- 1) Weekly progress meetings attended by the FI Contractor, the ASO Contractor, and the Department. These meetings may include walkthroughs of selected parts of the Contractor's facility(s), as directed by the Department. All appropriate materials and documentation to be discussed at the meetings shall be collaborated with the ASO Contractor and DHCS no later than two business days prior to the meeting. The FI Contractor shall draft minutes for each weekly meeting and submit the meeting minutes to the Department within two business days following each weekly meeting for review and approval.
- 2) Weekly written progress reports, provided by the Contractor to the Department two business days before each subsequent weekly meeting, and containing items to be discussed at each meeting. The reports shall include the following items:
 - a) Attendees scheduled for the upcoming meeting;
 - b) Progress of each task/activity, as applicable for that period of time;
 - c) Topics of general discussion;
 - d) Action items and decisions made at the previous weekly meeting;
 - e) Problem(s) encountered, resolution(s) proposed for each problem, projected completion date of problem resolution(s), current/actual status of problem resolution(s), and Department and Contractor contact person(s) and phone number(s);
 - f) Planned activities for the next two reporting periods;
 - g) Status of contractually-defined milestones, walkthroughs, and deliverables scheduled in the Takeover Project Schedule;

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- h) Takeover QM activities. As part of the weekly progress report the Contractor shall verify that the Takeover tasks are being installed and implemented within the required time frames and in accordance with Contract provisions in Exhibit A, Attachment II, Quality Management. Items of non-compliance shall be specifically noted and corrective action plans for resolution of the problems shall be submitted as a part of the report;
 - i) A listing of missing files/programs that should have been transferred from the prior Contractor during Takeover and an adjunct listing of inaccurate files/programs transferred during Takeover; and
 - j) Any other information deemed necessary by the Contractors or required by the Contracting Officer.
- 3) WDS Report. This report shall include deliverables, walkthroughs, milestones, and Department approvals, and shall be used by the Contractor and the Department: in gauging or measuring the Contractor's progress during Takeover, especially as compared to the Takeover Milestone/Deliverable Schedule; for tracking the provision to the Department of Takeover deliverables such as procedure manuals, study reports, and training guides; and, to assist the Department in determining whether Takeover invoices should be paid. (Also see Exhibit B, Attachment I, Special Payment Provisions)

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

- a) The report shall be submitted to the Department each Monday morning by 10:00 AM Pacific Time (PT).
- b) If required by the Contracting Officer, the WDS report shall be submitted not only on hard copy, but also electronically on secure storage media and/or secure transmission in a format prescribed by the Contracting Officer.
- c) A minimum of two sorts of this report shall be provided to the Department (see items WBS Number and Original Due Date below). The report shall contain the following information:
 - i. WBS Number - This shall be the number the Contractor has assigned the deliverable/activity on the Takeover Milestone/Deliverable Schedule. One version of the WDS report shall be sorted by this data element and seven copies submitted to the Department weekly;
 - ii. Description - Brief description of the deliverable/activity;
 - iii. Original Due Date - Initially, this shall be the due date originally provided in the Contractor's Takeover Milestone/Deliverable

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Schedule. Subsequent submittals by this sort will be by updated or most recently assigned due date. The second version of the WDS Report shall be sorted by this data element and seven copies submitted to the Department weekly;

- iv. Date Delivered - Actual date deliverable was delivered to the Department for review and approval;
 - v. Days Late/Early - The number of days the deliverable was delivered either late (- days) or early (+ days);
 - vi. Disposition and Date Approved, Disapproved, Pended, or Conditionally Approved - The disposition and date the Department either: approved (A), disapproved (D), pended (P), or conditionally approved (C) the deliverable;
 - vii. Resubmission Due Date - If disapproved, pended or conditionally approved, this field shall reflect the new due date set by the Department. There shall be as many entries in this column as disapprovals, pending, or conditional approvals by the Department;
 - viii. Date Submitted;
 - ix. Date Resubmitted Days Late/Early - Same definition as item (v) above, but relative to item (iii) above (the new due date);
 - x. Disposition and Date Approved, Disapproved, Pended, or Conditionally Approved - The disposition and date the Department approves, disapproves, pends or conditionally approves the resubmitted deliverable; and
 - xi. Remarks - Free form comments space allowing a minimum of one hundred (100) characters.
- 4) A Weekly Deliverable Exception (WDE) Report. This report shall extract those deliverables, milestones, walkthroughs, and Department approvals from the WDS report that are past due. The report shall be sorted by due date with the oldest due date first; and
- 5) As a precursor for the Contract monitoring tool requirements described in Exhibit A, Attachment II, Quality Management, and Exhibit A, Attachment II, Administrative Support of Contract Changes (COTS portfolio management system employed by the Contractor's EPMO), the Contractor shall implement and utilize a dashboard component to provide monitoring and reporting of both Contractors' performance and status of all Takeover tasks and deliverables as defined in the comprehensive Takeover Project Plan. The Contractor is required to gather dashboard requirements, include ASO Contractor's data, obtain written Department approval, perform user training on the dashboard and implement the dashboard component to monitor and report on the performance metrics of the Takeover requirements and

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Takeover Project plan. During Takeover the metrics shall focus on Takeover requirements, Takeover tasks and the Takeover Schedule.

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

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

9. Assemble Management Team

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

10. Administrative Functions

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

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

11. Training Plan

The Contractor shall develop materials and courses to train Contractor staff and familiarize Department and other State staff with its operation. The Contractor shall develop any needed training to ensure successful Takeover, as well as develop and

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internally distribute staff training materials as needed. The Contractor shall schedule and execute all training plans and updated training plans to fully support Takeover tasks and activities and to ensure full preparedness for the performance of all Contractor responsibilities, including those specified in Exhibit A, Attachment II, Staff Training Requirements.

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

The Contractor staff to be trained includes, but is not limited to, operational and technical staff. Also, the plan shall address the training of these staff in Contract changes that occur during the term of the Contract. Contract changes are defined in Exhibit A, Attachment II, Administrative Support of Contract Changes and Exhibit A, Attachment III, Change Requirements. Department staff may attend these sessions. This training program may be developed utilizing training provided by the incumbent Contractor. The Contractor's training shall be given in the greater area of Sacramento.

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

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

- 1) Administrative Support Services;
- 2) Mailroom and Prescreening;
- 3) Document Preparation, including computer media, scanning, Optical Character Recognition (OCR), and key entry;
- 4) Document Control;
- 5) Treatment Authorization Request (TAR) Processing;
- 6) Notice of Authorization (NOA) Processing;
- 7) Claims Processing;
- 8) Checkwrite and Payment;
- 9) Computer and Ancillary Equipment;
- 10) CD-MMIS System Files, Programs, Reports, procedures, and balancing;

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- 11) Each of the CD-MMIS subsystems inclusive of all subsystem modules and applications, administration and support of those subsystems, plus system and parallel testing, plus all other health programs claims processing (e.g., California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), and Healthy Families (HF);
 - 12) Use of the on-line data element dictionary, including hands-on training at terminals;
 - 13) Surveillance and Utilization Review Subsystem (S/URS), S/URS Claim Detail Report (CDR), and other applicable training;
 - 14) Security and Confidentiality Procedures; and
 - 15) Contractor procedures for effecting Department-required changes to the CD-MMIS.
- b. During Takeover the Contractor shall provide twenty-four (24) hours of DHCS-approved training per person on the COTS Project and Portfolio management tool utilized by the Contractor and Department staff for DHCS staff, along with staffing from the ASO Contractor and third party vendors.
 - c. The number of Department designated State staff to be trained on the CD-MMIS by the Contractor during Takeover shall not exceed a total of fifty (50) persons. The Contractor shall provide facility tours, as part of CD-MMIS training, for no more than a total of fifty (50) Department-designated personnel.
 - d. Two weeks after State training begins, and every other week thereafter, the Contractor shall provide to the Department a written report detailing the progress and status of actual training compared to the CD-MMIS Training Plan submitted two weeks after CED.
 - e. The Contractor shall, on the first day of month thirteen (13) after CED, submit a comprehensive training manual to include ongoing training plans for Operations that fully meet the requirements of Exhibit A, Scope of Work, Attachments I through IV.
 - f. The Contractor shall provide manuals for training areas that shall be maintained during Operations. This manual is to be owned by the Department and is not to be internal only to the Contractor.

Manuals shall provide very specific details including desk procedures regarding how the employee performs all functions using the system.

12. Organizational and Personnel Acquisition

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

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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:

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- 1) Each of the Hourly Reimbursed Special Groups identified in Exhibit B, Attachment I, Special Payment Provisions in addition to the staff positions to be reimbursed under the Cost Reimbursement provision of this Contract shall be listed as separate organizational units;
- 2) The Takeover staffing levels provided shall correspond to the staffing needs indicated by the Contractor in the Takeover Project Plan and Takeover Project Schedule;
- 3) If the staffing levels needed for Takeover vary throughout the Takeover Phase, variable levels shall be indicated through a narrative description, a Gantt (or equivalent) chart and a staff loading chart indicating staffing by Takeover task;
- 4) Organization charts and descriptions showing the location of the FI and CD-MMIS in the Contractor's firm, and organization charts and descriptions for all CD-MMIS Operations areas. The functional responsibilities of each organizational unit, the delegation of responsibilities to CD-MMIS organizational units, organizational decision-making points, and unit staffing by classification shall be provided; and
- 5) Complete job descriptions (specifications) for all classifications used for senior management, Systems Group (SG), CD-MMIS EP MO, Information Security and Privacy Office, and Quality Management (QM), Cost Reimbursement staff, including job title, functional responsibilities, and experience requirements.

c. Schedule Execution And Reporting

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

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

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

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a) Staff Loading Chart:

The Staff Loading Chart Report shall include all Contractor staff currently working on the Contract; hourly reimbursed special groups, fixed price and cost reimbursed; listing each by staff name, and including for each: employee identification code, functional position title, organizational work area, staff category and job classification designation; comparing each to the staff proposed in its Narrative Proposal or as modified with approval of the Contracting Officer. This report shall show average staffing for the past twelve (12) months, beginning with the first prior month. This report shall be provided to the Department one month after CED and every quarter thereafter, by the fifth State work day of the month, or as agreed to by the Contracting Officer.

b) Hiring Progress Report

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

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

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Contractor's staff member(s), the Department will work with the Contractor to establish a transfer date. If necessary, upon written request by the Contractor and written approval by the Contracting Officer, the Department may waive the hiring dates required in the Contract.

13. Takeover Cost Plan

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

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

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

14. Plan for Assumption of CD-MMIS Operation

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

The Assumption Plan shall address specific Takeover assumption requirements and provide detailed, step-by-step procedures for each specific Takeover assumption task to demonstrate how the Contractor proposes to successfully assume complete and full operation of the CD-MMIS.

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

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

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- a. Startup of TAR Processing
 - 1) Processing TARs/Claims Inquiry Forms (CIFs)/Resubmission Turnaround Documents (RTDs), request for reconsideration of denied lines on a NOA;
 - 2) Ensure notifications are generated when services that require prior authorization are denied or modified and mailed to the beneficiaries at the startup of TAR processing;
 - 3) Handling misdirected mail and claims/TARs/NOAs/CIFs;
 - 4) Establishing Post Office Boxes;
 - 5) Ensure Clinical Screening applications are operational;
 - 6) Ensure State Hearing and Reimbursement Claim applications are operational; and
 - 7) Accepting, installing, and processing TAR inventory, records, and claims history.
- b. Assumption of Claims Processing
 - 1) Processing Claims/NOAs and appeals;
 - 2) Processing documents with prior Contractor's approved services; and
 - 3) Handling misdirected mail and claim/NOAs/CIFs.
- c. Duplicate Payment Authorization Procedures
 - 1) Checking for duplicate payments and authorizations by the prior Contractor and the current Contractor;
 - 2) Resolving duplicate payment and authorization problems; and
 - 3) Reporting to the Department on duplicate payment/recoveries and authorization.
- d. Provider Check Processing
 - 1) Accepting checks from providers;
 - 2) Redirecting appropriate checks to the prior Contractor;
 - 3) Reimbursing the prior Contractor's portion of appropriate checks; and
 - 4) Reporting to the Department on all checks issued by the Contractor.

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- e. Utilization of the CD-MMIS forms used by the prior Contractor and procedures to modify claim forms and other documents;
- f. Processing automated and manual interim payments in accordance with Department direction;
- g. Receiving, installing, maintaining, processing, and storing all residual inventory at the end of the prior Contractor's Runout Processing Period;
- h. Transfer the Post Office Box(es) from the prior Contractor at the end of the prior Contractor's Runout Processing Period;
- i. File Transfer and Maintenance
 - 1) Identifying file information for report production purposes;
 - 2) Cut-over/transfer of the CD-MMIS terminal network data lines, backup dial-up business lines, etc., from the incumbent to the Contractor;
 - 3) Cut-over/transfer of all CD-MMIS line connectivity between the Office of Technology Services data center to the Contractor;
 - 4) Testing of two-way transfer;
 - 5) Exchanging processing information/data; and
 - 6) Acceptance, installation, update, and maintenance of files (e.g. Provider Master File).
- j. Execution of new subcontracts and/or renewal of all subcontracts that may be expiring at Takeover assumption of CD-MMIS Operations;
- k. Transfer and installation of all Department-owned or leased equipment;
- l. Implementation of records retention responsibilities;
- m. Implementation of security and confidentiality responsibilities;
- n. Implementation of quality management responsibilities;
- o. Provide staffing and contingency plans. The Contractor shall develop, secure Department approval for, and implement staffing requirements and contingency plans for both TAR startup and assumption of claims processing activities under this Contract;
- p. Cycle time requirements: The Contractor shall address how it will meet cycle time requirements during the Assumption Period and ensure that no backlogs arise in the area of data entry and claim/TAR;

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- q. Produce reports; and
- r. Implement methods of assisting providers who are submitting documents to the prior Contractor or who are having difficulty determining who has their document.

15. Facilities Acquisition and Installation

a. Facilities Acquisition and Installation Plan

The Contractor shall deliver an updated and detailed Facilities Acquisition and Installation Plan to the Department three weeks following CED. The Plan shall describe the planned usage of space for the Contractor's operation of the CD-MMIS, provision of space for Department on-site staff during Takeover, Design, Development, and Implementation (DDI), Operations, and provision of space for all equipment.

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

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

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- 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

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available, in the greater area of Sacramento, sufficient space to perform its Takeover activities, including all testing and staff training responsibilities.

- 3) The Contractor shall have use of an operational data center and backup site, able to support the Contract, upon CED. DHCS reserves the right to require the Contractor throughout the term of the Contract to transfer the complete CD-MMIS system (systems, sub-systems, hardware, software, connectivity infrastructure) within ten (10) business days to DHCS or a designee as directed by the Contracting Officer. The Hardware and Equipment Acquisition and Installation Plan shall completely describe the steps needed to accomplish this requirement.

16. Hardware and Equipment Acquisition and Installation

a. Hardware and Equipment Acquisition Plan

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

- 1) A configuration schematic showing all hardware and communication networks;
- 2) A description of all hardware including but not limited to the information included in the Hardware/Software Inventory List described in this section under Hardware/Equipment Inventory. In addition include capacity available to support the CD-MMIS (if equipment is proposed as a shared environment) and expansion capability related to CD-MMIS processing;
- 3) A projected reduction or increase in the proposed hardware and equipment based on a reduction or increase in CD-MMIS claim volume ranges;
- 4) A projected response time using the proposed configuration and the CD-MMIS environment that complies with the response time requirements in Exhibit A, Attachment II, Data Processing and Documentation Responsibilities. Statistics shall be provided to the Department by the Contractor to support this projected response time calculation;
- 5) Industry ratings of proposed hardware;
- 6) Compliance with State purchasing and procurement procedures (<http://www.pd.dgs.ca.gov/polproc/default.htm>) and State requirements for "Environmentally Preferable Purchasing" (<http://www.calrecycle.ca.gov/EPP/>);

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- 7) The installation dates, order points, all required line connectivity between the Office of Technology Services data center and the Contractor, and projected critical path of the Hardware and Equipment Acquisition and Installation Plan in order to support all Takeover tasks and begin operation of the CD-MMIS with the startup of TAR processing ten (10) months and fifteen (15) days after CED. This plan shall include a phase-in of sufficient equipment to support each Takeover task and, if the Contractor's permanent facility is not completed, the facility in which the equipment will be installed. This shall include equipment necessary for System Testing (to be installed two months after CED), equipment necessary for Acceptance Testing (to be installed five months fifteen (15) days after CED), and equipment needed for staff training (to be installed prior to training);
- 8) Include the installation dates; order points; all required line connectivity between the ASO Contractor's location and the FI Contractor; and projected critical path, in the Hardware and Equipment Acquisition and Installation Plan. All needed items shall be included to support all ASO Takeover tasks and begin operation of the CD-MMIS with the startup of TAR processing ten (10) months and fifteen (15) days after CED. This plan shall include establishing networking and telecommunications with the ASO contractor site, the installation and testing of CD-MMIS terminals and all other components required to connect with and access CD-MMIS, a phase-in of sufficient equipment to support each ASO Takeover task and, if the ASO Contractor's permanent facility is not completed, the facility in which the equipment will be installed. This shall include equipment necessary for System Testing (to be installed two months after CED), equipment necessary for Acceptance Testing (to be installed five months fifteen (15) days after CED), and equipment needed for staff training (to be installed prior to training);
- 9) Plans for Department telecommunication network switchover from the prior Contractor to the Contractor;
- 10) Contingency plans for acquisition and installation of all hardware and equipment in case of schedule slippage;
- 11) Backup and recovery facility(ies) and equipment in the event of facility or equipment failure. Backup facility(ies) shall have active telecommunication hookups to all locations necessary to assume processing in the event of an emergency;
- 12) The maintenance contracts/agreements in detail for all proposed hardware and equipment; including the level, number, and availability of maintenance personnel, and whether maintenance personnel are on-site or on-call (if on-call, give maximum response times);
- 13) Plans and approach describing how the Contractor will meet the requirements stated in Exhibit E, Additional Provisions, CD-MMIS Hardware/Equipment and Software for hardware replacement at equipment end-of-life;

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- 14) Compliance with the most current federal and State mandates, including the requirements of the State Administrative Manual (SAM) , State Information Management Manual and State Medicaid Manual (SMM); and
 - 15) The Hardware and Equipment Acquisition and Installation Plan shall identify the Contractor's acquisition and installation plan for non-data processing equipment. At a minimum the plan shall describe:
 - a) All types of equipment required;
 - b) Purchase orders or proposed delivery dates;
 - c) Installation dates; and
 - d) Interdependencies with other Takeover tasks and contingencies for problems or delays in deliveries or installations.
- b. Hardware and Equipment Installation Execution
- 1) Data Processing Hardware

The Contractor shall obtain and install all equipment required to support the Takeover and assumption of the CD-MMIS without interruption of service to providers, other data trading partners and the Department. Time shall be allowed for testing of and training on hardware prior to the point it is required.
 - 2) Equipment
 - a) Equipment shall be installed, as needed, to support each Takeover task. Equipment required for System Testing shall be installed and operational two months after CED and the actual equipment needed shall also be identified in the Contractor's System Test Plan. Equipment needed for Contractor Acceptance Test support to the Department shall be installed and operational five months, fifteen (15) days after CED; this equipment shall also be identified in the Contractor's Acceptance Test Plan. All equipment needed for staff training shall be installed prior to that training. All CD-MMIS equipment shall be installed no later than ten (10) months, fifteen (15) days after CED, unless specifically exempted in writing by the Contracting Officer.
 - b) Ensure that all necessary telecommunication systems and equipment are installed and fully operational one month prior to the startup of TAR processing activities;
 - 3) Department Owned/Leased Equipment

The Contractor shall install Department owned/leased equipment operated by the prior Contractor. This equipment includes items such as personal computers, printers, controllers, servers, and modems to be connected to the

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Contractor's host computer, or, in the case of modems and associated equipment, to be installed at the Contractor's data processing center.

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

The Contractor shall obtain and install two months after CED, all required line connectivity between Office of Technology Services data centers and the Contractor to access the Fiscal Intermediary Access to Medi-Cal Eligibility (FAME) data.

c. Hardware/Equipment Inventory

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

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

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

17. Software Installation

a. Software Installation Plan

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

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

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- g) Design, development, and testing of such software, if applicable; and
- h) License arrangements.

b. Software Installation Execution**1) System Software**

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

2) CD-MMIS Mainframe Software

The Contractor shall accept and fully install the CD-MMIS in its own facility two months after CED. The Contractor shall receive, at the beginning of Takeover, the current version of the CD-MMIS that is being operated by the prior Contractor. The Contractor shall install all changes that are made to the CD-MMIS by the prior Contractor during the period between the beginning of Takeover and the startup of TAR processing.

After the startup of TAR processing, the Contractor shall be responsible for, and make all changes necessary to maintain, the CD-MMIS in compliance with program policy and procedures as directed by the Contracting Officer.

3) CD-MMIS Non-Mainframe Systems

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

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

4) Additional Applications Software

The Contractor shall obtain, or design, develop, and install all other applications software necessary to operate the CD-MMIS two months after the CED. Some applications software in the present CD-MMIS may be proprietary and the Contractor shall secure a license for the proprietary software, or design and develop a substitute. As necessary, the Contractor shall secure software licenses so operations continue without interruption. All necessary new development(s) shall be as transparent and non-disruptive as

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possible to providers, beneficiaries, and other CD-MMIS stakeholders. The resulting software shall be installed and utilized by the Contractor only after written Department approval is secured.

c. Software Inventory

- 1) The Contractor shall maintain an inventory of Non-mainframe Licensed and/or Open Source Software (OSS) to include who owns/leases the software (Contractor or Department), is it leased or owned (if leased expiration date, lessor and terms), product name, version, release date, product support agreements, type of software (e.g. Operating System, Database Management System, Help Desk, Programming Language, Middleware, Web Browser, Web Filtering, Antivirus, Intrusion Detection System, Network Manager, Utility Software, etc.), purpose of product, installation date, quantity or number of licenses, description, what CD-MMIS Subsystem, MITA Business Area, and MITA Business Process it supports, and location where it is installed. The Contractor shall follow the California Department of Technology's Information Technology Policy Letter 10-01 (1/7/2010) for the identification and use of OSS.
- 2) This information above shall be incorporated in the Hardware/Software Inventory List (a copy is included in the incumbent Contractor's electronic documentation library) and delivered to the Department for written approval no later than two months after CED and monthly thereafter until the Operations Phase begins.
- 3) During Operations the Contractor shall continue to update and submit the Hardware/Software Inventory List to the Department for written approval within thirty (30) calendar days of the implementation of any new software through the end of the Contract or more frequent if requested.
- 4) The Contractor shall update and submit for written approval the Hardware/Software Inventory List during the process of implementing SDNs, Change Orders, DOILs, MCDs and Problem Statements.
- 5) In addition to the use of this list for general management of CD-MMIS Operations, it is the intent of the Department that this list shall be maintained and updated to allow for an easy and seamless transition into a future CD-MMIS Documentation and Data Library.

d. Software Management

- 1) The Contractor shall manage the software following the California Department of Technology's Software Management Plan Guidelines (Rev. April 2011).
- 2) The Contractor shall include a Software Management subsection in the Software Installation Plan which details its software management strategy and processes.

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- 3) The Software Management subsection shall include the method to integrate software management with the Contractor's Configuration Management and Change Control processes.

18. File Installation

a. File Installation Plan

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

- 1) Installation dates for each file;
- 2) Availability of computer hardware and system software to enable installation;
- 3) Storage media for files;
- 4) Identify and describe the functions necessary to maintain the Provider Master File (PMF) from installation, through TAR processing, as well as the specific functions for PMF maintenance (during the six month period of time from the first day of claims processing under this Contract through the last day of the prior Contractor's Runout Processing Period);
- 5) Interdependencies with other Takeover tasks and contingencies for problems or delays. This shall include the files needed to support each Takeover task, including System Testing, Acceptance Testing and the various components of the claims processing functions;
- 6) Procedures to be used for installation of files with additional history during assumption of claims processing functions (e.g., residual history transferred); and
- 7) Procedures for generating files for transmittal to the prior Contractor during the Assumption Period.

b. File Installation Execution

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

- 1) Accept, install, test, and utilize Department-supplied files or production files for Acceptance Testing;
- 2) Install all files necessary to take over operation of the CD-MMIS no later than three business days after receipt by the Contractor. A complete listing of all files to be installed is available in the Data Library;
- 3) Be responsible for installing and updating the specific files prior to the startup of TAR and claims processing functions. The methods utilized to access and

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maintain the files shall not be altered by the Contractor. For the following files, which require special consideration, the Contractor shall:

- a) Accept and install the entire Provider Master File from the prior Contractor beginning thirty (30) days prior to the startup of TAR processing. From the startup of TAR processing until the beginning of claims processing, the prior Contractor shall continue to enroll providers and provide weekly updates to the Provider Master File and the Other Intermediary Provider Master File. Beginning on the first day of claims processing, all enrollment requests will be transferred to the successor ASO Contractor and the ASO Contractor shall then begin processing provider enrollment requests and updating the Provider Master File from that time forward. The Contractor shall transfer the Provider Master File transactions to the prior Contractor beginning the week the Contractor begins updating these files. These transfers shall occur weekly and shall continue until the prior Contractor ceases all claim processing functions;
- b) Accept and install the Fiscal Intermediary Access to Medi-Cal Eligibility (FAME) two months after CED. The Contractor shall receive FAME eligibility data through the data telecommunication between Office of Technology Services (OTech) and the Contractor;
- c) Accept and install history files from the prior Contractor and maintain its own history files one month prior to the startup of TAR processing and shall receive and process weekly updates from the prior Contractor until the end of the prior's Contractor's Contract Runout Processing Period;
- d) Accept and install S/URS files during the month prior to assumption of claims processing. The Contractor shall maintain these files or any others the Contracting Officer may so designate from this date forward;
- e) Accept and install the MMIS Tables File (UT-F-001), the Edit and Audit Criteria File, the Procedure and Pricing File, and all the support files identified to support TAR and claims processing during the month prior to the startup of TAR processing. The Contractor shall maintain these files from this date forward;
- f) Accept and install files from programs such as California Children's Services (CCS), Genetically Handicapped Persons-Program (GHPP), and Regional Center Consumers to support TAR and Claims processing during the month prior to the startup of TAR processing. The Contractor shall maintain these files from this date forward;
- g) Accept and install records of all TARs authorized by the prior Contractor one business day prior to the startup of TAR processing. The Contractor shall use this file for editing new TAR requests and claims submitted after the start of claims processing to avoid duplicates; and
- h) Install the Procedure Master File from the prior Contractor one month prior to the startup of TAR processing. The Contractor shall be

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responsible for the application of updates to these files as required in Operations from this day forward.

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

c. Plan Execution during Assumption

Various files shall be transferred by secure storage media or by secure transmission from the prior Contractor for usage in this Contract. Installation of the files shall occur within three business days after receipt by the Contractor. Some files that are transferred during Assumption will have been transferred earlier. The Contractor shall update or merge newly transferred files with prior files that the Contractor has already installed and has been maintaining.

The Contractor shall:

- 1) Maintain a Pended Claims History File for documents under its control beginning with the startup of TAR processing. Any residual claims/NOAs/RTDs transferred at the end of the prior's Contractor's Contract Runout Processing Period shall be added to this file;
- 2) Accept and install all the files the Contracting Officer may so designate as part of the responsibilities of the assumption of the residual inventories from the prior Contractor. This transfer shall occur on the weekend prior to the startup of TAR processing;

NOTE: There will be many other files transferred that have long retention periods or that may be required for archive; and

- 3) Transfer and maintain all weekly, monthly, and yearly history files in order to maintain complete records and have the files readily accessible to recreate history.

d. Two-Way File Transfer

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

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e. File Maintenance

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

Beginning with the startup of TAR processing and continuing through the six months immediately after the first day of claims processing (paralleling the prior Contractor's Runout Processing Period), the Contractor shall also provide the prior Contractor with weekly processing information and data including, but not necessarily limited to, adjudicated TAR history and TAR receipts.

The Contractor shall, at the time of receipt of processing data from the prior Contractor, uniquely identify each transaction as the prior Contractor-processed. This shall be done to minimize negative impact to many production reports and provide a smoother transition for system users. For S/URS reporting activities, the combined data from both this Contract and the prior Contractor's Contract shall be utilized; all other reports produced by the Contractor (e.g., MARS) shall reflect only data relative to documents being processed or adjudicated by the Contractor.

19. Procedure Development and Installation of Procedures

a. Manual Procedures Installation Plan

One month following the CED, the Contractor shall submit to the Department a CD-MMIS Manual Procedures Installation Plan.

The Contractor shall:

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

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- 5) In addition to developing and updating procedure manuals, the Contractor is also responsible for implementing those procedures. All CD-MMIS manual procedures shall be installed five months after CED in order to be tested as part of the Department's Acceptance Testing Phase.

b. Reports Users Manuals

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

The FI and ASO Contractors shall update or develop and maintain, as necessary, Report Users Manuals, by Subsystem, for all CD-MMIS reports. The FI Contractor shall be responsible for ensuring all manuals are stored and accessible in the document management system.

c. CD-MMIS Mainframe User Manual

Three months after CED, the Contractor shall deliver a CD-MMIS Mainframe User's Manual for Department review and approval. The Department-approved CD-MMIS Mainframe User's Manual shall be installed four months after CED and the Contractor shall maintain this manual as revisions are made. This manual shall be subject to the documentation requirements specified in Exhibit A, Attachment II, Data Processing and Documentation Responsibilities.

This manual shall be written and illustrated for use by the Contractor staff and all other users. It shall contain detailed instructions on how to use the screens and the mobility of exiting from one screen and requesting another function. The manual shall be subdivided into two major sections:

- 1) Provide details for the Contractor staff, which will require instructions on how to add, delete and modify data; and
- 2) Provide details for all other users, which will require instructions on the inquiry capabilities of the system and how to request reports on-line.

20. Documentation and Data Library Security

- a. Two weeks after CED, the Contractor is required to submit a Documentation and Data Library Security Project Plan to the Department for the purpose of: 1) facilitating the creation of a Data Library during Turnover, and, 2) maintaining the security of all documentation and data throughout the term of the Contract, including but not limited to, manuals, correspondence letters, and any other item(s) stored in the electronic document repository. An updated Documentation and Data Library Security Project Plan shall be submitted every three months throughout the term of the Contract. The Project Plan shall include detail tasks and all activities necessary to secure information prior to release outside of the Department and shall be approved by the Contracting Officer or designee. The

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Project Plan shall detail, at a minimum, the documentation methodologies, security rules, and strategies for isolating secured information, including:

- 1) Updated project schedule of tasks to be performed during Takeover, including a schedule timeline. The structure of this project schedule of tasks shall meet the detailed project schedule guidelines defined in this Exhibit A, Attachment I, Takeover Project Management Plan;
 - 2) Narrative describing each task/activity on the project schedule;
 - 3) Description of any progress made on each task/activity, if applicable, for that period of time;
 - 4) List of all problems encountered and status of resolution of each problem (e.g., a corrective action plan for each problem and timeline of problem resolution);
 - 5) Status of defined milestones and deliverables scheduled in the Project Plan;
 - 6) Categorization of subject areas (e.g., Health Insurance Portability and Accountability Act (HIPAA), Protected Health Information (PHI), Departmental Confidential, Personal Information (PI)); and
 - 7) Any other information required by the Department.
- b. Documentation and Data Library Security Plan Execution

The Contractor shall:

- 1) Complete a comprehensive inventory of all the items comprising the CD-MMIS Documentation and Data Library. CD-MMIS documentation shall consist of CD-MMIS manuals and other CD-MMIS documentation requirements defined in Exhibit A, Attachment II, Operations, and any new manuals created during the course of the Contract. Other CD-MMIS documentation shall include, but is not limited to, inventory lists/reports, internal procedures that are not in manual format, system changes documentation, reports, completed Documentation and Data Library assessment reports and Problem Statements;
- 2) Store all CD-MMIS documentation in the CD-MMIS Documentation and Data Library in a Department-approved electronic document repository. The Data Library will contain copyrighted or proprietary information belonging to vendors or other entities. For example, detailed information about a particular piece of equipment shall be obtained through that manufacturer's literature and may not be duplicated within a CD-MMIS manual;
- 3) Complete assessment reports for all CD-MMIS documentation listed in the CD-MMIS Documentation and Data Library. The assessment reports shall:

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- a) Establish that the documentation is current, accurately and completely reflects the existing CD-MMIS, and meets all contractual documentation requirements;
 - b) Include a complete and comprehensive documentation review and evaluation, identification of documentation requiring updates, and a gap analysis identifying specific documentation requiring updates or revisions; and
 - c) Be submitted for written approval from the Department prior to proceeding with updates and revisions.
- 4) Ensure the CD-MMIS Documentation and Data Library Inventory List includes a complete assessment report for each of the following, but not be limited to:
- a) General Systems Design;
 - b) Detailed Program Design;
 - c) Detailed Program Specifications;
 - d) Report Descriptions Documentation;
 - e) Screen Descriptions Documentation;
 - f) Licensed Software;
 - g) Computer Operations Procedures;
 - h) Data Descriptions;
 - i) Data Element Dictionaries;
 - j) User / System Documentation;
 - k) Hardware/Software Configuration;
 - l) All mainframe software including, but not limited to, programs, Job Control Language (JCL), copy members, screen members, control card libraries, data element dictionary data base, and/or any customized changes to proprietary software. Include any Open Source or Freeware and Contractor- corporate software, and any non-mainframe equivalents to the above;
 - m) Documentation to facilitate prospective successor Contractor's understanding of overall standards, network bandwidth needs, hardware capacity, software needs, and network topology to run the current CD-MMIS;

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- n) Master Index of all records maintained by the Contractor pursuant to its records retention responsibilities that shall, for each record, include the name, span of dates covered, volume and medium;
 - o) List of Post Office Boxes, telephone numbers, facsimile numbers, and any other Department-approved method of accessing the Contractor to receive information, including, but not limited to, CD-MMIS forms, data and inquiries, and a description of the purpose of each method of access; and
- 5) For each fiscal quarter, submit to the Department all Documentation and Data Library updates, including an updated Master List of CD-MMIS manuals and an updated Documentation and Data Library Security Project Plan. The Master List of CD-MMIS Manuals shall contain the following information: manual name, Contract cite, change source reference (if it is a new manual developed in the current Contract period or an obsolete manual), location in its Department-approved on-line electronic document repository, status of manual (i.e., "new" if created in the current Contract or "existing" if listed in Exhibit A, Attachment II, Operations), and assessment report.

21. Security and Confidentiality

a. Security and Confidentiality Plan

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

- 1) Establishment of the Information Security and Privacy Office;
- 2) Security and Confidentiality Training Program;
- 3) Statewide Entity Plan;
- 4) Backup and Recovery Plan (Business Continuity Plan);
- 5) Disaster Recovery Plan;
- 6) Risk Analysis;
- 7) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart demonstrating how the Takeover responsibilities will be performed;
- 8) Include organization charts and provide functional responsibilities within the Information Security and Privacy Office. The delegation of responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided; and

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- 9) Describe procedures, tasks, activities, and staffing for all Information Security and Privacy functions to ensure Contractor compliance with all Contract requirements.

b. Security and Confidentiality Plan Execution

The Contractor shall implement the Security and Confidentiality Plan and procedures as required in Exhibit A, Scope of Work, Attachments I through IV, on CED. The Contractor shall:

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

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

22. Quality Management

a. Quality Management Plan

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

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

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responsibilities to the organizational units, organizational decision-making points, and unit staffing by classification shall be provided.

b. Quality Assurance Procedures and Standards Manual

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

c. Quality Management – Takeover

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

d. Quality Management Integration of Contract Management

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

- 1) Management and control procedures to monitor all Contractor functions, including Systems Group (SG);
- 2) Management and control procedures to monitor all subcontractor functions;
- 3) Inventory management procedures and controls:
 - a) Mailroom Operations;
 - b) Scanning; and
 - c) Data Correction.
- 4) Internal Quality Control and assurance tools;
- 5) Backlog monitoring, controls, and contingency plans;
- 6) Project monitoring, controls, and contingency plans;
- 7) Back-up and cross training plans; and

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8) Personnel resources.

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

23. Problem Correction Tracking Report

The Contractor shall utilize a system such as Enterprise Project Management (EPM), or any other equivalent software product that would offer significant enhancements as well as meet the requirements for the Problem Correction System (PCS) and the reporting capabilities of EPM with prior Department approval. The design of the problem correction system shall allow the solution to be easily modified and scalable. Refer to Exhibit A, Attachment II, Administrative Support of Contract Changes and Attachment III, Change Requirements for required deliverables.

The Contractor shall develop, and submit for Department review and approval three months after CED, Problem Correction Tracking Reports.

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

Reports shall be designed using the same phases and deliverables used by the Systems Group (Exhibit A, Attachment III, Change Requirements, Contractor System Development Phase Responsibilities). Assign a name and number to the report(s) consistent with the naming conventions of CD-MMIS. All reports shall meet the requirements of Exhibit A, Attachment II, General Reporting Requirements.

24. Department Access and Availability – Automated Methods and Procedures

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

25. Systems Group Organization and Procedures

Contractor is required to fully staff the Systems Group (SG) Organization one week prior to TAR Processing.

The Contractor shall:

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- a. Three months after the CED, submit for Department review and written approval a manual with organization charts and procedures for the Systems Group (SG). These procedures shall completely describe the procedures the Contractor shall follow in implementing the requirements of Exhibit A, Attachment III, Change Requirements.
- b. Four months after the CED, submit for Department review and written approval, a Systems Group Performance and Quality Monitoring Plan describing what measures and assessment methodology shall be put in place to ensure the monitoring of quality and performance for the SG in order to meet the requirements of Exhibit A, Attachment III, Change Requirements. This plan shall completely describe how the SG shall utilize the quality and performance monitoring tool described in Exhibit A, Attachment II, Quality Management.
- c. One month after the CED, submit for Department review and written approval proposed COTS estimation tools and methodologies used for project estimation. The Contractor's proposed tools and methodologies shall meet requirements specified in Exhibit A, Attachment II, Administrative Support of Contract Changes and Exhibit A, Attachment III, Change Requirements.
- d. Develop and submit for Department review and approval three months after CED, Systems Group tracking reports that shall allow the Department to control and monitor projects.
- e. Four months after the CED, submit for Department review and written approval all proposed templates for all SG deliverables to be submitted in accordance with requirements specified in Exhibit A, Attachment III, Change Requirements.
- f. Four months after the CED, submit for Department review and written approval a proposed Business Requirements Document (BRD) template to be used by the Contractor as specified in Exhibit A, Attachment II, Administrative Support of Contract Changes.

26. Records Retention

- a. Records Retention Procedures Plan

Two months after the CED, the Contractor shall, in conjunction with the ASO Contractor, submit its Records Retention Procedures Plan as required in Exhibit A, Scope of Work, Attachments I through IV,. This plan shall completely describe the procedures to be followed in order to execute the Contractor's Records Retention responsibilities. A definition of the records subject to these procedures is contained in Exhibit A, Attachment II, Records Retention. At a minimum, this plan shall include:

- 1) A description of the Contractor's procedures to ensure the preservation, protection, and maintenance of all claims payment records that are a part of, or result from, the Contractor's CD-MMIS Operations under this Contract or

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have been transferred to the Contractor, in accordance with Contract requirements;

- 2) The procedures the Contractor shall undertake in order to ensure the production of acceptable copies of claims payment records that have been converted to microfilm/microfiche or that have been retained in on-line environments;
- 3) A description of the procedures the Contractor shall utilize to provide access, retrieval, encryption and certification of claims payment records services. This portion of the Contractor's plan shall describe the design and compilation of a master index to assist in the location and retrieval of claims payment records; and
- 4) The name of the specific office or position within the Contractor's organization that shall be responsible for executing the Contractor's Records Retention responsibilities.

b. Records Retention Procedures Manual Execution

The Contractor shall:

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

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Scope of Work- Takeover**27. Document Management**

a. Document Management Plan

The Contractor shall update and submit a Document Management Plan one month prior to startup of TAR processing. The plan shall:

- 1) Provide use of a scanning process for all stored claim images;
- 2) Provide the ability to index documents;
- 3) Provide search capabilities for Claim Document, TARs, NOAs, CIFs, RTDs, and Radiographs;
- 4) Provide the ability to track the same document (from first step of the process to last step of the process) for complete audit trail; and
- 5) Ensure all electronic media are stored in a secured electronic format and the hardcopy documents are digitally stored.

b. Document Management Plan Execution

The Contractor shall:

- 1) Design and develop the input preparation scanning process of TARs, CIFs, and NOAs into the CD-MMIS;
- 2) Begin the input preparation of scanning all documents as specified by the Contracting Officer on the first day of TAR processing;
- 3) Modify all application programs and manual procedures needed to bring the Contractor into compliance with the contract responsibilities;
- 4) Provide the capability to cross reference the radiographs back to the corresponding claims, TARs, CIFs, and returned NOAs, and RTDs;
- 5) Provide quality control measures to ensure a one hundred (100%) percent accuracy of readability of the scanned documents;
- 6) Ensure application of the whole document concept in the processing and payment of claims/NOAs/TARs/CIF/RTDs. Each document is processed as a whole; however, each service line is reviewed and adjudicated separately;
- 8) Ensure all electronic media documents shall comply with the Electronic Data Interchange standards adopted pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and in accordance with Department approved formats and specifications;

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- 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;

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~~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

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

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- 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,

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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

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- 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

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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;

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- 4) Clearly define, provide detailed description, uniquely identify, and independently schedule each test to be performed;
- 5) Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart demonstrating how the System Test Support Plan shall be performed;
- 6) Develop a method to conduct two parallel tests of the CD-MMIS claims and TAR processing functions with the prior Contractor. The Contractor shall conduct the second test with the ASO Contractor during the Acceptance Test Period. The results of these tests shall be reviewed by the ASO Contractor and the Department and shall serve as input to the Acceptance Test decisions on Contractor readiness to assume full operation of the CD-MMIS;
- 7) Define System Test documentation standards and provide for inclusion of initial and subsequent test results and storage of all test documentation in a central location in a manner easily accessible and retrievable by Department monitoring staff;
- 8) Relate tests to CD-MMIS system design documentation and overall Contract requirements;
- 9) Review manual, clerical, and operating procedures. Validate Quality Management procedures for setting accuracy and error levels and for monitoring compliance;
- 10) Define and validate control procedures;
- 11) Identify the number, classification, and names of key staff responsible for each test, including Contractor staff responsible for communication with the Department during System Testing and ASO staff responsible for participating in the tests;
- 12) Include actual test scenarios and situations;
- 13) Provide matrix to clearly outline and validate traceability back to the requirements;
- 14) Specify the criteria the Contractor shall use in determining the completion of each System Test activity; and
- 15) Provide risk and risk mitigation strategy.

The 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 Support Plan. The Department reserves the right to collaborate with the ASO Contractor prior to Department approval.

c. System Test Plan Execution

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The Contractor, with the participation of ASO and Department staff, shall execute the Department-approved System Test Plan. The Contractor shall continue to provide contiguous office space for the ten (10) on-site Department staff during System Testing (see Exhibit E, Additional Provisions). The Department intends to utilize experience from System Testing to streamline and enhance subsequent Acceptance Testing of the Contractor's operation of the CD-MMIS.

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

During System Testing the Contractor shall:

- 1) Execute tests with predetermined sets of data; track processes performed; and verify actual, against expected, results;
- 2) Test each CD-MMIS subsystem to include, but not limited to, the following:
 - a) Verify all edits, audits, and production of Paid Claims Files, etc.;
 - b) Assure that programs conform to CD-MMIS specifications;
 - c) Validate links between programs and subsystems;
 - d) Validate the operating environment of the CD-MMIS;
 - e) Confirm operating performance, including all non-mainframe systems;
 - f) Verify that on-line response times meet Department-specified requirements under load (full production volume, stress test);
 - g) Execute each job in CD-MMIS to verify clarity of operating procedures;
 - h) Use actual claim and TAR data during System Testing;
 - i) These tests shall include processing of service authorization requests through the California Children's Services;
 - j) Verify processing of claims submitted through Department of Development Services for Regional Center Consumers;
 - j) Test generation of all CD-MMIS reports; and
 - k) Monitor execution of all other procedures including, but not limited to, input preparation, control functions, all types of data entry, eligibility, TAR/claims/NOA/CIF processing, RTD processing, clinical screening review, share of cost, manual pricing, checks and recoupment.

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- 3) Develop and conduct two live parallel tests of batch claims processing functions that parallel the prior Contractor's processing functions; one to be conducted during Systems Testing and the other during the Acceptance Testing Phase of Takeover. If any tests fail to show the Contractor is capable of processing claims with the same results as the prior Contractor or if the Contractor encounters problems, the test(s) shall be rerun until the Department approves the results;
- 4) Simulate disaster conditions and execute Business Continuity and Disaster Recovery procedures, including availability and use of the backup facility(s);
- 5) Test the on-line Data Element Dictionary (DED);
- 6) Conduct weekly walkthroughs for Department staff in Sacramento and, at the same time, discuss and identify:
 - a) Areas of unacceptable performance
 - b) Corrective action(s) to be taken
 - c) Areas where performance is acceptable
- 7) Develop methodologies and procedures (i.e., System Variance Report (SVR), Request for Information/Clarification (RIC)) for identifying, describing, and tracking areas of unacceptable performance, problems and issues, which shall be assigned and logged using unique control numbers for reference. The Contractor shall identify where the problem occurred and explain the differences between expected and actual results. The Contractor shall also include a summary analysis of the SVR, programs affected, and the corrective action process or processes applied to each deficiency/problem. All SVR/RIC reports shall be initiated and responded to within three business days of identification of the problem/deficiency. These methodologies and procedures shall include steps for Department review and approval during the problem identification/tracking and corrective action processes, and provisions for daily written notification to the Department when problems are identified;
- 8) Provide a report on the status of each SVR/RIC identified during System/Parallel Testing, including the SVR/RIC control number, brief description of problem, date problem was identified, date initiated, current status (e.g. pending or resolved), and date of final resolution, and description of the resolution/fix;
- 9) Conduct walkthroughs of system test results;
- 10) Submit documentation from the Contractor-executed System Testing. Documentation shall thoroughly show the results of each test and shall be submitted to the Department no later than one week after the test. Additional walkthroughs, documentation and related materials requested by the

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Department shall be provided no later than twenty-four (24) hours after the request;

- 11) Test all CD-MMIS non-mainframe systems and components;
- 12) Prior to Acceptance Testing, resolve inconclusive or incomplete areas of System Testing identified by the Department;
- 13) Five months and fifteen (15) days after CED, before Acceptance Testing, through written notice to the Department:
 - a) Along with the ASO, certify preparedness to begin full CD-MMIS Operations; and
 - b) Provide a report detailing System Test results and supporting the readiness of the CD-MMIS for Acceptance Testing.

If the Department does not approve the System Test results, the Contractor shall continue its System Tests as directed by the Department.

- 14) Possibly continue its System Testing after the date of Contractor certification to the Department of readiness of the CD-MMIS for Acceptance Testing, and/or the date of written Department approval of Contractor completion of System Testing;

The second of two required parallel tests shall be performed by the Contractor concurrently with Acceptance Testing. Any changes made by the Contractor shall be identified; systems tested following the rules/guidelines of this section, and moved into Acceptance Testing after approved by the Department;

- 15) Fully document all deficiencies found by the Contractor during installation of the CD-MMIS, or System Testing, through the SVR/RIC process by the Contractor to the Contracting Officer. The Contracting Officer shall determine whether a deficiency exists and, if so, whether the deficiency is the Department's responsibility. If the deficiency is determined to be the Department's responsibility, the Contracting Officer shall determine whether the current Contractor can implement the change or whether it should be implemented by the Contractor. If it is determined that the Contractor can correct the deficiency for which the Department is responsible, the work shall be performed by the Systems Group and may be billable to the Department. The Contractor shall correct all known CD-MMIS deficiencies prior to completion of System Testing;
- 16) Accept the CD-MMIS "as is" and is responsible thereafter for any pre-existing system deficiencies upon completion of System Testing;
- 17) Be responsible for making the CD-MMIS fully operational in accordance with time frames required in this Contract; and

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18) Correct all deficiencies/problems found during System or Parallel Testing prior to start of CD-MMIS Operations unless otherwise approved by the Contracting Officer.

d. System Testing Responsibilities

The Department shall approve, if acceptable, the System Test Plan and the System Test Support Plan which shall provide for adequate and comprehensive System Testing of the CD-MMIS. The Department may participate in System Testing and assist in identifying deficiencies, and shall review and approve Contractor preparedness, if acceptable, for Acceptance Testing. The Department shall be able to closely review the Contractor's system test and results and use these results and the results of the second parallel test to determine the Contractor's readiness for assumption of claims processing. The Department will act as liaison between the prior Contractor and the Contractor to ensure that all the appropriate CD-MMIS software, files, and documentation are provided to the Contractor.

33. Acceptance Testing

a. Acceptance Test Plan

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

The FI Contractor shall work with the ASO Contractor to develop a comprehensive Acceptance Test Plan during Takeover using the requirements listed above. Thus each Contractor shall have a role in the development of the Acceptance Test Plan, and have the responsibility to ensure its delivery by the ASO Contractor to the Department for review and approval five months and fifteen (15) days after CED. The Acceptance Test Plan submitted by the FI Contractor with the Narrative Proposal shall completely describe the overall testing strategy in relation to their Acceptance Test support role.

The FI Contractor's Narrative Proposal Acceptance 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 Acceptance Testing described in the Acceptance Test Support Plan, the activities to be completed, the resources, and the methods and processes to be used to support the testing environment;

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- 3) Include detailed identification and assignment of each task or deliverable and the dependencies required until the completion of acceptance testing;
- 4) List major project team roles and the individuals who shall fill these roles, along with the specific responsibilities those individuals shall have. Identify the project team roles that are responsible for all major work activities and supporting processes; and
- 5) Completely describe the operating system and licensed system software proposed to support the Acceptance Test environment, including all non-mainframe systems supported by the FI Contractor.

b. Acceptance Test Support Plan

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

The FI Contractor's Acceptance Test Support 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) Describe all Acceptance Test job runs;
- 3) Describe all batch processing cycles;
- 4) Clearly define, provide detailed description, uniquely identify, and independently schedule each test to be performed;
- 5) Describe the method of how test cases shall be conducted;
- 6) Include a full description of how the Contractor shall perform and fulfill its Business Continuity and Disaster Recovery responsibilities in compliance with all requirements of this Contract; and
- 7) Accommodate requirements submitted by the Department.

c. Acceptance Test Execution

Begin Acceptance Testing seven months fifteen (15) days after CED.

Acceptance Testing shall follow completion of System Testing, certification by the Contractor that the CD-MMIS is ready for Acceptance Testing, and Department review of the Contractor's System Test results.

Acceptance Testing shall test the automated and manual processing portion of CD-MMIS and all supporting applications. Acceptance Testing shall ensure that the Contractor can maintain at least the same level of accuracy within the automated and manual processing portion of the CD-MMIS as maintained by the

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prior Contractor. Contractor CD-MMIS Operations shall not be permitted until the Department approves, in writing, completion of Acceptance Testing.

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

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

- 1) The Contractors shall execute all Acceptance Tests as directed by the Department. Acceptance testing of both manual and automated processes shall be comprehensive based on the following objectives:
 - a) Ensure the transferred system processes claims in accordance with contractual requirements and that any differences between the Contractor's results and the results from the existing system can be explained as a higher level of compliance with these requirements;
 - b) Ensure that integrity has been maintained with regard to established standards and acceptable data processing techniques;
 - c) Ensure a smooth transition of all CD-MMIS Operations at startup of TAR processing and assumption of claims processing while ensuring that the transition remains as transparent and non-disruptive to providers, beneficiaries, system users and other CD-MMIS stakeholders as possible; and
 - d) Ensure that the Contractor's operation of the CD-MMIS is ready for assumption of TAR processing ten (10) months and fifteen (15) days after CED and all remaining functions at the assumption of claims processing.
- 2) Identify where the CD-MMIS or operational areas do not conform to program policies and procedures in order to ensure correction of any system deficiencies.
- 3) Acceptance Testing shall follow completion of System Testing, certification by the FI Contractor the CD-MMIS is ready for Acceptance Testing, and Department review of the Contractor's System Test results.

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- 4) The Contractor shall conduct its second of two parallel tests of the CD-MMIS claims during the Acceptance Testing Period. The results of both tests shall be reviewed by the Department and shall serve as input to the Acceptance Test decisions on Contractor readiness to assume full operation of the CD-MMIS (see requirements below). If either or both of these tests fail to show the Contractor is capable of processing claims with the same results as the prior Contractor or if the Contractor encounters problems, the test(s) shall be rerun until the Department approves the results.

d. Acceptance Testing Tasks

The Contractor shall:

- 1) Provide supporting documentation to the comprehensive Acceptance Test cases and expected results. These test documents, developed from the test cases as described in the Acceptance Test Support Plan shall be reviewed by the Department;
 - 2) Support the ASO Contractor to develop the base file data;
 - 3) For each test described below, ensure adequate resources that are allocated to the test shall include staffing by organizational unit, computer hardware, and support equipment;
 - 4) Support the ASO Contractor to execute tests with predetermined sets of data, track processes performed, and verify actual, against expected, results; and
 - 5) Ready all elements of facilities, staff, hardware, software, and other resources required for Acceptance Testing, including the initialization of all files and tables prior to the start of Acceptance Testing.
- e. For both the Period of Acceptance Testing and for the Period of ongoing Operations under the Contract, the Contractor shall provide adequate staffing and resources to provide ongoing testing capabilities and support to the ASO Contractor and the Department (i.e.; hardware, software, physical facilities and knowledgeable personnel).
- f. Support Acceptance Test functions as directed by the Department within the time frames established by the Department. The Contractor shall maintain open communication with the ASO Contractor and the Department during testing, and shall provide walkthroughs to Department staff on specified tests. Upon request the Contractor shall:
- 1) Collaborate with the ASO Contractor to deliver or make available to the Department all Acceptance Test documentation, including files, reports, Contractor-initiated SVR/RIC documentation, and individual claim, eligibility and TAR data necessary to validate test results. These materials shall be provided to the Department no later than one business day following test execution. The Contractors shall provide to the Department a list of such test documentation each week;

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- 2) Permit the Department to submit, observe the tests, analyze results, and document any problems found through the SVR/RIC process;
- 3) Within twenty-four (24) hours, respond to, and correct, all problems identified as a result of the Acceptance Testing. The Contractor shall repeat System Testing and Acceptance Testing until criteria defined by the Department are satisfied;
- 4) Upon satisfactory completion of Acceptance Testing, the Department shall approve full operation of the CD-MMIS by the Contractor and shall retain Acceptance Test documentation for future reference. The Department may approve portions of the CD-MMIS for Operations and require additional testing of the remaining functions;
- 5) Upon completion of Takeover Acceptance Testing, maintain the Acceptance Test environment to reflect those of the production environment. These Acceptance Test files, programs, etc., shall be used to conduct Acceptance Testing of all Expansion Items described in this Contract as well as all system changes that occur during the Operations Period of this Contract;
- 6) For the entire Takeover Acceptance Test Period, as well as the Operations Period of the Contract, support the ASO Contractor to:
 - a) Provide a separate test environment for Acceptance Testing purposes;
 - b) Create a Provider Master File of test providers for Acceptance Testing purposes only;
 - c) Create and maintain test history files for beneficiaries for Acceptance Testing purposes only, and ensure TAR files are also included and available for testing;
 - d) Create Acceptance Test reference files as needed for testing, modify these files through Acceptance Test Dental Operating Instruction Letters (DOILs), and ensure TAR files are also included and available for testing;
 - e) Specify migration schedule for program "fixes" from the System Test environment to the Acceptance Test environment and migrate only after Department approval;
 - f) Create and maintain Acceptance Test for Fiscal Intermediary Access to Medi-Cal Eligibility (FAME) and other support files according to Department direction; and
 - g) Ensure End-to-End testing validates the entire application to ensure it satisfies previously established acceptance criteria and performs as an integrated system. Ensure that the overall process flows as expected and that the business and system components integrate together correctly.

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g. Acceptance Test Structure

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

- 1) Ensure appropriate classifications and training to support CD-MMIS testing is in place prior to the start of Acceptance Testing. Management or technical (SG) staff may not be used for manual operations processing activities;
- 2) Ensure staff be required to demonstrate adequate proficiency in performing assigned tasks;
- 3) Support the ASO Contractor to perform volume and stress tests, and the parallel test as directed by the Department, to demonstrate the ability to process expected CD-MMIS workloads accurately within prescribed time frames;
- 4) Where resources permit, tests shall be scheduled concurrently so that Acceptance Testing can progress more rapidly;
- 5) Work with the ASO Contractor to resolve any problems identified during testing as described in this Takeover section;
- 6) Provide access to Department staff to any CD-MMIS facility, equipment, software, files, and other materials covered by this Contract, in support of any tasks related to CD-MMIS testing. Such access shall include the use of on-line terminals to access any CD-MMIS related data;
- 7) The Department reserves the right to:
 - a) Take the primary role in the evaluation of Acceptance Testing. The Contractor shall participate in the evaluation as directed by the Department. The evaluation process shall compare expected results against the actual test results. Any problems found during testing shall be resolved as described in this Takeover section;
 - b) Reduce the scope of Acceptance Testing if the Contractor can adequately demonstrate preparedness for CD-MMIS Operations;
 - c) Expand levels of testing where the ASO Contractor and the Department determine additional testing is needed; and
 - d) Continue CD-MMIS testing and monitoring until all testing System Variance Reports (SVRs) identified during Acceptance Testing have been resolved. The Contractor shall provide all necessary support. The

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Department shall prioritize any problems identified by these tests. The Contractor shall be responsible for correcting all deficiencies.

h. Acceptance Test Categories

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

1) Subsystem Tests

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

2) Manual Operations

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

3) Automated Processing

- a) Automated Processing includes all on-line automated processes performed on the Contractor's computer and all processing of EDI documents from receipt through adjudication. Comprehensive testing shall be conducted on all CD-MMIS subsystems and non-mainframe systems.
- b) All transactions supported by the CD-MMIS shall be tested with both valid and invalid data. All forms of input data and processing cycles shall be tested to ensure that appropriate files are updated. Files, reports, and screens produced by each process shall be examined for conformity to design requirements.

4) Technical Operations

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

5) On-Line Data Element Dictionary (DED)

The existing on-line DED shall operate under the control of a database management system. The DED shall be operational during Acceptance Testing to provide support to this activity for both Contractor and Department staff.

6) Administrative/Fiscal Responsibilities

- a) Administrative/fiscal responsibilities include such functions as accounting, accounts receivable, auditing, project control/standards, quality management, retrieval of claim copies, claims research, responding to and researching Department requests, Department/Contractor interfaces, and support materials/equipment, security and confidentiality, and administrative functions at the Contractor's organization.
- b) The Department may analyze the Contractor's ability to perform administrative and fiscal responsibilities associated with operating CD-MMIS.

i. Selected Acceptance Tests

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

1) Evaluation of Manuals

- a) The Contractor shall demonstrate that all manuals required for the CD-MMIS are available, current, complete, and adequate for the Contractor's environment. The Department shall evaluate all procedure, training, and any other CD-MMIS manuals.
- b) Assumptions:
 - i. For those manuals needing development and/or revision, the Contractor shall provide the Department with new or updated CD-MMIS manuals by the start of Acceptance Testing. The

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Contractor shall, concurrently, provide to the Department a list of those manuals requiring no development and/or revisions.

- ii. For each CD-MMIS manual, key Contractor staff from organizational units affected by the manuals shall provide walkthroughs to Department staff.
- iii. The Contractor shall provide to Department staff sufficient copies of the manuals or other Department-approved presentation materials for the walkthroughs.
- iv. The Contractor shall update any CD-MMIS manual(s) found to be inadequate by the Department within time frames specified by the Department.

2) General CD-MMIS Accuracy Tests

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

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- vi. Contractor staff shall be prepared to perform timely correction of any deficiencies that are found.
- vii. Any portion of the CD-MMIS or Operations affected by deficiencies shall be subject to retesting.
- viii. This series of Accuracy Tests shall be successfully satisfied when the Department is adequately confident of CD-MMIS Operations accuracy.

3) On-Line Functions Test

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

The Contractor shall ensure the Acceptance Test environment:

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

4) Contractor Staff Proficiency Test

- a) The Contractor shall process no more than one hundred (100) computer media submissions with no more than ten thousand (10,000) claim lines to be processed for this test. Typically, these will be actual claims submitted by health program providers. The documents and computer media submissions shall include a wide variety of documents normally processed through the CD-MMIS. The Contractor's staff shall demonstrate proficiency in the submission and operation from all types of automated processing.
- b) The Contractor's staff shall demonstrate proficiency in corresponding with providers, beneficiaries, ASO Contractor and Department staff in a variety of situations. Department staff may take provider roles for the test.
- c) Assumptions:
 - i. Key Contractor staff from each organizational unit shall be allocated for this test.
 - ii. Sufficient Contractor staff of adequate CD-MMIS proficiency shall be available to ensure test completion within three business days.
 - iii. Sufficient computer hardware and support equipment shall be allotted to ensure rapid turnaround for this test.

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- iv. This test shall include both manual and automated processes.
- v. This test will be satisfied if completed on a timely basis and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.

5) Volume, Stress, and Parallel Tests

- a) The Contractor shall, with documents or secure storage media, simulate some or all of a full day's worth of CD-MMIS production processing. The documents shall represent typical situations. The Contractor shall demonstrate the ability to process the documents, from start to finish, within specified time limits. The Contractor, as directed by the Department, shall support the ASO Contractor's execution of other existing CD-MMIS processing, such as Management and Administrative Reporting System (MARS) and S/URS.
- b) The Department will require that the Contractor perform two parallel tests of the CD-MMIS before the Contractor begins CD-MMIS Operations with the startup of TAR processing ten (10) months and fifteen (15) days after CED. The FI Contractor shall conduct the first during System Testing while the second of the two parallel tests shall be conducted during Acceptance Testing. Testing will include all on-line applications for eligibility transactions and include Service Authorization Request (SARs) from special programs such as CCS/GHPP, Regional Center Consumers and all non-mainframe applications. The results of both tests shall be reviewed by the ASO Contractor and the Department and shall be utilized to assist the Department's Acceptance Test decisions on Contractor readiness for assumption of full operation of the CD-MMIS.

If either or both of these tests fail to show the Contractors are capable of processing claims in accordance with Contract requirements, with the same results as the current system or if the Contractors encounter problems, the test(s) shall be rerun until the ASO Contractor and the Department approve the results. The Contractors shall perform and analyze tests that shall each duplicate the prior Contractor's processing of one daily and one weekly cycle, including financial payment and checkwrite secure storage media generation. These tests shall compare the prior Contractor operation and Contractor operation at each stage of processing, i.e., compare output from at least each program in daily, weekly, and financial cycles.

- c) Assumptions:
 - i. Key Contractor staff from each organizational unit shall be allocated for this test.
 - ii. Sufficient Contractor staff of adequate CD-MMIS proficiency shall be available to ensure test completion within three business days. The

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Contractor shall be prepared to handle daily, weekly, and monthly volumes for evaluation purposes.

- iii. Sufficient computer hardware and support equipment shall be allotted to ensure rapid turnaround for this test.
- iv. The Contractor shall install parallel CD-MMIS files to perform the parallel tests.
- v. This test shall include automated processes.
- vi. This test shall be satisfied if completed on a timely basis as agreed to by the Contractors and the Department, and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.
- vii. The ASO Contractor shall compare the output of each test and determine any discrepancies that exist and the source of those discrepancies.

6) Security and Confidentiality Test

- a) The Contractor shall demonstrate how the Security and Confidentiality requirements contained in the Security and Confidentiality Plan and procedures have been met in their Security and Confidentiality Plan and shall show how developed procedures ensure Contract compliance. The Contractor shall visibly demonstrate, to the Department, the existence of these factors within the Contractor's facilities.
- b) Assumptions:
 - i. The Contractor shall prepare a comprehensive checklist and/or traceability matrix of factors from the Security and Confidentiality Plan.
 - ii. The Contractor shall provide walkthroughs to Department staff on all Security and Confidentiality factors, including, but not limited to, off-site storage of required documents and Business Continuity and Disaster Recovery facilities.
 - iii. The Contractor shall provide a facility tour to demonstrate all visible security factors for Department staff.
 - iv. The Contractor shall apply corrective action(s) to any Security and Confidentiality factors the Department determines to be inadequate.
 - v. This test shall be satisfied if completed on a timely basis as agreed to by the Contractor and the Department and Department evaluation shows that expected results were achieved. The Department may repeat this test if results are not satisfactory.

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j. Acceptance Test Evaluation Response

Initiate the methodologies and procedures for tracking SVRs and RICs to identify each problem/deficiency identified during the Acceptance Testing Period. The report shall include appropriate information to identify where the problem occurred and explain differences between expected and actual results.

- 1) The Contractors shall provide a written response to each SVR/RIC within two business days unless otherwise approved by the Department.
 - a) The response shall include:
 - i. A summary analysis of the SVR/RIC;
 - ii. Programs which are affected; and
 - iii. A time frame for correction and resolution of each problem.
 - b) The Department shall:
 - i. Review and approve/disapprove the proposed resolution; and
 - ii. Determine the priorities for the system corrections.
- 2) All deficiencies found during Acceptance Testing shall be corrected prior to the start of CD-MMIS Operations which begins with the startup of TAR processing ten (10) months and fifteen (15) days after CED, unless otherwise approved in writing by the Contracting Officer. The Contracting Officer will review those deficiencies caused by the incorrect computer applications of policy. If any of these deficiencies are determined by the Contracting Officer to be a Department responsibility, the Systems Group shall make the correction and recommence the System Testing process. Otherwise, the Contractor shall be responsible for correcting the deficiency.
- 3) The Contractors shall, at the Department's option, be required to repeat specified Acceptance Tests as a result of modifications applied by the Contractor in the resolution of SVRs/RICs.

k. Acceptance Decisions

- 1) Prior to the start of Contractor operation of the CD-MMIS, which begins with the startup of TAR processing, the Department will use Acceptance Test results to determine if the Contractors are ready to begin claims processing. If the Contractors are not ready, Acceptance Testing and Contractor corrective actions shall continue. If, in the Department's judgment, the Contractors are not ready to begin claims processing, claims processing shall

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be delayed for whatever period of time is needed for the Contractors to pass Acceptance Testing.

- 2) Written Department approval of Contractors' readiness for assumption of claims processing shall be provided to the Contractors prior to the assumption of claims processing.
- 3) After the Department's decision, the Contractor shall notify providers through Department-approved provider bulletins about the Department's decision and submission requirements.

34. Assumption of CD-MMIS Operations Execution

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

a. Assumption of CD-MMIS:

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

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b. Overlapping Processing Timeframes

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

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

c. Startup of TAR Processing

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

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

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

d. Contractor Responsibilities

The Contractor shall:

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

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- 6) Develop procedures regarding enrollment/disenrollment of providers into the direct deposit and Electronic Data Interchange (EDI) - optional programs, including procedures required to verify the provider's technical ability to comply with the EDI requirements;
- 7) Receive, one business day prior to the assumption of claims processing under this Contract, any processing residual TAR and TAR-related inventory from the prior Contractor. The Contractor shall describe how it shall uniquely identify this residual inventory, such as flagging the system and recording a new date of receipt for cycle time calculations. The date of receipt from the prior Contractor shall be used as the beginning date for calculating cycle time. This residual inventory shall include, but not be limited to, the following:
 - a) TARs entered into the system and still in process;
 - b) Incomplete Clinical Screening transactions;
 - c) RTDs awaiting key entry to the system;
 - d) NOAs requesting reconsideration of denied line(s) or extension(s) of time; and
 - e) CIFs (TAR Tracers).
- 8) Ensure transfer of electronic images for TARs from the prior Contractor to the Contractor also occur one business day prior to the assumption of claims processing activities;
- 9) Identify duplicate requested services authorized by both the Contractor and the prior Contractor during the TAR processing overlap, and provide to the ASO Contractor to take appropriate action to resolve the duplication of NOAs. Ten (10) weeks after CED, the Contractor shall design and submit for Department approval a weekly report listing each duplicate authorization and the provider(s) requesting services. Beginning ten (10) months and fifteen (15) days after CED and continuing through month nineteen (19), the Contractor shall produce the weekly report and submit to the Department for review.

The report shall at a minimum contain the following elements:

- a) DCN;
- b) Provider Name and Number;
- c) Beneficiary Name;
- d) Date(s) NOAs issued; and
- e) Date NOA canceled.

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- 10) Assist providers who are submitting documents to the incorrect Contractor or who are having difficulty determining who has the document.

e. Assumption of Claims Processing

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

- 1) The assumption of claims processing task shall commence on the first day of the thirteenth (13th) month after CED and end with the completion of Takeover which shall occur no earlier than the fifth day of the nineteenth (19th) month following CED (ending concurrently with the completion of Runout Processing of the prior Contractor's Contract and the completion of the transfer of residual inventory and file transfer);
- 2) On the first day of assumption of claims processing, a date-of-service transfer of claim/NOA processing responsibilities and functions shall occur from the prior Contractor to the Contractor. Claims/NOAs for services provided on or after the first day of the thirteenth (13th) month following CED, shall be processed by this Contractor. The determination of which Contractor shall process a claim/NOA with multiple dates of service(s) shall be made based upon the latest date of service on the claim/NOA as defined in below. Split billing of claims/NOAs by providers shall not be required. At the end of the Assumption Period (the completion of the prior Contractor's Runout Processing Phase), residual inventory, regardless of date of service, shall be transferred from the prior Contractor to, and processed by, the Contractor;
- 3) During the Assumption Period, the transfer of claims processing responsibilities, for services rendered on or subsequent to the specified period shall be handled by the provider submitting the claim to a Contractor Post Office Box. This process shall be facilitated by a daily physical transfer of claims/tapes/records between the prior Contractor and the Contractor. Part of this process shall include the Contractors providing the prior Contractor with weekly processing information including, but not limited to, adjudicated claim history, claim receipts, provider information and updates to the Provider Master File (PMF). After the completion of Runout Processing by the prior Contractor, and through the prior Contractor's Contract Closeout Period, the Contractors shall continue to provide claims paid data to the prior Contractor for ACSLs with a date of service prior to the first day of claims assumption. The Contractor shall be required to provide adequate staff to sort documents, support and handle such courier/transfer services;
- 4) For a claim/NOA with a single date of service, if the date of service is on or after the first day of claims processing, the Contractor shall process the document even though the service was authorized by the prior Contractor;

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- 5) For a claim/NOA with multiple dates of service, if at least one date of service is on or after the first day of claims processing, the Contractor shall process the document, even though the services were authorized by the prior Contractor;
- 6) Processing responsibilities for claims which are not NOAs with dates of service prior to, on, or after the first day of claim processing:
 - a) Services rendered prior to the first day of claims processing are part of the prior Contractor's underwriting responsibility but shall be processed by the Contractor.

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- 7) As part of the payment reimbursement process, the Contractor shall bill the Department weekly on a cost-reimbursement basis. The Contractor shall include as a part of the invoice a report of essential adjudicated claim service line (ACSL) and month of service (MOS) data.

The report shall:

- a) Be a weekly CP-0-052 report or equivalent;
- b) Only reflect those services paid which occurred prior to the first day of claims processing and are part of the prior contractor's payment liability;
- c) Be submitted starting with the first payment cycle after assumption of claims processing responsibilities nine (9) months after contract effective date and continue through the end of the prior contractor's Contract Closeout period; and
- d) Ensure the format for this report be designed and submitted to the Department for review and approval four (4) months after contract effective date;

- ~~78~~) All administrative payments to the Contractor for claims/NOAs with dates of service prior to the startup of claims processing shall be made through the document bid rates; and

- ~~89~~) Starting the first day of the nineteenth (19th) month the Contractor shall process all claims/NOAs regardless of date of service.**

f. Duplicate Payment Procedures

The Contractor shall:

- 1) Check for duplication of payment for claims and NOAs, and payment of procedures with service limitations, which were submitted to and processed by both the Contractor and the prior Contractor. If the prior Contractor has paid for the same procedure with the same date of service or if both the Contractor and the prior Contractor have paid for a procedure which has service limitations and fails the history cross check after receipt of processing

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data from the prior Contractor, the Contractor shall recover the money from the provider. This process shall include, but not be limited to, the following consideration:

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

- 2) Submit Duplicate Payment Report formats to the Department and the ASO Contractor for review and approval six months after CED;
- 3) Produce a weekly report within the first check write after assumption of claims processing continuing through month nineteen (19) which identifies each duplicate payment; each procedure which fails the history cross check because of service limitations; the action taken by the Contractor to recover the payment(s); and the amount to be recovered from the provider. The report shall, at a minimum, contain the following elements:
 - a) DCN;
 - b) Provider Name and Number;
 - c) Beneficiary Name;
 - d) Procedure Code;
 - e) Date of Service;
 - f) Date payment made by the prior Contractor;
 - g) Date payment made by Contractor;
 - h) Amount Paid by each Contractor;
 - i) Amount to be recovered from provider; and
 - j) A remarks area that can be used to indicate the method of recovery, etc.
- 4) Work with the ASO Contractor to design monthly Duplicate Payment Recovery reports to report money recovered previously paid by the Department. The report format shall be submitted to the Department for review and approval six months after CED and contain at a minimum the following elements:
 - a) DCN;
 - b) Provider Name and Number;
 - c) Beneficiary Name;

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- d) Procedure Code;
- e) Date(s) of Service;
- f) Date payment made by Contractor;
- g) Amount Paid;
- h) Total Amount Recovered and Redeposited; and
- i) Date of Report.

The report shall be produced on a monthly basis after the startup of claims processing and through month nineteen (19); and

g. Provider Check Processing

The Contractor shall accept prior Contractor issued checks from providers and establish procedures to redirect to the ASO Contractor for processing.

35. Transfer of Remaining CD-MMIS Responsibilities

- a. The Contractor shall take over from the prior Contractor all other operational activities. Responsibilities to be transferred include, but are not limited to, the processing of residual inventories; the physical transfer and receipt of inventory from the prior Contractor; maintenance and retrieval of all Contract-required records (see Exhibit A, Attachment II, Records Retention Requirements), claims history and accounts receivables; and the processing of all inquiries, appeals, RTDs, telephone calls, and returned mail. (Hard copy claims documents shall only be transferred for claims not entered and those claims where there is no image. The Contractor shall pick these up from the prior Contractor.)
- b. Beginning the first day of assumption of claims processing the Contractor shall produce S/URS reports, and beneficiary history reports (see Exhibit A, Attachment II, Reference File Subsystem and Surveillance and Utilization) utilizing history created under the prior Contractor's current Contract. The Department will transfer, and the Contractor shall accept and install, all S/URS support files and S/URS History Files. The Contractor shall indicate on each history record the data that was created under this Contract, rather than that created under the prior Contractor's current Contract. The remainder of the Contractor's reports shall be produced using only data generated by the Contractor. MARS and other reports begin with the startup of TAR processing and shall be produced using only the Contractor's data.

These responsibilities shall be transferred for all claim types on the fifth day the prior Contractor's Close-Out Period.

- c. Additional Responsibilities

Exhibit A, Attachment I
Scope of Work- Takeover

During the assumption of CD-MMIS Operations, the Contractor shall:

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

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

d. CD-MMIS Forms

- 1) Accept, for processing, any CD-MMIS forms printed by the prior Contractor or its subcontractor and submitted by a provider. The Department will transfer, for use by the Contractor, any forms owned by the Department. The Contractor shall print, imprint, and store claim forms, CIFs, RTDs, TARs, NOAs, radiographs, envelopes, claim billing envelopes, and any other forms needed by providers to bill the Contractor. (Exhibit B, Attachment I, Special Payment Provisions, specifies which forms are cost reimbursable);
- 2) Ensure utilization of the CD-MMIS claim forms used by the prior Contractor and procedures to modify claim forms and other documents.

36. Takeover Completion

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

- a. Complete implementation of all plans required in the Takeover section of the Contract and written approval from the Department;

Exhibit A, Attachment I
Scope of Work- Takeover

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

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