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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;
- 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.

\*\*

- 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

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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;

8) 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

98) Starting the first day of the nineteenth (19<sup>th</sup>) month the Contractor shall process all claims/NOAs regardless of date of service.\*\*

f. Duplicate Payment Procedures

The Contractor shall:

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

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- 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;
  - 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

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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

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.

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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;
- 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.

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- e) **\*\*Checks and\*\*** Explanation of Benefits (EOBs) to provider;
- f) Check write summary data;
- g) Balancing Reports;
- h) Paid claims history file;
- i) Management reports;
- j) S/URS reports;
- k) CDR;
- l) Various Financial Reports;
- m) Manual (MN) Reports; and
- n) Beneficiary Treatment Authorization Requests Notification Letters.

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

**5. Components:**

## a. Document Management

The FI Contractor shall be responsible to accept and apply system edits and audits to ensure accurate preparation for the processing of TARs, claims, and other documents by both the ASO and FI Contractor as applicable (Submission on paper or via electronic transmission).

The Contractor shall:

- 1) Scan documents and attachments into digital format;
- 2) Perform manual prescreening functions;
- 3) Use of Optical Character Recognition to enter data into CD-MMIS;
- 4) Perform all CD-MMIS data entry edits;
- 5) Provide automated indexing system;
- 6) Assign unique identifying number; and
- 7) Certify new EDI providers and validate their ability to submit electronically.

## b. Claims Processing

Contractor shall initiate the batch processing cycle to electronically process all claims received from Medi-Cal Dental providers as well as dental providers of the

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Child Health and Disability Prevention (CHDP) Gateway, CCS, GHPP and Regional Center Consumers; pursuant to requirements of the Claims Processing Subsystem section of the Contract. Claims/NOAs requiring manual review, CIFs, and TARs shall be processed by the ASO Contractor while the FI Contractor shall ensure proper system adjudication of the auto-adjudicated claims/NOAs.

The Contractor shall:

- 1) Ensure that all input is timely and accurately captured;
- 2) Maintain and apply Department approved CD-MMIS edits and audits;
- 3) Batch process all claims/NOAs and ensure that timely payment to providers is in accordance with program policy and procedures, established reimbursement rates, and State/federal statutes and regulations;
- 4) Batch process TARs in accordance with program policy and procedures, State, and federal statutes and regulations; and
- 5) Ensure final adjudicated claims data is moved to the financial processes for the creation of payment files **\*\* [and provider checks](#) \*\***.

**\*\*[The Department intends to transfer responsibility for issuing provider payments to the State Controllers Office \(SCO\). When the transfer of responsibilities is complete, the Contractor will be responsible for the electronic transfer to the SCO of all files and documentation necessary for the SCO to produce and issue provider payment and as well as all reporting needs required by Exhibit A, Attachment II, Claims Processing Subsystem in the FI Contract.](#)\*\***

For additional detail pertaining to the Contractor's responsibilities regarding claims processing and maintaining of all claims data in CD-MMIS, refer to Exhibit A, Attachment II, Claims Processing Subsystem in the FI Contract.

c. Enhancement and Maintenance of all CD-MMIS

The Contractor is required to utilize managerial and staff resources that possess extensive Medicaid and dental services business knowledge to perform system activities mandated by the Contracting Officer during the term of this Contract.

The Contractor shall:

- 1) Employ a SG to design, develop, and implement Department required modifications to CD-MMIS and supporting non-mainframe systems and provide technical support;
- 2) Apply updates to all tables, files, manuals and code;
- 3) Maintain all computer operating systems and/or equipment;
- 4) Have responsibility to work with the ASO Contractor to provide complete descriptions in the system design documentation. Contractor requirements for each of these subsystems are outlined in both ASO and FI Contracts in

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- c. Ensure any computer systems or technologies employed by the Contractor to support the ASO Contractor Provider Services operations have the capability to be expanded and/or upgraded in anticipation of new programs or program expansions that are likely to occur over the term of this Contract. The systems/technologies must be compatible with the Contractor's and the Department's standards for hardware and software configurations; and
- d. Oversee all telecommunication hardware and software for proper working condition for the ongoing operations of the ASO Contractor Customer Services activities related to the CD-MMIS.

**14. Additional Contractor Responsibilities**

- a. Work in partnership with the ASO Contractor to coordinate and conduct training seminars for providers regarding federal and State statutes, regulations, policies and procedures related to the Medi-Cal program, including claim issues, and recommend to the Department improvements to increase provider satisfaction and participation in the program;
- b. Compile separate daily logs and files of all correspondence inquiries and provider appeals. Upon request, provide to the Department access to daily logs and files. The daily log shall include at a minimum the number of appeals or inquiries received, listed by provider specialty, category of questions asked by providers, and actions taken. Daily logs and files shall be maintained for the term of the Contract and are subject to the requirements in Exhibit A, Attachment II, Records Retention Requirements; and
- c. Perform operational tasks affected by the implementation of the HIPAA Transaction and Code Set Final Rule.

**15. Department Responsibilities**

The Department shall:

- a. Develop and provide guidance on Medi-Cal Dental policy related to Provider Services and its functions;
- b. Review and approve system modifications and implementation plans related to the improvement of customer service provided by the Medi-Cal Dental Program;
- c. Review and approve modifications that provide for the registering of billing intermediaries. In cases where the Department denies or modifies any aspect of the modifications, the Contractor shall be directed to make the updates as deemed necessary by the Department;
- d. Monitor the PMF and subsequent CD-MMIS reports of billing intermediary services;
- e. Review and approve all EDI materials prepared by Contractor prior to distribution;
- f. Determine all policy related to the registration, modification, and/or withdrawal of billing intermediaries;
- g. Review and approve all material distributed to providers;

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- h. Participate in consultations with providers and provider associations; and
- i. Review and approve any modifications to the provider suspense notification of TAR explanation codes created for TARs "In Process."

**D. CLAIMS PROCESSING SUBSYSTEM**

**1. Overview**

The Claims Processing Subsystem is an integrated manual and automated system to process Treatment Authorization Requests (TARs) and claims received from Medi-Cal dental providers as well as dental providers of the Child Health and Disability Prevention (CHDP) Gateway, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), Regional Center Consumers and other claims as required by the Contract or those added at a later date by the Department.

- a. In this subsystem, TARs are either approved as submitted, approved as modified, or denied. The only exception is a Notice of Authorization (NOA) that has been returned by the provider requesting reconsideration of previously denied or modified lines. These requests may be referred to as TAR re-evaluations and will be processed by the Administrative Service Organization (ASO) Contractor. The TAR re-evaluations may have been preceded by a Resubmission Turnaround Document (RTD) resulting in a NOA being issued.
- b. Claims for payment are either approved as submitted and prepared for payment, approved as modified and prepared for payment, or denied.

Throughout this Contract the term "claim" is used to refer to claims as well as to NOAs returned for processing as claims resulting from a previously approved TAR. The NOA is generated by California Dental Medicaid Management Information System (CD-MMIS) when a TAR is fully adjudicated. The NOA notifies the provider of the actions taken by the Contractor which is either to approve, modify, or deny. Once the authorized services have been rendered, the provider completes the NOA by adding service dates, provider signature or initials and returns the NOA to the Contractor as a claim for processing.

- c. The provider may submit a claim or NOA for services as a request for payment to the Fiscal Intermediary (FI) Contractor by two methods:
  - 1. Submission of a standard paper claim form or in the form of a returned NOA. When the service is performed, the NOA is completed and returned back to the FI Contractor.
  - 2. Submission of a claim via Electronic Data Interchange (EDI).
- d.. The Claims Processing Subsystem is central to all functions of the CD-MMIS and interfaces with all other subsystems.
- e. The five major functions of claims processing to be carried out by the respective Contractor are as follows:
  - 1. Document Control – FI Contractor

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2. Data Entry – FI Contractor
3. File Maintenance –ASO Contractor
4. Adjudication – ASO Contractor
5. Payment Processing – FI Contractor

## 2. Objectives

The Claims Processing Subsystem has specific objectives designed to reflect the intent of the subsystem and to meet the most current federal and State requirements. The Contractor shall ensure that the CD-MMIS supports the following functions:

- a. Ensure all input is timely and accurately captured and positive control is maintained throughout processing;
- b. Maintain document control. All activities must be reflected on appropriate CD-MMIS reports with each Document Control Number (DCN), Most Recent Document Control Number (MRDCN), Correspondence Reference Number (CRN) or other identifying number, and each Document Control Center (DCC) location with date of DCC entry to ensure a complete audit trail and to meet all reporting requirements;
- c. Maintain CD-MMIS to ensure appropriate system processing of claims and ensure timely payment to providers is in accordance with the most current program policy and procedures, established reimbursement rates, and federal and State statutes and regulations;
- d. Maintain CD-MMIS to ensure appropriate system processing of TARs for approval, modification, or denial in accordance with the most current program policy and procedures, federal and State statutes and regulations;
- \*\*  
e. Ensure final adjudicated claims data is moved to the financial process for the creation of payment files.
- e.f. Create a check write invoice, along with supporting documentation to be submitted to the appropriate state agencies (e.g.; DHCS accounting, State Controller's Office (SCO));
- g. Ensure checks issued to providers for payment of approved services are generated and mailed along with the corresponding Explanation of Benefits (EOB's);
- f.h. Ensure reimbursements to providers are rendered promptly and correctly;\*\*
- g.i. Ensure proper resources are available to assist the ASO Contractor Surveillance and Utilization Reports (S/URS) unit to detect overutilization, underutilization, and potential abusers of the Medi-Cal Dental Program; and
- h.i. Maintain CD-MMIS certification and all data necessary to meet the needs of other subsystems; satisfy the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and other legal requirements; and maintain required audit trails.

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### 3. Assumptions and Constraints

- a. There are two Contracts under the currently proposed model of the Medi-Cal Dental Fee-For-Service (FFS) program - one pertaining to the ASO Contractor and one pertaining to the FI Contractor. These two Contractors are expected to work in concert with each other to perform all activities associated with the requirements of claims processing during the term of the Contracts;
- b. The Contractor is required to perform all activities associated with the operation of CD-MMIS and related systems and ensuring the processing of all documents during the term of the Contract. These responsibilities are defined throughout this Contract;
- c. The Contractor shall support the proprietary Claim/TAR form until the American Dental Association (ADA) claim form is phased in as the primary form. The proprietary dental forms will be phased out and providers will be given a grace period to use existing inventory contingent on the timeline for system modifications. The Contractor shall follow requirements set forth in Exhibit A, Attachment II, Administrative Support for Contract Changes and Exhibit A, Attachment III, Change Requirements;
- d. Application of the whole document concept is applied in the processing and payment of claims/TARs/Claim Inquiry (CIFs). Each document is processed as a whole; however, each service line is reviewed and adjudicated separately;
- e. Providers, including out-of-state providers, must submit all requests for authorization of services, inquiries, and claims on Department-approved forms;
- f. Provider and recipient data in the Provider Master File (PMF), Fiscal Intermediary Access of Medi-Cal Eligibility file (FAME), and all supporting files accessed by the Claims Processing Subsystem will be accurate and timely;
- g. Eligibility verification for claims processing shall reference against the Department's FAME file and information associated with the Eligibility Verification Confirmation (EVC) file;
- h. Comply with the Current Dental Terminology (CDT) code set standard adopted pursuant to HIPAA for dental services which is maintained by the ADA. The Contractor shall monitor for new versions and shall be responsible to implement latest releases;
- i. Ensure code set compliance under the most current provisions of HIPAA;
- j. All documents requiring manual review, TARs, NOAs, RTDs and CIFs will be processed by the ASO Contractor. For additional information refer to ASO Contract, Exhibit A, Attachment II, Claims Processing Subsystem;
- k. All electronic media documents shall be maintained by the Contractor and shall comply with the most current EDI standards adopted pursuant to HIPAA and in accordance with Department approved formats and specifications; and
- l. The Contractor shall execute the weekly check run cycle. Payment files are \*\*used\*\* by the FI Contractor for the issuance of provider warrants.

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\*\* The Department intends to transfer responsibility for issuing provider payments to the State Controllers Office (SCO). When the transfer of responsibilities is complete, the Contractor will be responsible to adjust all claims processing processes and/or procedures to implement the electronic transfer to the SCO of all files and documentation necessary for the SCO to produce and issue provider payment as well as any reporting needs specified by the Department. \*\*

#### 4. General Responsibilities

The Contractor shall:

- a. Ensure Medi-Cal dental policy, as determined by the Department, is consistently applied to all claims/CIFs/TARs. Policy is interpreted through utilization of the Department-approved edits/audits. All Department-approved processing requirements must be maintained in the Suspense and Error/File Maintenance Processing Manual and the Professional/Paraprofessional Adjudication Manual (PPAM) and all other related manual(s) to assure consistent policy application;
- b. Maintain and utilize Department approved CD-MMIS DCCs to house claims/TARs/CIFs, and specifically defined suspense locations. All DCCs used for claim/TAR/CIF processing shall have a name; however, this will not preclude the Contractor from establishing DCCs for special processing, as approved by the Department. All Contractor-elected DCC changes shall be submitted to the Department for review and approval prior to implementation. The Contractor will implement DCC changes upon request/approval of the Contracting Officer. DCC specifications shall be included in the System Detail Design;
- c. Perform document management activities. Oversee the processing of all incoming mail on a daily basis;
- d. Ensure CD-MMIS continues to process claims and related documents; applying edits and audits to each document to final adjudication;
- e. Through maintenance and utilization of CD-MMIS, the Contractor shall track, record, and report all activity for each claim or TAR from receipt through final processing to include the update to the adjudicated claim history files. This tracking includes the identification of all RTDs, appeals, CIFs, or any adjustments related to each claim or TAR. This shall include the documentation of each DCC location and date as the document moves through the system. This tracking system shall also provide a history of all edits and audits where the document has failed;
- f. Ensure that appropriate Contractor staff with relevant knowledge, skills, and qualifications attend and actively participate in the Department's Dental Policy Advisory Group (DPAG) to resolve claim/TAR processing problems and to address changes in dental technologies within the Claims Processing Subsystem. Problem resolution may occur through development of or revision to program policies, as well as proposing new and/or modified edits/audits, etc. that are necessary to adjudicate claims/TARs in an accurate and consistent manner. The Contractor shall not rely on the informal decisions reached at DPAG meetings since all resulting decisions and/or directions will be communicated, in

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- 3) Reevaluation - The provider is seeking re-consideration of a previously denied claim.

### 18. Payment Responsibilities

The Contractor shall produce and process **\*\* [check write](#) \*\*** payment files on a weekly basis containing claims processed to full adjudication. The Contractor shall print and mail **\*\* [provider checks and](#) \*\*** EOB documents to the appropriate providers. This shall include, but is not limited to, providing the following:

a. Check write Process

- 1) Separate payment files submitted to the Department summarizing all payment activity during the previous month for the different programs. Check write shall be processed on a fifty-two (52) week annual schedule;
- 2) A pre-check write process to hold claims based on criteria established by the Department that have been approved for payment during the current week. Prior to processing through the financial subsystem and being placed on the payment file, these claims are analyzed for possible fraud and unusual billing pattern by the ASO Contractor's S/URS unit. Claims selected for this hold and are approved for payment in the weekly process may then be sent through normal processing in the financial subsystem no more than a week later;
- 3) Claims in pre-check write hold may be redirected to suspect hold at the direction of the Department. The Department may request these claims go to payment or internally deny. Until either action is taken, the Contractor reports to the Department all claims residing in suspect hold on a weekly basis;
- 4) Hold payments during time of budget impasse based on Department direction;
- 5) Ensure that the payment files are accurate prior to [generating the check write invoice](#);
- 6) Process, prepare, and maintain all **\*\* [check write](#) \*\*** functions at the Sacramento facility ~~-\*necessary for check write completion by the SCO at the Sacramento facility\*~~, unless specifically exempted by the Contracting Officer;
- 7) Prepare **\*\* [the check write invoice](#) \*\***(s) in Department specified format and delivered to **\*\* [DHCS accounting and](#) \*\***SCO according to the Department approved check write schedule;  
**\*\***
- 8) [Ensure the check write invoice and all supporting documentation be delivered for the approval and signature of the designated Department officials by Department approved schedule. In cases where a scheduled delivery day is a State holiday, delivery shall be the following State work day by 8:00 AM PT.](#)  
**\*\***
- 9) In the event of problems with file accuracy or readability, provide a corrected file no later than one calendar day after notification by the Contracting Officer.

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~~\*Payment files are transmitted to the SCO using Secure File Transfer Protocol (SFTP). The SCO performs a series of edits to the payment files;\*~~

- 10) Produce hard copy and electronic EOBs including full narrative descriptions of all messages corresponding to printed EOB denial and/or adjustment codes;
- 11) ~~\*Produce and deliver to the SCO a file to~~ \* Facilitate the direct deposit of payment and electronic media EOBs to providers requesting direct deposit;
- 12) Notify the providers via the EOB of the status of any and all claims that have been suspended in the system for eighteen (18) calendar days or more. The first notification shall occur on the EOB that immediately follows the eighteenth (18<sup>th</sup>) calendar day of suspension and shall continue to be shown on the EOB until final adjudication is reached;
- 13) Allow resolutions to restrictions prior to payment, such as overpayments, improper payments, liens, and levies, and process all accounts receivable activity;
- 14) Provide and maintain all necessary data for maintenance of the adjudicated claim history file (ACHF) daily;
- 15) Maintain and update the accounts receivable system as described in the Financial Management Manual;
- 16) Ensure capability to convert any negative balance(s) to an accounts receivable (A/R) prior to the next check write. A negative balance occurs when a provider's obligation to the Department as a result of adjustments, overpayment collections, etc., exceeds the total payment due to the provider for a given check write. Upon establishment of the A/R, the Contractor shall initiate a 100 percent (100%) withhold against payment for claims, or the percentage of the payment that will clear the A/R. The Department may, at its discretion, alter the percentage of withhold against the provider's claims payment;
- 18) Process retroactive rate changes in accordance with Department-approved policies and procedures and as directed in DOILs; and
- 19) \*\*Ensure delivery of the payment information from the Contractor's office to appropriate entities such as the Department of Health Care Services (DHCS) Accounting Office, and -SCO in accordance with the Department-approved check write schedule.\*\*

\*\* The Department intends to transfer responsibility for issuing provider payments to the State Controllers Office (SCO). When the transfer of responsibilities is complete, the Contractor will be responsible to adjust all claims processing processes and/or procedures to implement the electronic transfer to the SCO of all files and documentation necessary for the SCO to produce and issue provider payment as well as all reporting needs specified by the Department.\*\*

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b. Interim Payment Process

The Contractor shall ensure CD-MMIS capability to accurately process and maintain records for interim payments. Interim payments are normally those payments made to providers for unpaid claims that have been in the system for thirty (30) calendar days or more due to Contractor or Department errors, or for paid claims affected by retroactive changes.

- c. Process all adjustments and correct all related file/records within thirty (30) calendar days of receipt of the provider's returned payment/check.
- d. Forward all returned warrants and/or payments received from providers to the ASO Contractor within twenty-four (24) hours of receipt.
- e. Generate payment(s) in accordance with the actual FFS costs limited to the maximum allowable listed in the Scheduled Maximum Allowance (SMA) for claims, the Omnibus Budget Reconciliation Act of 1986 and the Immigration Reform and Control Act of 1986, (OBRA/IRCA).
- f. Provider Federal 1099 Information
  - 1) Produce and distribute the yearly provider Federal 1099 information. The Contractor shall produce this information on the appropriate 1099 forms and distribute to the provider, the Internal Revenue Service (IRS), California Franchise Tax Board (FTB), the Department, and any other designated party.
  - 2) Produce and distribute by April first the annual Provider Vendor Earnings 1099 Report (for the prior year) to the Department of Justice (DOJ) and the Department's Audits & Investigations (A&I) Division. This report requires updating on a yearly basis; updates vary based on tax rules.

**19. Cycle Time Requirements**

The Contractor shall comply with the most current federal and State statutes and regulations as specified in Exhibit A, Attachment I, Takeover, Exhibit A, Attachment II, Operations, Exhibit A, Attachment III, Change Requirements, Exhibit A, Attachment IV, Turnover and Runout Requirements, Exhibit D(F), Special Terms and Conditions, and Exhibit E, Additional Provisions.

Timely processing of documents by the Contractor is of critical importance. The Contractor shall ensure the system performs all activities associated with the operation of CD-MMIS and related systems to process all documents within the performance requirements defined throughout this Contract. The Contractors shall be evaluated on a monthly basis for payment of cycle time performance standards. The FI and ASO Contractor's each have a role in ensuring cycle time standards are met. As detailed in Exhibit E, Additional Provisions, if a Contractor's delay or failure to timely perform an obligation under the Contract was caused, in part, by the a Contractor's failure to perform an obligation under the Contract, liquidated damages will be apportioned in an amount proportionate with each Contractor's culpability, as determined by the Contract Officer, for the delay or failure to timely perform.

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- a. Support the process and final adjudication of all claims/NOAs, except those that are in Prior Authorization or Special Claims Review (PA/SCR), within an average of twenty (20) calendar days from receipt by the Contractor to check write/EOB date;
- b. Support the process and final adjudication of ninety percent (90%) of all claims/NOAs within twenty-five (25) calendar days and ninety-nine percent (99%) within fifty-five (55) calendar days from receipt by the Contractor to check write/EOB date;
- c. Generate and send an RTD for ninety percent (90%) of all claims/NOAs/TARs, which require additional information or correction to establish the validity of the claim/NOA/TAR, to the provider within twenty-five (25) calendar days and ninety-nine percent (99%) within thirty (30) calendar days with a twenty (20) calendar-day average. The time claims/NOAs/TARs are in the following document control locations are excluded from the RTD processing calculation: State review, SOC recycle, FAME recycle, and claims affected by a processing problem/error as defined in Claim/TAR Adjudication Responsibilities;
- d. Ensure that the number of claims/NOAs held for processing over thirty (30) calendar days shall not exceed nine percent of total claim/NOA inventory. Also ensure one hundred percent (100%) shall be processed within ninety (90) calendar days. Inventory is defined as non-adjudicated claims/NOAs in suspense and in "in process" DCCs, including daily receipts and daily cycle approved claims/NOAs. All claims/NOAs are considered in the inventory until the check write/EOB date; and
- e. Priority process claims as described in Claim/TAR Adjudication Responsibilities within seven calendar days of receipt of the Department's request.

## 20. Processing Requirements

This section defines performance requirements. The Contractor shall:

- a. Scan the form documents, capture, and validate all documents to include Claims, TARs, CIFs, and any remaining returned RTDs from Takeover to an electronic format within one business day of receipt by the Contractor.
- b. Assign a DCN, CRN, MRDCN, or other identifying number to each of the following documents whether received on hard copy or as electronic media documents: Claim, TAR, any remaining returned RTDs from Takeover, CIF, appeal, and supporting attachments(s) indicating date of receipt within one business day of receipt by the Contractor;
- c. Clearly identify claims/TARs on the Pended Claim History File and make available a record of one hundred percent (100%) of all claims/TARs within seven calendar days of receipt by Contractor;
- d. Within five calendar days of receipt, reenter into the system one hundred percent (100%) of all suspended claims/TARs that had been forwarded to the Department for resolution, and returned;

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

## **21. Treatment Authorization Request (TAR) Purge Requirement**

The Contractor shall:

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

## **22. Claims Processing Subsystem Reports**

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

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

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

## **23. Document Retrieval Responsibilities**

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

## **24. Department Responsibilities**

The Department shall:

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

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- vii. Participate in communication and collaboration with Stakeholders including, but not limited to California county agencies, providers, and beneficiaries;
- viii. Develop written procedures for following up on the results of the QA/QMI Program/UM Program activities to determine success of system modification implementation;
- ix. Provide written results on the system activities of the QA/QMI Program/UM Program regarding the operation and performance to determine success of implementation;
- x. Document actions taken and follow-up efforts on the results of the QA/QMI Program/UM Program activities to determine success of implementation; and
- xi. Modify the plans in the areas that fail to meet the Department's desired goals/outcomes. The Department may provide the Contractor with a model plan and/or the Contractor shall modify the plan based on the discussions with the Department.

## 12. Payment Files Review Prior to Check Production

The Contractor shall:

- a. Ensure the payment process is accurate prior to \*\* issuing checks to providers. \*\* | This may include submitting the payment file through a series of edits/audits to detect errors;
- b. Perform a quality management review of each payment file to detect errors in payment not detected in routine processing including the pre-checkwrite function;

QM review shall include the use of computerized reports to detect potential errors, including payments in excess or under allowable amounts and payments in excess of established amounts as defined by the Department, and manual review of all exceptions to determine if they are in error;

- c. Notify the Department of any errors prior to the release of \*\* checks \*\*. For claims found to be in error, identify the error in a Problem Statement (PS), reprocess the claims, and make adjustments as necessary. Processing times shall be the same as those specified for Weekly Check write Reviews, as follows:

### 1) Adjustments

#### Weekly Check write Reviews

- a) To minimize the delay in issuing the payment \*\* to a provider \*\* when the Contractor retains payment records for review and/or lists claims, the Contractor shall reschedule for payment. The rescheduled payment shall be made either within seven business days or by the next check write following the date the Contractor notifies the Contracting Officer, whichever period is shorter;
- b) All corrections and rescheduling of corrected provider payments shall be completed within thirty (30) calendar days of notification to the

**Exhibit A, Attachment II**  
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Contracting Officer, unless additional time is granted by the Contracting Officer. When the Contracting Officer grants additional time, and within three business days of the approval notice, the affected provider(s) shall be notified in writing of the claims in question; and

- c) Upon completion of the corrections and rescheduling within thirty (30) calendar days, the Contractor shall notify the Contracting Officer in writing of the completed transaction(s). Where extended time has been authorized, the Contractor shall again notify the Contracting Officer in writing of the completed transactions by the end of the extension period or completion of corrections and rescheduling of provider payments, whichever occurs first. All notices shall include date(s) of completion and rescheduled payment(s).

2) Returned Checks

The Contractor shall forward all repayments submitted by providers (e.g., offset for overpayment received from an outside source) to the ASO Contractor for processing. Refer to ASO Contract, Exhibit A, Attachment II, Operations, Claims Processing and ASO Contract, Exhibit A, Attachment II, Operations, Quality Management.

3) Erroneous Payment Corrections (EPCs)

The Contractor will work with the ASO Contractor to correct all erroneous payments to providers and adjust its records regardless of the cause or the source of the erroneous payment. Other adjustment requirements are described in Claim Payment Responsibilities.

PSs related to EPCs will be submitted to the EPMO by Department or Contractor staff unless the Department determines that immediate action is required and submits the PS directly to the Contractor's SG for action. The QM Operations of both the FI Contractor and the ASO Contractor shall have responsibility to coordinate and validate all PSs related to EPCs. For additional information, refer to Exhibit A, Attachment III, Change Requirements.

4) Liability for Overpayment

The Contractor is liable to the Department for unrecoverable overpayments and any associated administrative expenses. Unrecoverable overpayments are erroneous payments caused by the Contractor where the Department and the Contractor are unable to collect. The Department considers unrecoverable overpayments a situation whereby the overpayment cannot be collected from the provider due to the Contractor's negligence or inaction.

\*\*

- [d. Prepare to implement the Department's intention to transfer responsibility for issuing provider payments to the State Controllers Office \(SCO\). When the transfer of responsibilities is complete, the Contractor will be responsible to adjust all quality management processes and procedures to ensure the accuracy of the electronic transfer to the SCO of all files and documentation necessary](#)

**Exhibit A, Attachment II**  
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[for the SCO to produce and issue provider payment as well as all reporting needs required by Exhibit A, attachment II, Claims Processing.](#) \*\*

### 13. Trend Analysis Reports

The Monthly Quality Management Performance Reports shall include reports identifying process-oriented error trends and proposed system process improvement recommendations. The reports shall be based upon data collected from PS notices, Monthly Quality Management Performance reviews, federal and State audit reports, and internal audits.

The reports shall contain:

- a. Ongoing trend analysis graphs to identify frequency of errors for the previous month's reporting period plus a cumulative analysis report of errors from the beginning of Systems Operations;
- b. Follow-up information from the prior month's PS correction notices and include system implemented resolutions to the recommendations;
- c. Identification of the specific process within the Contractor's Systems Operation that prominently contributed to the error's occurrence;
- d. Identification of all the system adverse impacts resulting from the defective process, and the extent of the adverse impacts (as quantified by number of errors, number of incorrectly paid claims, and amount of over- verses underpayments);
- e. Recommendation of system process and policy changes that would reduce recurrence of errors, and a detail of what would be involved to complete the change; and
- f. Ongoing status report of all system process error recommendations.

The Contractor shall generate trend analysis reports from CD-MMIS data to support the ASO Contractor's development of their Quality Management Performance reporting. Refer to the California Dental ASO Contract for requirements.

### 14. Professional Review Reporting

The Contractor shall generate the necessary system reports for the ASO Contractor to monitor the quality performance of all Dental Consultants and Clinical Screening Dentists. The reports shall support the ASO Contractor's findings recorded on the monthly Professional Review Performance Report commencing ninety (90) calendar days after the start of Operations. All Dental Consultants shall be reviewed monthly and Clinical Screening Dentists shall be reviewed on a semi-annual basis and reported on an individual basis. The Contractor shall provide the information necessary to identify each Dental Consultant and Clinical Screening Dentist by the name appearing on his or her California dental license.

### 15. Integrated Test Facility

The Contractor shall aid the Department in monitoring the system's accuracy. The Department will utilize live test transactions to aid and enhance monitoring of the

**Exhibit A, Attachment II**  
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scheduled as an optional program during State or Contractor employees' off-duty hours;

- I. Ensure Contractor staff training shall be organized and scheduled so as to minimize the impact the absence of the participants may have on their workload, their work unit(s) or the operations schedule;
- m. When individual or work group performance problems are identified through quality management review, Problem Statements (PSs), or other methods, identify the cause of the procedural error(s) and take immediate steps to correct staff performance through necessary training. Quality Management staff involved in the identification of the performance problem(s) will be available to advise and assist in the design and implementation of the remedial training plan; and
- n. Ensure adequate staffing to meet Contract requirements throughout the term of the Contract.

## 5. Training Plan

The Contractor shall:

- a. Include a workplan/schedule of the development, modification, and implementation of the training solution. Include activities, tasks and deliverables required to comply with the requirements outlined in this Contract. ;
- b. Include, but is not limited to, all business and technical function of CD-MMIS, scheduling of training courses for the user community throughout the State, determining lead times as to best practices to retain knowledge learned, measurement as to retention of lessons taken, and progress reports as to schedules achieved;
- c. Include major areas to be covered in the Contractor's comprehensive training for Contractor and Department staff, but not limited to:
  - 1) Administrative Support Services, including Enterprise Project Management Office (EPMO);
  - 2) Quality Management (QM);
  - 3) Security and Confidentiality procedures, including Privacy procedures;
  - 4) Mailroom, Pre-screening and scanning; \*\*
  - 5) Data Entry, including computer media, scanning, and Data Correction;
  - 5)6) Check write and Payment;
  - 6)7) Aid codes; and
  - 7)8) \*\*Each of the CD-MMIS subsystems plus all other dental programs' claims processing (e.g., California Childrens Services (CCS), Genetic or

**Exhibit A, Attachment II**  
Scope of Work - Operations

Genetically Handicapped Persons Program (GHPP), Detailed Design Specifications (DDS)).

- d. Provide hands-on training at terminals for the following specialized areas; including ongoing support and assistance:
  - 1) Electronic Report Management Master (Refer to Exhibit A, Attachment II, Operations, General Reporting Requirements);
  - 2) Document Management System;
  - 3) Data Element Dictionary;
  - 4) File Layout;
  - 5) Data Manipulation Language On-Line;
  - 6) File Aid;
  - 7) All Project Management and Reporting tools;
  - 8) Dental Managed Care database/datamart;
  - 9) All COTS tools used to support this Contract;
  - 10) CD-MMIS System Files, Programs, and Reports; and
  - 11) Other Contractor/Department of Health Care Services (DHCS) systems.
  
- e. The Contractor shall submit the yearly update to the Department for approval, with written notification of any changes or modifications to the training plan, within thirty (30) calendar days of the first day of the calendar year after the Contract Effective Date (CED). The Contractor shall update the training plan to address the following items, but not limited to:
  - 1) Training methodology and presentation modes;
  - 2) Description of tools/techniques to be used on an ongoing basis to design and upgrade dynamic training programs, continuing education, and on-going operations training to better serve the intended purpose and meet the needs of the participants;
  - 3) Identify all training subjects, goals, objectives and expected outcomes regarding what is to be accomplished;
  - 4) Sample copies of material(s) used in training sessions;
  - 5) Description of how student evaluations will be used to improve course content and presentations; including techniques to measure success as a result of the training;
  - 6) Pre-Test and Post-Test criteria;

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Scope of Work – Turnover and Runout

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

**1. Overview**

The purpose of Turnover services shall be to assist the Department in the transfer of the CD-MMIS to the Department or a successor Contractor.

**2. Objectives**

The objective of the Turnover Period is to ensure an orderly transfer of the CD-MMIS from the Contractor to the Department or a successor Contractor at the end of the Contract Operations Period (COP), or upon termination of the contract.

**3. Assumption and Constraints**

- a. Given the uncertainties associated with the Turnover activities that will take place at the end of the COP, the Contractor shall be flexible to changing requirements. Therefore, the order, timeline, or the structure of the Turnover process may be adjusted, canceled, or replaced with another project at the direction of the Contracting Officer from those required in this Contract. If any adjustments result in increased workload that is not compensated in the bid price for the Turnover period and its activities, Contractor reimbursement shall be adjusted by the Change Order process.
- b. The cost of completing all Turnover activities shall be borne by the Contractor as part of the Contract Turnover fixed price in accordance with Exhibit B, Attachment I, Special Payment Provisions.
- c. Turnover activities shall begin two and one-half years prior to the end of the COP, unless an earlier start date is indicated by the Department, and shall conclude at the end of the COP. Departmental exercise of its option(s) to extend this contract shall result in a delay of all Turnover activities for a commensurate period of time. The Department will work closely with the Contractor during this process and must approve all updates to the Contractor's Turnover approach and plans. All data and information provided by the Contractor as required by the Contract shall be accompanied by letter, signed by the Contractor's authorized representative or his/her designee, attesting that the supplied material(s) is/are current, accurate, complete and all confidential sensitive or protected health information has been redacted.
- d. Turnover activities of this Contract shall overlap with Takeover activities of the new/successor Contract. Within this exhibit the execution date of the new/successor Contract shall be referred to as the Successor – Contract Effective Date (S-CED)
- e. The Department may request certain Turnover documentation and/or Turnover functions to be performed before the Turnover Period commences. Requested items shall be provided to the Department and/or activities shall be performed within thirty (30) calendar days of the date requested, unless otherwise stated in writing by the Contracting Officer. Failure to comply with a request within the specified timeframe may result in payment being withheld.

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Scope of Work – Turnover and Runout

**4. General Responsibilities**

- a. The Contractor shall perform all contract obligations through the end of the COP.
- b. The Department will work closely with the Contractor during this process and must approve all updates to the Contractor's Turnover approach and plans.
- c. The Contractor shall maintain staff throughout the Turnover Period to satisfy and maintain compliance with all performance standards and requirements identified in Exhibit A, Scope of Work.
- d. \*\*The Department intends to transfer responsibility for issuing provider payments to the State Controllers Office (SCO). When the transfer of responsibilities is complete, the Contractor will be responsible to adjust all Turnover and Runout processes and procedures to ensure for the implementation of electronic transfer to the SCO of all files and documentation necessary for the SCO to produce and issue provider payment as required by Exhibit A, attachment II, Claims Processing.\*\*

**5. Turnover Services**

Turnover Services shall begin two and one-half years prior to the end of the COP and shall continue through the end of COP.

The Contractor shall provide the following Turnover Services to the Department for transfer of the CD-MMIS:

- a. Assemble a Turnover Management Team that shall be employed by the Contractor at the beginning of Turnover. The Contractor shall submit a letter to the Department identifying which individuals have been designated to serve on the Turnover Management Team.

The Turnover Management Team shall be responsible for Turnover project management and Turnover quality management activities. It shall oversee the activities, completion and implementation of all the Turnover tasks listed in the contract to ensure the tasks are performed in accordance with the contract requirements including, but not limited to, the assessment and update of CD-MMIS documentation, the submission of a Work Plan and the transfer of contract operations;

- b. Submit for the Department's written approval a detailed description of the methodology that shall be utilized by the Contractor to ensure the complete review, certification and acceptance of Turnover data received and transfer of all CD-MMIS documentation and contract-related correspondence as defined in Exhibit A, Attachment I, Takeover.
- c. Submit a Turnover Project Plan for the Department's approval. The Contractor's Turnover Project Plan shall include the requirements set forth in this Contract, and shall identify all tasks, deliverables and milestones necessary to complete the Contract termination and transfer of Contractor Operations process. The Contractor's Turnover Project Plan must include detailed tasks, deliverables and milestones for transitioning all work in-progress. In addition to addressing the tasks,

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deliverables and milestones associated with the Turnover process, the Contractor's Turnover Project Plan shall include, but not be limited to the following:

- 1) Work schedule of deliverables and milestones to be performed during Turnover. The structure of this work schedule must meet the detailed work schedule guidelines defined in Takeover (Exhibit A, Attachment I, Takeover, Takeover Project Plan);
- 2) Upon Department approval of the Turnover Project Plan, the Contractor must provide a baseline of the turnover work schedule. The baseline will be utilized to provide any variance(s) from the turnover work schedule;
- 3) Narrative describing each task, deliverable and milestone on the work schedule;
- 4) Scheduled monthly progress meetings or more frequently if required by the Contracting Officer, to be attended by Contractor and Department staff approved by the Contracting Officer;
- 5) Production of a monthly written progress report summarizing the progress meetings. This report shall be delivered to the Department within one week after each monthly progress meeting and include at a minimum the following items:
  - a) Identities and job functions of the attendees at the monthly progress meetings;
  - b) Agenda;
  - c) Description of any progress made on each task, deliverable and milestone including any variance from the baseline if applicable for that period of time;
  - d) Topics of general discussion at the monthly progress meetings;
  - e) Action items and decisions made at the monthly progress meetings;
  - f) List of all problems and issues encountered, risks identified and status of resolution of each problem, issue and risk (e.g. a corrective action plan for each problem, issue and risk and timeline for resolution);
  - g) Planned tasks, deliverables and milestones for the following two months;
  - h) Status of contractually defined tasks, deliverables and milestones scheduled in the Turnover Project Plan. The status shall include any baseline variances; and
  - i) Any other information required by the Department.

Reports shall be submitted for written approval monthly as part of the Monthly Deliverable Status (MDS) Report in accordance with the provisions of this contract.

In the event the Department disagrees with the conclusions provided in the Contractor's Turnover Project Plan, the Contracting Officer will provide a written

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

- 1) Schedule and listing of reports, files, and data delivered to the successor contractor;
- 2) Enumerated activities arranged by WBS#, with all major tasks, subtasks, and work packages clearly defined for each activity;
- 3) A narrative description and Gantt (or equivalent) Chart of all work to be performed by the Contractor during the Runout portion of the contract;
- 4) Provide a narrative description and organizational chart of Contractor staffing, by classification and area of activity, for the Runout Startup and Runout Processing periods;
- 5) A schedule demonstrating the proposed sequential organization of the transfer(s); and
- 6) Include specifications for Contractor preparation and distribution, to the Internal Revenue Service (IRS), State of California Franchise Tax Board (FTB), and providers, of the Contractor's annual 1099 Reports for all payments made **\*\* [to the provider.](#)\*\***

**b. Runout Startup**

The Contractor shall:

- 1) On the first day of Runout Startup, provide to the successor Contractor, via the Department, a minimum of one electronic copy of records for all documents (including TARs). The Contractor shall then on a daily basis provide the successor Contractor a copy of electronic records for all new documents received. This process shall continue through the last day of the COP;
- 2) On the fifteenth (15<sup>th</sup>) day of the first month of Runout Startup (two months prior to the assumption of claims processing), providers shall be given the option of submitting TARs to either the current Contractor or the successor Contractor based upon the following criteria:
  - a) TARs for which a provider may reasonably expect to receive Contractor authorization, and provide the service(s), prior to the claims date-of-service transfer date (the end of the COP), may be submitted to the current Contractor for processing; and
  - b) TARs for service(s) which a provider expects to render on or subsequent to the claims date-of-service transfer date may be submitted directly to the successor Contractor.
- 3) Cease processing TARs for services on a date-of-receipt basis beginning on the eleventh (11<sup>th</sup>) day of the last month prior to assumption of claims processing. From that point on, TARs or requests for reconsideration of denied lines received

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

- 11) Furnish to the successor Contractor, at the end of the COP, one accurate and complete copy of electronic storage media for all records retained by the Contractor in compliance with the requirements of Exhibit A- Attachment II, Operations, Records Retention Requirements section. This electronic storage media shall be included in the inventory transfer at the end of the COP.

**c. Runout Processing**

During the six month Runout Processing period, (which begins at the assumption of claims processing), the Contractor's obligations and liabilities shall be as follows:

- 1) Remain responsible for the processing and final payment **\*files\*** of all approved claims/NOAs for which ALL dates of service(s) are prior to the last day of the COP with the exception of claims/NOAs received:
  - a) With multiple dates of service(s) - the latest date of service(s) will be used to determine Contractor liability for **\*\*payment\*\***.
  - b) With at least one date of service rendered after the last day of the COP, and received by the Contractor, shall be forwarded to the Department or successor Contractor (as directed by the Department) no later than one business day after receipt of the document.
  - c) As a treatment plan, the latest date of service will be used to determine which Contractor will process that document for **\*\*payment\*\***. If at least one date of service is after the last day of the COP, the successor Contractor shall process that claim/NOA. As a result of this procedure, no provider split-billing between Contractors will be required.
- 2) Receive all data files from the successor contractor and shall update various files (such as the Provider Master File) needed to process claims. All residual unprocessed claims at the end of the six month Runout Processing period shall be transferred to the successor contractor in accordance with the transfer requirements of this Exhibit.
- 3) Keep the beneficiary service history file operative through the end of the Runout Processing period to properly process claims for dates of service prior to the claims date-of-service transfer date and shall produce all CD-MMIS reports.
- 4) Complete all daily, weekly, and monthly CD-MMIS reporting and all S/URS CD-MMIS reporting in process throughout Runout Processing in accordance with the contract delivery requirements.
- 5) Supply the successor Contractor with claims processing history including, but not limited to, beneficiary and provider history. The data shall be provided on a weekly basis, or as directed by the Department, for the entire Runout Processing period. Data provided to the successor Contractor during the Turnover period shall also be provided at the end of the Runout Processing period.