

**DOM OFFICIAL RESPONSE TO MS MES AND FISCAL AGENT SERVICES RFP QUESTIONS:
RELEASE DECEMBER 4, 2013**

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1	3	Appendix A, Contract Template	Article IV, Terms and Conditions - Various	<p>A review of the Contract Template in Appendix A and related RFP sections indicates that DOM is creating a substantial amount of financial risk for potential bidders that is atypical of an MMIS procurement. This high level of risk may cause potential bidders to decline from participating in this RFP. For example:</p> <ol style="list-style-type: none"> Over 70 SLAs are required with no monthly aggregate maximum penalty. Many MMIS contracts with large numbers of SLAs often define a monthly maximum penalty. This issue is addressed in more detail in Question 10 below. During DD&I, a total of 30% is with-held from contractor payments due to the 20% with-hold by phase, and the additional 10% with-hold for Certification. This 30% is not paid until after Certification. This level of financial with-hold through all of DD&I, and then the Certification period after go-live places a significant cash flow burden and related financing cost on the contractor. This issue is addressed in more detail in Question 9 below. The State's statute prohibiting limitation of liability combined with other provisions in the contract including breadth of the performance bond requirement, indemnification, liquidated and actual damages, other liabilities defined, and the requirement that the contractor pays for State attorney fees in actions to 	<ol style="list-style-type: none"> See response to Question #10 below. See response to Question #9 below. See response to Question #8 below. <p>DOM is mindful of the financial risk/exposure for potential Offerors and commits to work with the Offeror community to resolve concerns in a mutually agreeable manner.</p>

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				<p>enforce renders impossible a bidder's ability to fully assess financial exposure of the RFP. A related issue with respect to penalties is addressed in more detail in Question 8 below.</p> <p>Will DOM re-evaluate, to the extent possible by State law, the magnitude of financial risk being placed on potential bidders? Reducing the financial risk will encourage vendor participation in this procurement and allow more competitive pricing.</p>	
2	5	1.3.3 Procedure for Submitting Questions	1	<p>Questions are due to DOM by December 3, 2013, and DOM will provide written responses no later than January 29, 2014.</p> <p>Due to the impact of the State's answers to questions on submission requirements and Offerors' proposal responses, will DOM release answers to questions as DOM completes them during the period between November 15, 2013, and January 29, 2014, with the final answers being provided by January 29?</p> <p>Receiving answers as they are available before January 29 will better enable Offerors to complete RFP responses that meet the State's needs, on schedule, and allow Offerors to ask follow-up questions before the final question submission date of December 3.</p> <p>Or alternatively, would the State modify the question submission process to include two rounds of question and answer between December 3, and January 29?</p>	<p>DOM commits to respond to all Offeror's questions received by December 3, 2013 no later than January 29th, 2014. If responses to specific queries can be provided earlier than the specified response date, DOM will make every effort to post these responses as soon as possible.</p>
3	7	2.2. Medicaid	1	<p>In researching the Bidders' Library, we have unable to locate information critical to sizing and costing of the</p>	<p>This question remains under review.</p>

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		Eligibility Bidder's Library		<p>operations infrastructure.</p> <p>CALL CENTER. Will DOM provide a breakdown of the call center activities and volumes occurring currently? Statistics, such as the number of member and provider calls received and a breakdown of the call types, AVRS activity, and pharmacy calls for the last year, are necessary to ensure that Offerors scope the work to be performed correctly.</p> <p>CLAIMS VOLUME. We also note a possible discrepancy on the number of claims processed. The documentation provided indicates 30,878,609 claims processed annually, yet the number of paper and electronic claims (paid and denied) is 20,767,473. Will DOM explain what claim types account for the difference of 10,111,136 (30,878,609 minus 20,767,473) claims?</p> <p>MEMBER VOLUMES. In reviewing the RFP, we have found a discrepancy in the number of members being covered in Mississippi. Will DOM verify that the counts provided in Table 2-1 are correct and should be used to scope the work outlined in the RFP?</p>	
4	11	2.3 Currently Outsourced Services	1 and 2	<p>RFP Section 2.3 provides a list of outsourced service companies that have an agreement today with DOM to perform various activities outlined in the RFP. Should Offerors assume that any of these contracts will stay active between DOM and the contactor and not be included in the solutions presented in our proposals? In RFP Section 2.3.8, DOM provides the list of MITA services that are outsourced today and provided by a</p>	<p>Offerors should respond with solutions that are consistent with the requirements stated in the RFP for the MES and Fiscal Agent services. Only the responses that directly relate to the RFP requirements will be scored. However, DOM welcomes alternative ideas, concepts, and solutions to perform the range of services required by DOM for informational purposes.</p>

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				<p>contractor to DOM and further states: “The Offeror is requested to use this information to propose outsourced services that represent the best recommendations on outsourcing resources to maximize effective and efficient business processes performance, cost effectiveness, and ensures adherence to the MITA framework.”</p> <p>To confirm the State’s requirements to gain the functionality outlined in RFP Section 2.3.8, should Offerors:</p> <p>1) Provide for this functionality regardless of the contractors listed in RFP Section 2.3, or</p> <p>2) Assume the current contractors will continue to provide the functionality, or</p> <p>3) Propose a new mix of services provided by existing/new contractors and the Offeror.</p> <p>If DOM desires Option #3, how will DOM evaluate the various scenarios, from a technical and cost perspective?</p>	
5	24	2.6.7. Implement Functionality to Support National Initiatives	1	Is the current vendor implementing ICD-10 on schedule with the Federal mandated date of 10/1/2014 so that historical claims will reflect the correct diagnosis coding structure?	Yes.
6	62	7.1 Scope of Work	3	RFP Section 7.1 states: “Although DOM may allow the data center to be located offsite, the Contractor is	DOM’s goal is to ensure adequate Contractor staff is on-site during DD&I and M&O without causing the

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		Overview		<p>required to provide staff onsite in Jackson, Mississippi for design, development & implementation phases as well as operations.”</p> <p>During DD&I, it is common industry practice to have key leaders and team members onsite for critical design meetings, testing activities, and other client interaction while the actual DD&I work is done remotely.</p> <p>Since the DD&I teams for most vendors are located remotely, it would add significant cost to the DD&I to locate that entire staff onsite, at all times throughout the DD&I.</p> <p>Would DOM please clarify the onsite staff requirement for DD&I, to allow for DD&I to be performed offsite, provided that the key staff and team members are onsite for client interaction?</p>	<p>Contractor undue hardship or expense. Accordingly, DOM is providing guidance but ultimately leaves the onsite staff commitment to the Contractor’s discretion. In addition to the staff specifically identified in section 7.1, DOM expects the Contractor to provide an appropriate onsite presence to conduct, participate, and transcribe the activities of DD&I client facing activities, including but not limited to requirements finalization, JAD sessions, software configuration, solution demonstration, testing activities, data conversion mapping, change management, knowledge transfer, implementation, stabilization and certification. Further, an appropriate Contractor presence is expected during DOM normal weekly business hours to assist other project members with questions and clarifications that may arise from these activities. The Contractor’s onsite staff should at a minimum include technical and functional decision makers, team leads, senior analysts, and subject matter experts as appropriate to the work being performed during each phase of the project. The RFP states the expectations for dedicated onsite resources for the M&O phase. It is the responsibility of each Offeror to supply sufficient information to provide DOM evaluators an adequate understanding of the Offeror's planned onsite presence during each phase of the project.</p>
7	64	7.1.2. Additional Contracted	3	The RFP states: “The selected PMO, IV&V and Testing Management vendors will assist DOM in developing and implementing project monitoring procedures in	DOM intends to synchronize the scopes of work of any other additional contracted services (e.g. IV&V, PMO, Testing, etc.) with the MES RFP. Offerors should

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		Services		several areas, with final scope to be determined upon procurement of each vendor” {emphasis added}. To be responsive and scope the activities that the IV&V, PMO, and Testing Manager vendors will require of the MES Contractor to perform their contract requirements, will the scope of work required to meet those activities be negotiated during contract award?	leverage their past experience working with these types of contractors and/or projects during the preparation of their proposal response and adjust their project work plan/schedule and resources accordingly. The minor details of working with other contracted vendors will be a part of the outcome of successful contract negotiations.
8	9	Appendix A	Article IV.2.g	Concerning the Right to Penalties, the article states: If the Contractor’s failure to perform satisfactorily exposes DOM to the likelihood of contracting with another person or entity to perform services required of the Contractor under this Contract, upon notice setting forth the services and penalty, DOM may retain from the Contractor payment(s) in an amount commensurate with the costs anticipated to be incurred, as described above. DOM shall account to the Contractor for costs incurred and return any excess penalty to the Contractor. If the penalty is not sufficient, the Contractor shall immediately reimburse DOM the difference or DOM may offset from any payment(s) due the Contractor. The Contractor will cooperate fully with the supplemental Contractor and provide any necessary assistance to implement the terms of its agreement for services with the supplemental contractor. To accurately determine the level of risk the MES Contractor may incur, it is necessary to understand the current annual value of the existing contract with Xerox. Since the MES Contractor could be subject to	DOM makes its contracts available to the general public by posting the documents to the Transparency Mississippi website, which can be found at http://www.transparency.mississippi.gov/ . However, pursuant to Miss. Code Ann. § 25-61-9, third parties are granted an exclusion to the Public Records Act if they seek and obtain a court order protecting their records from release by finding said documents to be confidential and/or proprietary. While DOM has a duty to disclose its public contracts, that obligation is modified when an Offeror is granted protection by the courts. Accordingly, the Transparency Mississippi website contains the extent of information available for disclosure.

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				damages valued as the difference between the proposed price for operations and the cost of retaining the existing or supplemental contractor, a review of the current Xerox contract, all amendments, change orders, and invoices for the last two years is required. Will DOM publish these documents in the Procurement Library or otherwise make this information available?	
9	16	Appendix A	Article IV.6.a	<p>The current RFP payment schedule will amount to a contractor having 30 percent of their DD&I price withheld for a period that could extend a year or more past go-live due to a 20 percent withhold on DD&I payments, and an additional 10 percent associated with Certification.</p> <p>Would DOM consider revising the draft contract language in Appendix A to allow for the 20 percent retainage to be paid by DOM in a lump sum after the acceptance and approval of each DD&I Phase, on a schedule to be finalized during contract negotiations? This adjusted payment structure would be more aligned with the completion of the DD&I and Certification activities, and is more typical of an MMIS procurement. This structure also eliminates excessive financial carrying costs and risks to potential bidders.</p>	DOM is mindful of the financial risk/exposure for potential Offerors and commits to work with the Offeror community to resolve concerns in a mutually agreeable manner. DOM is willing to release 50% of the total retainage amount upon successful implementation and acceptance of the system, prior to achieving certification. Final terms of payment and retainage will be subject to contract negotiations.
10	1-13	Appendix P		The RFP Appendix P – Service Level Agreements (SLA) identifies over 70 individual SLAs grouped into 12 categories. All of the SLAs and categories are typical of an MMIS and fiscal agent operations; however, the penalty structure appears to be highly	The proposed Service Level Agreements contained within this RFP are consistent with the SLAs exercised under its current MMIS and Fiscal Agent contract. Final SLA terms and associated penalties will be subject to contract negotiations.

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				<p>punitive, due to the penalty percentage applied to each SLA and the additive structure of the penalties. When taken in the aggregate, nearly 50 percent of the fiscal agent's monthly operating invoice is at risk of penalty due to the additive structure of the penalties.</p> <p>A practice used by some states is to place a maximum percentage or maximum dollar value on the monthly penalty exposure. Placing a maximum on the SLA amounts discourages Offerors from reflecting the increased risk in their cost structure and pricing to DOM. Another option is to waive the penalties for a period of time after go-live while the new fiscal agent optimizes the MMIS performance and related operations.</p> <p>Will DOM consider placing a monthly cap on SLA penalties and/or waiving SLAs for a period of time immediately after the new system goes live, to allow for a stabilization period?</p>	
11	3	1.3	Table 1-1	<p>Many of the written questions received by DOM in response to this procurement may be relatively easy for DOM to answer. Would DOM consider releasing Q&A answers in stages as completed prior to the Jan 29th scheduled release date to allow vendors ample time to incorporate the answers into their responses of the proposal?</p>	Please see the response to Question #2 above.
12	3	1.3	Table 1-1	<p>Because of the complexity of the RFP, vendors may need additional clarification of the responses provided by DOM; would DOM consider adding at least one</p>	DOM will consider this request.

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				additional round of Q and A to the procurement timetable?	
13	41, 54 and 121	5.1, 5.18-5.20 and 7.11	Tabs 17-19	<p>Since the RFP contains about 5,000 individual requirements, an explicit answer to each requirement will result in a voluminous and potentially repetitive narrative response.</p> <p>1. Would DOM allow vendors to group related requirements together to minimize the potentially repetitive narrative?</p> <p>2. Would DOM confirm that responding to each of the matrices (Appendix M, N & O) meets the individual requirements of the RFP?</p>	As stated in the RFP, Offerors must provide narrative for the proposed solution. It is the responsibility of each Offeror to supply sufficient information to provide DOM evaluators an adequate understanding of how their proposal meets or exceeds each requirement. DOM welcomes creative options to expedite the evaluation process while maintaining the integrity of the RFP format/flow.
14	39	5.1	4th paragraph	Due to the large number of requirements in this RFP coupled with unlimited pages for the response, will DOM allow vendors to submit the proposal in its entirety on twenty searchable electronic tablets such as a Microsoft Surface, in lieu of the twenty hard copies plus one printed hard copy marked "Original", as indicated in the RFP submission requirements? We have found that an electronic submission provides a better medium for the evaluators to review the proposal in its entirety and is a benefit to reviewers.	This question remains under review.
15	57	6	6.4.2	The DDI process is defined as a 36-month activity. The State breaks the DDI into five distinct phases over the 36-month time frame. This breakout only provides for five payments during the three-year DDI portion of the project. Will the State adjust the payment schedule to	DOM is mindful of the financial risk/exposure for potential Offerors and commits to work with the Offeror community to resolve concerns in a mutually agreeable manner. Offerors are expected to submit Business Proposals that conform to the stated

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				allow for incremental progress payments within each phase so that the vendor can match payments with expenditures?	requirements of the RFP. DOM will agree to the addition of reasonable payment points/milestones subject to contract negotiations, provided that the proposed payment points/milestones conform to the overall phase restrictions detailed in the RFP.
16	Appendix A, page 16	6	6.a	The DDI process is defined as a 36-month activity. The State is retaining 20 percent of each of the five DDI payments until 90 days following CMS certification, plus an additional withholding equal to 10 percent of the amount that would otherwise be paid. This aggregate retainage amounts to 30 percent of the DDI revenue not being received by a vendor until Month 51 of the engagement, a result that ensures the chosen vendor will be working for four years and three months at a significant financial loss—assuming that CMS certification is even obtained 12 months after go-live. Will the State consider a modification to this requirement so that retainage can be released no more than 90 days following the completion of each phase of the DDI?	Please see the response to Question #9 above.
17	Appendix A, page 24	24	No Limitation of Liability	The contractual terms that the chosen vendor will be subject to contain no limitation of liability, nor do they limit or prohibit a claim for consequential, special, indirect, incidental, punitive, or exemplary damages. We understand that no State statute prevents the establishment of a liability limitation, so we respectfully request that the State consider establishing	DOM is precluded by State law from limiting the liability of potential and current vendors. Please refer to Article IV, Section 100 of the Mississippi Constitution. Furthermore, the Attorney General has issued a formal AG Opinion regarding the limitation of liability in state contracts known as the "Long" Opinion - See AG Op. No. 2009-00075 (2009 WL 572459).

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				a limitation of liability equal to one times the total contract value. Additionally, we request that the State consider prohibiting or making any consequential-type damages expressly subject to such limitation of liability.	
18	Various			It is unclear whether the State will entertain changes to the suggested terms and conditions. While certain provisions of the RFP suggest that the DOM will consider suggested changes that do not change the intent of the RFP, other provisions seem to imply that no changes will be entertained. It is understandable that DOM requires a set of services that are delivered pursuant to an anticipated set of terms; however, will the DOM consider reasonable changes to terms that pose a material challenge to a vendor's ability to provide the services equitably?	DOM is mindful of the financial risk/exposure for potential Offerors and commits to work with the Offeror community to resolve concerns in a mutually agreeable manner. As evidenced by the response to Question #17, there are certain requests that DOM cannot entertain as limited by the constraints found in state law. However, DOM is willing to negotiate the terms of the contract to the extent allowed by law providing that the interests of the State are not compromised. Offerors must address any requests to change contract terms or conditions in the Proposal Exceptions Summary Form as outlined in Section 5.1.1 of the RFP. Subsequent requests for contract changes not contained therein, will not be permitted.
19	02.1-23	Bidder's Library	2.4.2 Data Store	Bidder's Library's Narrative for the Architecture chapter of MMIS System Documentation references a Chapter 22 Data Warehouse regarding details on extract schedule and procedures but could not find in library. Will Chapter 22 be posted in the future?	The current fiscal agent has provided documentation related to the Data Warehouse extract file schedule and processes. This information may be accessed via the Bidders' Library: System Documentation > Architecture > DSS Extract Schedule and Procedures.
20	N/A	Bidder's Library	N/A	Are statistics available on current DSS users by functional role (e.g. executive vs. power) including	DOM's DSS/DW (Cognos) licenses are as follows: 10 IBM Cognos Business Intelligence Professional

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				number of users and query executions?	<p>Authorized User Licenses 55 IBM Cognos Business Intelligence Professional Author Authorized User Licenses 175 IBM Cognos Business Intelligence Advanced Business Author Authorized User Licenses 18 IBM Cognos Impromptu (accounting software) User Authorized User Licenses 240 Total DSS/DW Licenses</p> <p>Jan 1, 2012 - Dec 31, 2012 64,557 Queries Performed Jan 1, 2013 - Nov 21, 2013 45,914 Queries Performed</p>