

**DOM OFFICIAL RESPONSE TO MS MES AND FISCAL AGENT SERVICES RFP QUESTIONS:
RELEASE DECEMBER 20, 2013**

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21	1	1	2	The RFP encourages bidders to “propose comprehensive, innovative solutions that encompass any combination of all of the DOM’s currently outsourced services...” Because several of the currently outsourced services are beyond the scope of the RFP—such as provider credentialing—it would seem that the potential exists for apples-to-oranges pricing. How will the DOM score pricing for such alternatives to alleviate concerns around scope differences between bidders?	<p>Some of the currently outsourced contracts are set to expire during the MES DD&I phase. During an upcoming Question and Answer release, DOM intends to identify those services that will be addressed as part of the MES. How the Offeror’s solution accommodates the inclusion of these services will be assessed and scored as part of the evaluation process. The Offeror should provide any costs associated with the inclusion of these services.</p> <p>For outsourced services not included as part of the MES, DOM wants to gain an understanding of efficiencies that the Offeror’s proposed system may offer beyond the current process. DOM expects the Offeror to respond to requirements as they relate to outsourced services. These requirements will be evaluated but will not be individually scored. Associated costing for these services should not be included in the proposal but will be addressed by negotiation of a change order at proposed change order rates at the appropriate time.</p>
22	19-20	2.5.3	last	When do you expect the pilot to be conducted? What is the budget for the pilot? How many cards will be used in the pilot? How many locations would be	The Offeror’s proposal should not include costs related to Smart Cards. DOM will include Smart Card requirements in proposal evaluation but they will not

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				included in the pilot? How does this pilot relate to Requirement BESS4.01 in Appendix M?	be individually scored. The intent is to provide DOM's vision of the future, to obtain an understanding of the capabilities related to Smart Card technology, and to ensure the proposed solution does not preclude evolution to this technology.
23	19/43	2.5.3. & Appendix M	1, BESS4.01–BESS4.01.02	RFP Section 2.5.3 refers to a planned Smart Card pilot project. There are several specific requirements within Appendix M (BESS4.01–BESS4.010.02) that require Offerors to provide Smart Card/microchip technology as part of the proposed solution. These Appendix M requirements involve significant design considerations, including security and cost implications. Please clarify whether Offerors are required to produce Smart Cards with microchip technology as part of their proposals. Please clarify whether, per Appendix M BESS4.010.02, Offerors are required to provide the tools to allow members to view or access data stored on the card as part of their proposals.	Please see the response to Question #22 above.
24	19	2.5.3. Smart Card Technology for Medical Assistance Benefit Cards	1	The referenced RFP Section 2.5.3 states: "The Offeror should have the capability to provide an interface and integration strategy to allow seamless interoperability between the MES and the any future DOM Smart Card infrastructure and program." Based on the above requirement and the requirements in Appendix M (BE1SS51, page 32, [the Offeror] "Provides the capability to generate both initial and reissued Medicaid identification cards"), will the	Please see the response to Question #22 above.

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				Offeror need to propose the capability and include the costs to produce Smart Cards as part of the Medicaid identification card production?	
25	30	4.2	3	To verify that each vendor is bidding a qualified solution, please consider defining “actively pending CMS certification” as fully implemented, operational systems on which CMS certification application has been made.	The language in the RFP stands.
26	53, 74	5.14. Tab 13 – Work Plan 7.3.1. Scope		RFP Section 5.14 states: “Offeror should be aware of and knowledgeable about the CMS guidelines for Contractor cooperation and participation in federal Medicaid IT Enterprise Life Cycle System Development processes and requirements (a guide is referenced in Appendix K) that CMS is beginning to impose on MES replacement projects. Offeror must ensure that the proposed schedule, the proposed resources and the deliverables/milestones can accommodate the potential additional workload and CMS reviews.” RFP Section 7.3.1 states: “When developing the SDLC process, DOM expects the Contractor to use Enterprise Life Cycle (ELC) processes in accordance with CMS, with the goal of increasing project flexibility, enhancing project clarity, increasing project support, and creating more transparency and predictability. A more detailed guide of the phases, artifacts, and reviews can be found in Appendix K. The Project Work Plan must take into account the CMS-required gate reviews and	Offerors are requested to incorporate recommended deliverables and artifacts shown in Appendix K into their work plan and deliverables. Appendix K provides the most up to date Medicaid IT Enterprise Life Cycle Development process guidance; however, since this process is still being piloted by CMS, it is subject to change.

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				artifacts/deliverables under the CMS System Develop Life Cycle (SDLC) requirements.” Please confirm that the Offeror must incorporate into the work plan and deliverables all the recommended deliverables/artifacts shown in Appendix K’s graphic on page 55.	
27	60/3	6.5.3. & Appendix A, 2.a	1, 2	<p>RFP section 6.5.3 requires a Performance Bond or an Irrevocable Bank Letter of Credit. Appendix A, section 2.a states: “The bond must provide funds to DOM for any liability, loss, damage, or expense as a result of the Contractor’s failure to perform fully and completely all requirements of this Contract.”</p> <p>The breadth of a Performance Bond or Irrevocable Bank Letter of Credit (that it must provide funds for “any liability, loss, damage, or expense”) will substantially increase the cost of the bond. More importantly, the depth of the bond (i.e., 150% of DD&I total cost) is significantly greater than normally required in this market. For example, New Jersey’s recent MMIS procurement required a performance security of \$10 million. Neither Colorado’s nor West Virginia’s recent MMIS procurements included any performance bond.</p> <p>Would DOM consider reducing the Performance Bond or Irrevocable Letter of Credit to a smaller amount?</p>	<p>While the contractor brings the benefit of prior Medicaid experience to a project, each State has unique considerations. Historically, recruiting and retaining sufficient experienced and quality staff has been a challenge in Mississippi. The performance bond is one approach DOM can use to ensure that the MES contractor will remain focused on continually providing the best people, system and services to the State. After further consideration, DOM hereby amends Section 6.5.3 of the RFP as follows:</p> <p>DOM shall require a Performance Bond or an Irrevocable Bank Letter of Credit upon approval of a Contract pursuant to this RFP, as defined in Section 2.a of the Contract Template. The amount of the surety shall be equal to one hundred fifteen percent (115%) of the Total Cost for the DD&I phase and twenty percent (20%) of the annual operations price as finalized in the Contract resulting from this RFP response. The Written Dollar Amount shall not be reduced at any time during the period of the contract</p>

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					<p>without written agreement by both parties.</p> <p>The submitted Performance Bond(s) / Letter of Credit shall offer security to DOM in the amounts listed, at a minimum, as described below:</p> <ul style="list-style-type: none"> • One hundred and fifteen percent (115%) of the costs for all phases within the DD&I Phase (Planning, Design, Development, Implementation and Certification) as specified in the Offeror’s Proposal, Appendix G – Pricing Schedule, DD&I Sheet; and • The Operations Phase of the Contract in an amount equal to twenty percent (20%) of the annual operations price specified in the Offeror’s Proposal. <p>The Contractor shall secure and submit the DD&I performance bond prior to the Start Date of Contract negotiations and in the manner and form prescribed by DOM. The Contractor shall secure and submit the Operations performance bond upon CMS Certification and in the manner and form prescribed by DOM. The adequacy of the Performance Bond or Irrevocable Bank Letter of Credit will be determined at the sole discretion of DOM.</p>

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28	66	7.2.1 - Scope	2	<p>The RFP states the following: “During this phase [Project Initiation], DOM and the Contractor will develop a mutually agreed upon Project Work Plan and Schedule from the proposed Project Work Plan and Schedule, including the division of responsibility between DOM staff and the Contractor. It is understood by the parties that the Project Work Plan and Schedule must be in place prior to any other work being performed. Once this mutually agreed upon Project Work Plan and Schedule, which will identify specific time frames and deliverable target dates for this project, has been developed, it will be incorporated into the Contract (Appendix A) and made a part thereof.”</p> <p>Typically, other project initiation activities will begin while the Work Plan and Schedule are being refined. Please confirm that additional planning activities can occur during this timeframe; however, work for the next project phase—Design—will not begin until DOM and the Contractor finalize the baseline Work Plan and Schedule.</p>	<p>The Offeror's Work Plan and Schedule must be finalized during the first few weeks of the Project Initiation phase prior to commencing project work. The intent is that the DOM and MES contractor expectations are aligned prior to commencement of strategic or substantial work. DOM recognizes the Offeror’s financial and resource investment during project startup and will consider allowing certain planning activities to run concurrently with the Project Initiation phase with prior approval from DOM.</p>
29	80	7.3.2	1	<p>Please confirm that the list of plans required in 7.3.2. is for deliverables after contract award and not proposal deliverables.</p>	<p>Per RFP Section 5.6, Offerors are required to provide a description of the approach to producing the project management deliverables.</p> <p>DOM hereby amends Section 5.6 of the RFP to require one (1) set of sample of project management</p>

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					<p>deliverables that includes a Change Management Plan, Quality Management Plan, Test Plan, Human Resource Management Plan, Organizational Change Management Plan, and Communications Plan. Sample deliverables may be redacted deliverables from other state implementations.</p> <p>One (1) paper copy of the sample deliverables shall be provided as an Appendix to the Offeror's Technical Proposal in a clearly-marked binder that is separate from the Technical Proposal copies. Additionally, one (1) electronic copy of the sample deliverables shall be provided as a clearly-marked Appendix to the Offeror's Technical Proposal in a file that is separate from the electronic version of the Offeror's Technical Proposal.</p>
30	133	8.4.4	2	<p>RFP Section 8.4.4 states: "Three hundred (300) points will be awarded to the responsive Business Proposal with the lowest total price as stated as on Pricing Schedule A as the Total. Business Proposal scores will then be normalized to one another, based on the lowest cost proposal evaluated."</p> <p>The incumbent contractor will have substantial cost advantages over other Offerors in areas such as labor, facility establishment, installed hardware, and travel/relocation. To provide an equitable basis for cost scoring and promote fair competition for all Offerors, we recommend DOM reduce non-incumbent Offerors'</p>	<p>The evaluation approach outlined in Section 8.4.4 of the RFP stands.</p>

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				evaluated implementation price by an amount commensurate with the type of costs the incumbent contractor will not incur, for purposes of scoring the Business Proposal.	
31	7	Appendix A	2.e, paragraph 1	Please confirm that if one action by the contractor results in the potential application of multiple performance standards failures that the contractor will only be responsible for a single liquidated damage assessment.	The winning Offeror is expected to become a partner with DOM in the administration of MS Medicaid and thereby must commit to mutually agreed upon system performance standards. The SLAs are not intended to be punitive, but provide protection for DOM if the partnership and collaboration break down. The SLAs listed in the RFP reflect what is in place contractually today. Upon request of the Contractor, DOM has the authority to grant release of a missed SLA penalty on a case by case basis, based upon proactive management and communication by the Contractor during the incident. During contract negotiation, DOM is willing to consider alternate approaches to the cost impact of a single catastrophic event provided those exceptions and proposed alternatives are included in the Offeror's response. Additionally, the DOM will allow a system and resource stabilization period of up to 6 months post-implementation before SLA penalties will be activated.
32	54, 55	Appendix K	IT ELC Model Chart, Enterprise Life Cycle (ELC)	Appendix K provides Offerors with a view into the CMS Guide to Enterprise Life Cycle Processes, Artifacts, and Reviews, as of July 10, 2012. The chart on page 55 indicates whether an artifact is	Please refer to the response to Question #26 above. DOM confirms that this is the expected approach to

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			Chart	<p>Core or Recommended, as well as the iterative nature of these documents throughout the phases of the life cycle.</p> <p>For all Offerors to scope the same work and effort, please confirm that the MES Contractor must create the core and recommended deliverables—except those during ELC’s Initiation, Concept, and Planning Phase that are the State’s responsibilities—review them with DOM prior to CMS presentation, and participate in the CMS reviews/consults. These deliverables/artifacts are in addition to those defined in the body of the RFP and in the RFP Appendices.</p>	handling the ELC process. However, some of the deliverables/artifacts defined in the body of the RFP may be applicable to the ELC process.
33	45	Appendix M	BESS4.01	Providing Smart Card technology with the capacity to meet every element of this requirement may be cost prohibitive. Is it DOM’s intention to have the MES vendor provide Smart Cards to all Medicaid members as stated in this requirement?	Please see the response to Question #22 above.
34	45	Appendix M	N/A	Based on the requirement, DOM is seeking technology to provide an EMR for patients that can be stored on their ID card; also looking to leverage the card as a fraud detection tool. Based on the national movement towards ‘Blue Button’ technology, would DOM consider replacing the Smart Card/microchip technology with a ‘Blue Button’ solution? The requirement could state ‘Provide a “Blue Button” solution based on federal/CMS open source standards that allows Medicaid members to view, print,	Please see the response to Question #22 above.

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				download or share their health information with the click of a mouse on a blue-button icon on the member portal and/or via a mobile app'. This type of requirement would better position DOM with MITA and reduce the HIPAA risk of having members medical records stored on their ID card.	
35	45	Appendix M	N/A	If DOM alters the Smart Card/microchip technology to a 'Blue Button' solution, there is still the fraud portion of this requirement to satisfy. Based on the intent to prevent fraud, can DOM confirm the functionality being required is a process to validate that a member was physically present at point of service?	Please see the response to Question #22 above.
36	16	Appendix A	3	A 20% retainage tied to successful certification of the system by CMS will require vendors to defer significant project revenues for a lengthy amount of time. Industry experience is that CMS Certification can take up to 12 months following system go-live, and sometimes it can take longer than that, meaning that approximately 30% of payments for the DD&I phase of the project could not be received until well past 48 months into the contract term. Would DOM consider modifying the retainage approach to allow vendors to receive payments sooner in the contract?	DOM is willing to release the 20% retainage for each phase once the subsequent project phase is completed and accepted by DOM. For example, the full retainage amount held upon completion of the Project Initiation Phase will be released when the Contractor has successfully completed the Design phase with DOM acceptance. Final terms of payment and retainage are subject to contract negotiations. This response supersedes response to Question ID #9, released on December 4, 2013.
37	60	6.5.1	1	A bid proposal bond of 5% of the total contract value seems excessively high and is well above normal practice within the industry. We respectfully request	The RFP is hereby amended to require that a bid proposal bond or proposal guarantee must be submitted in accordance with the language in Section

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				that DOM reduce this amount so as not to negatively impact potential competition.	6.5.1 of the RFP in the amount of five percent (5%) of the total DD&I price , as specified in the Offeror's Proposal, Appendix G - Pricing Schedule, DD&I Sheet.
38	42	5.1.1	4	The RFP states that DOM can disqualify an Offeror's proposal or withdraw the award in regards to proposal exceptions. Can DOM please clarify the circumstances in which a proposal can be rejected due to a proposal exception?	The proposal exception section in this RFP is standard language for the State of Mississippi technology procurements. The exception process is in place to provide DOM insight into areas of concern to the Offeror and does not in and of itself constitute a reason for disqualification. DOM may consider disqualifying an Offeror's proposal response if the net result of the exceptions taken materially changes the intent or expected outcome of the RFP. For example, taking exceptions to all of the terms and conditions of the Contract or the majority of the Requirements may be considered grounds for disqualification.
39		Appendix O	TSESS01	This requirement seems to ask the Contractor to commit in advance to all changes that may occur in HIPAA Privacy and Security Regulations over the course of the contract. Since the future is unpredictable, how can we adequately scope and price such a requirement?	This requirement is meant to solicit the Offeror's commitment to keep their system current with HIPAA Privacy and Security Regulations over the course of the contract. DOM does not expect all CMS required enhancements to be performed at no cost. Depending on the expected level of effort, schedule constraints, and resource requirements, DOM may be willing to negotiate a change order.
40	37	4.9.2	1	We understand DOM's need to dissuade frivolous protests, however, the \$5,000,000 protest bond amount far exceeds industry norms. Would DOM	DOM hereby amends sections 4.9.2, 6.5.2 and 9.2.2 of the RFP to modify the protest bond amount to

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				consider lowering the protest bond amount to something more reasonable such as \$1,000,000?	\$2,500,000.