REQUEST FOR PROPOSALS

Medicaid Recovery Audit Contractors

RFP # 20101210

Contact:

Melanie Wakeland
Procurement Officer
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Phone: (601) 359-6286

Due Dates:

Questions & Letter of Intent
E-MAIL or MAIL or HAND DELIVERY
3:00 PM Central Standard Time, Friday, December 29, 2010

Answers Posted to Internet www.medicaid.ms.gov/bids.aspx
5:00 PM Central Standard Time, Friday, January 7, 2011

Sealed Proposals
MAIL or HAND DELIVERY ONLY
3:00 PM Central Standard Time, Friday, January 14, 2011

1.0 SCOPE OF WORK

1.1 PURPOSE

The State of Mississippi, Office of the Governor, Division of Medicaid issues this request for proposals (RFP) from responsible contractors for Medicaid Improper Payment Recovery Services to identify and facilitate recovery of improper payments made by the Mississippi Division of Medicaid. The proposed solution must support Medicaid fee-for-service claims.

Contracts may be awarded to one or more Contractors for specific recovery activities. Offerors may propose solutions and rate for each type of recovery as determined by the Offeror. The contract term for this effort will be April 1, 2011 to June 30, 2014 with a one year option to renew.

All payments for validated overpayments will be on a contingency fee basis. Contingency fee rates may not exceed the maximum Medicare RAC rate published by CMS. Underpayments will be paid on a flat fee basis equal to the same percentage rate identified for overpayments; however payments under this contract shall not exceed actual amounts recovered.

The Offeror should be proficient in performing medical payment error risk assessments, using efficient methods for claims error detection including computer algorithms to identify payment anomalies, handling large volumes of data, understanding control systems and weaknesses, and overpayment recovery.

Section 306 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), directed the Department of Health and Human Services (DHHS) to conduct a three-year demonstration program using Recovery Audit Contracts (RAC). The purpose of the demonstration program was to determine whether the use of RACs would be a cost-effective way to identify and correct improper payments in the Medicare fee-for-service program. Section 302 of the Tax Relief and Health Care Act of 2006 made the RAC program permanent, and required the expansion of the Medicare RAC program nationwide by no later than 2010. The Patient Protection and Affordable Care Act (PPACA) Sec. 6411(a), to be codified as amended in sections of 42 U.S.C., directed the expansion of the Recovery Audit Contractor (RAC) Program to Medicaid.

The recent proposed rule by CMS amends 42 CFR 455 Medicaid Program Integrity to add Subpart F Medicaid Recovery Audit Contractors Program that will implement section 1902(a)(42)(B). These provisions require States to establish Recovery Audit Contractor programs. States may contract with one or more RACs to audit Medicaid claims and to identify improper payments (underpayments and overpayments) and recover overpayments. Medicaid RACs shall be supplemental to Medicaid Program Integrity efforts already underway and should not duplicate or interfere with processes being conducted by DOM. Some of DOM's ongoing recovery efforts include medical and utilization reviews; fraud and abuse investigations; claims audits; and audits of cost reports.

1.2 PROCUREMENT APPROACH

The following timetable is the estimated and anticipated timetable for the RFP and procurement process.

December 10, 2010	Release RFP
December 29, 2010 (3:00 p.m. CST)	Deadline for Letter of Intent and Written Questions
January 7, 2011 (5:00 p.m. CST)	Response to Questions Posted

January 14, 2011 (3:00 p.m. CST)	Proposal Deadline
January 17 - 28, 2011	Evaluation of Technical Proposal
January 24 - 28, 2011	Oral Presentations and Demonstrations
January 29 - 31, 2011	Evaluation of Business Proposal
February 1 – 4, 2011	Executive Approval and Award of Contract
March 10, 2011	PSCRB Meeting (proposed)
March 11 - 18, 2011	Contracts Signed and Notarized
April 1, 2011	Contract Start Date

DOM reserves the right to amend the timetable in the best interest of DOM. Potential Offerors who have submitted letters of intent will be notified of any changes to this timetable.

1.2.1 Mandatory Letter of Intent

The Offerors are required to submit a Letter of Intent to bid. This letter will be due by 3:00 p.m. CST, December 29, 2010, and should be sent to:

Melanie Wakeland
Procurement Officer
Division of Medicaid
550 High St., Suite 1000
Jackson, Mississippi 39201

Email: melanie.wakeland@medicaid.ms.gov.

This letter shall be on the official business letterhead of the Offeror and must be signed by an individual authorized to commit the company to the work proposed. Submission of the Letter of Intent shall not be binding on the prospective Offeror to submit a proposal. However, firms that do not submit a Letter of Intent by 3:00 p.m. CST, December 29, 2010, will not thereafter be eligible for the procurement.

Prior to December 29, 2010, all RFP amendments will be sent to all organizations that request an RFP, and will be posted on DOM's procurement website, www.medicaid.ms.gov/bids.aspx. After December 29, 2010, RFP amendments will only be distributed to those firms submitting a Letter of Intent.

1.2.2 Procedure for Submitting Questions

Multiple questions may be submitted using the template at www.medicaid.ms.gov/bids.aspx. Written answers will be available not later than 5:00 PM CST, Friday, January 7, 2011, via DOM's procurement website, www.medicaid.ms.gov/bids.aspx. Questions and answers will become a part of the final contract as an attachment. Written responses provided for the questions will be binding.

Questions should be sent to:

Melanie Wakeland
Procurement Officer
Division of Medicaid
Walter Sillers Building
550 High St., Suite 1000

Jackson, Mississippi 39201

OR EMAIL: melanie.wakeland@medicaid.ms.gov
REF: RFP # 20101210

1.2.3 Proposal Submission Requirements

Proposals must be in writing and must be submitted in two parts: Technical Proposal and Business Proposal. The format and content of each are specified in Sections 5 and 6 of this RFP.

Proposals for this RFP must be submitted in 3-ring binders with components of the RFP clearly tabbed. An original and six (6) copies of the technical proposal under sealed cover and an original and three (3) copies of the business proposal under separate sealed cover must be received by DOM no later than 3:00 p.m. CST, on Friday, January 14, 2011. Any proposal received after this date and time will be rejected and returned unopened to the Offeror. Proposals should be delivered to:

Melanie Wakeland
Procurement Officer
Division of Medicaid
Walter Sillers Building
550 High St., Suite 1000
Jackson, Mississippi 39201

The outside cover of the package containing the Technical Proposals shall be marked:

REF: RFP # 20101210
Technical Proposal
(Name of Offeror)

The outside cover of the package containing the business proposals shall be marked:

REF: RFP # 20101210
Business Proposal
(Name of Offeror)

As the proposals are received, the sealed proposals will be date-stamped and recorded by DOM. The parties submitting proposals are responsible for ensuring that the sealed competitive proposal is delivered by the required time and to the required location and the parties assume all risks of delivery. No facsimile proposals will be accepted. The proposal must be signed in blue ink by an authorized official to bind the Offeror to the proposal provisions. Proposals and modifications thereof received by DOM after the time set for receipt or at any location other than that set forth above will be considered late and will not be considered for award.

1.3 PROJECT OVERVIEW

1.3.1 Major Tasks

Offerors should propose a solution to identify incorrect payments with limited State staff support. Offerors should propose:

1. Various methods and scenarios for Identification of Medicaid improper payments

2. Processes for validating improper payments identified, including providing assistance in resolving claims disputes

3. System for tracking and reporting of identification, verification, and recoupment processes

4. Reporting mechanism of Medicaid overpayments to be collected by DOM based on Contractor identification and verification.

Each of these major tasks must be accomplished and presented separately. The Contractor must demonstrate the accuracy and validity of each step.

Requirements of this RFP and possible resulting contract are subject to future changes by the Centers for Medicare and Medicaid Services (CMS). Offerors are encouraged to propose innovative solutions to meet or exceed the requirements of the RFP. All proposals must be consistent with current Mississippi Medicaid policies and limitations for covered services, provider types, state plan benefits, and federal and state law.

1.3.2 Non-Duplication of Effort

Proposed solutions shall not duplicate any current program integrity efforts. To ensure non-duplication of effort, Contractor shall not include claim reviews and recovery efforts performed by or in process by DOM staff, other DOM contractors, or other entities, such as CMS, OIG, CMS Medicaid Integrity Group, CMS Medicaid Integrity Contractors, Attorney General's Medicaid Fraud Control Unit, CMS Medi-Medi Program, IRS, and FBI. The Contractor will be required to cooperate with DOM and other entities. All instances of potential or actual fraud shall be reported to DOM Bureau of Program Integrity. Case files shall be returned to DOM and Contractor efforts shall cease upon DOM's request.

1.4 IDENTIFICATION

1.4.1 Work Plans

The Contractor shall identify improper payments based on work plans which shall be approved by DOM before work begins. DOM will provide claims extracts to include claims with dates of service January 1, 2008 or later. No claims prior to January 1, 2008 shall be included in audit recovery under this contract.

The Contractors work plan shall describe in detail each claim identification process. The work plan shall outline the various computer algorithms, predictive modeling and any other methods used for identification of improper payments. The Contractor is to present evidence of primary patterns identified and effectiveness of methods, including cost benefit analysis. The Contractor must also provide a Program Vulnerability Report at the beginning and end of this contract.

The Contractor shall identify specific improper billing practices, notify providers of improper billing practices, and recommend changes to prevent future improper payments. The Contractor shall provide expert support for correct payment principles and best practices.

In order to ensure non-duplication of effort and to maximize cost effectiveness, the work plan shall describe in detail the method of coordination with other entities. DOM reserves the right to modify the work plan, including time frames, mining criteria, exclusion of certain provider types, and exclusion of certain claim types.

Work plans shall be submitted for DOM approval for each calendar quarter during the contract period. Work plans should be submitted no later than thirty (30) work days prior to the beginning of each quarter. DOM will return the approved or modified work plan within fifteen (15) days of receipt from the Contractor.

The Offeror shall provide a detailed response to address each of the major tasks defined in this RFP.

1.4.2 Adjustment Process

When partial adjustments to claims are necessary, then the Contractor should down code the claim whenever possible. The Contractor will only be paid a contingency payment on the difference between the original claim paid amount and the revised claim paid amount
The Contractor must explain their sampling and extrapolation process.

1.5 VERIFICATION OF IDENTIFIED IMPROPER PAYMENTS

1.5.1 Verification Result Document

The Contractor shall develop electronic and manual procedures for verifying the accuracy of its identifications. The Contractor shall document verification process procedures in a manual, and update as needed. When completed, the Contractor shall present, for DOM approval, the full verification process and result document for each verified improper payment.

The verification result document shall include the original identification work plan, the verification process related to this work plan, proof of the overpayment, and source authorities used to determine the validity of improper payments. The Contractor must verify whether the beneficiary is liable for the overpayment which would indicate that the provider is without fault with respect to the overpayment.

DOM will interpret Medicaid policy in approving or rejecting the Contractor's identification work plans and verification results.

1.5.2 Clinical Review

It may be necessary for the Contractor to obtain medical records and perform a clinical review in order to sufficiently verify the improper payment. Obtaining medical records will be at cost to the Contractor. The Contractor and providers must adhere to federal and state medical necessity standards. Medical necessity criteria and guidelines are specifically outlined in DOM Policy Section 53.22. Medical necessity reviews are performed only in complex cases where automated review does not render a verification of overpayment. Clinical, medical, and utilization reviews of entities furnishing items and services for payment, must be conducted by certified clinicians/physicians as required by State and federal regulations. These reviews must be completed within 100 calendar days. According to Mississippi statute, adverse determinations must be rendered by a Mississippi licensed physician.

1.6 TRACKING AND REPORTING REQUIREMENTS

1.6.1 Case File Maintenance

The Contractor shall maintain a case file for every improper payment identified. This case file shall include all documentation concerning the improper payment, including description of all processes followed by the contractor, copies of all correspondence, and a log of all conversations held with the provider or other individuals or on behalf of the provider, including complaints. The case file may be electronic, paper or a combination of both. The case file shall be easily accessible and made available within 48 hours of DOM's request. At DOM's request or no later than fifteen (15) days after contract termination, the Contractor shall turnover to DOM all case files in accordance with DOM instructions. The Contactor shall not destroy any supporting documentation relating to the identification or recovery process.

The Contractor shall maintain a tracking system that provides live update information on all cases. The Contractor shall allow system access via the Internet to DOM staff or any designated agents working on its behalf for audit purposes. The system should track at the minimum the following information:

- Dates and statuses of identified improper payments
- Dates and types of Provider communications
- Dates and types of Provider Education
- Identification numbers for each case file and claim
- Other corresponding documentation (e.g. TCN Transaction Control Number)

1.6.2 Reporting and Contractor Invoices

Contractor invoices must be supported by data maintained in the tracking system. Invoices must be verifiable by DOM in order to authorize payment.

DOM will use the following reports from the Contractor data:

1. A report of all potential and outstanding improper payments for the month.
2. A report of all identified and verified claims and amounts for the month
3. A report of all demanded claims and amounts for the month by DOM, which Contractor will incorporate in report.
4. A report of all collections for the month by DOM, which Contractor will incorporate in report.

These reports will be available for download. Discrepancies must be notated along with supporting documentation. DOM will review data and invoices submitted by Contractor, and reimburse based on actual collections/recoveries.

1.6.3 Reporting Requirements

The Contractor shall be required to provide at minimum the following types of reports. The Offeror may make recommendations concerning additional reporting requirements.

1. An initial and final assessment of DOM's current landscape; development of a vision for future activities through 2014; identification of specific actions to be considered for implementation to reach future goals. This report is due at the end of the implementation phase and shall be revisited as part of the final reporting.

2. Meeting summaries for all meetings held with DOM.

3. Monthly Work Plan Progress Reports. Narrative reports specifying benchmarks, problems, and proposed solutions.

4. Report of Overpayments to include total dollar amount identified, number of claims involved, number of providers involved, amounts recovered, and percentage of recovery, and coding errors that do not equate to a difference in the payment amount.

5. Reports of Underpayments to include total dollar amount identified, number of claims involved, number of providers involved, amounts to be refunded and percentages.

1.6.4 Final Report

The final report shall include a synopsis of the entire contract project. This includes a final report identifying all amounts identified and demanded, all amounts collected and all amounts still outstanding at the end of the demonstration. It shall include a brief listing of all identification methods or other new processes utilized and their success or failure.

The contractor shall include a final assessment of the program, assessment of advantages or disadvantages encountered, and recommendations for future activities. From a contractor's point of view, the final report should determine if the contract was a success or failure and provide support for either opinion.

Abstract/summary of the final report shall be submitted four weeks prior to final deliverable due dates unless otherwise agreed upon. DOM staff will review materials and provide comments back to the contractor within 2 weeks, allowing 2 additional weeks for the contractor to make any necessary revisions. All data files and programs created under this project shall be the sole property of DOM and provided to DOM upon request in the appropriate format.

1.7 RECOUPMENT OF MEDICAID OVERPAYMENTS

DOM will pursue the recoupment of identified overpayments based on the Contractor's approved verification reports. After acceptance of the verification report, DOM will notify the provider in writing of the specific claim details and amount owed by the provider; as well as information concerning appeal rights available to the provider.

1.7.1 Adjustment Process

DOM uses recoupment, as defined in 42 CFR 405.370 to recover a large percentage of all Medicaid provider overpayments. Recoupment is the recovery of any incorrect payments or overpayments made by reducing present or future provider payments and applying the amount withheld to the indebtedness. Overpayments identified by the Contractor and demanded by DOM will also be subject to the existing withholding procedures.

In some cases providers will be instructed to forward refund checks to the appropriate DOM address. If the Contractor receives a refund check, the contractor shall forward the check to the appropriate DOM address, maintaining a front and back copy of the check in the appropriate overpayment case file.

1.7.2 Repayment through Installment Agreements

In certain cases, DOM will allow providers to repay amounts through installment plans. DOM shall have the ability to approve installment plans up to 12 months in length

1.7.3 Compromise and/or Settlement of Overpayment

The Contractor shall not have any authority to compromise and/or settle an identified or possible overpayment. Compromise requests shall be forwarded to DOM for determination and negotiation. The Contractor shall receive a contingency payment for the portion of principal that was recouped, providing that a demand letter was sent based on the Contractor's identification prior to the compromise and/or settlement offer being received.

1.8 CONTRACTOR PAYMENT

DOM will pay a percentage of all recoveries made in accordance with a DOM-approved Work Plans and the Contractor's Cost Proposal. The Contractor shall propose in its Business/Cost Proposal payment rates for various recovery activities.

Total fees paid to the Contractor include both the amounts associated with overpayments and underpayments. Due to statutory limitations, total fees paid must not exceed the amounts of overpayments collected. No specific or lump-sum payment shall be made by DOM for Implementation or Turnover Phase services. Costs for such services shall be encompassed in the Operations Phase.

1.8.1 Payment Methodology

All payments for validated overpayments/underpayments shall be paid only on a contingency fee basis as follows:

- Payment shall not be made on any interest collected.
- Payment shall not be made on amounts found later to have been originally paid correctly
- Payments shall not exceed the amount of recoveries made.
- The contingency fee may be no greater than the maximum fee paid to Medicare Recovery Audit Contractors.

1.8.2 Erroneous Issuance of Compensation

In the event compensation to the Contractor of any kind is issued in error, the Contractor shall reimburse DOM the full amount of erroneous payment within 30 days of written notice of such error. If payment is not made within 30 days following notice, DOM may deduct the amount from the Contractor's monthly administrative invoice.

1.8.3 Final Payment and Release

DOM will pay contractor when amount is collected. At the end of the contract period, the Contractor will receive a contingency payment for pending recoveries based on the percentage of identified amounts prior to the termination of the contract. This percentage will be calculated based on historical performance under this contract.

Upon final payment of the amounts due under this contract, the Contractor shall release DOM, its officers and employees from all liabilities and obligations whatsoever under or arising from this contract.

Payment to the Contractor by DOM shall not constitute final release of the Contractor. Should audit or inspection of the Contractor's records or client complaints subsequently reveal outstanding Contractor liabilities or obligations, the Contractor shall remain liable to DOM for such liabilities and obligations. Any overpayments by DOM shall be subject to any appropriate recoupment to which DOM is lawfully entitled. Any payment under this contract shall not foreclose the right of DOM to recover excessive or illegal payments as well as interest, attorney fees and costs incurred in such recovery.

1.9 SUPPORT DURING THE APPEAL PROCESS AND OTHER CONFLICT RESOLUTION

Medicaid Providers of services are given appeal rights for any adverse determinations including improper payments identified by the Contractor. DOM has an appeals process sufficient to handle appeals requests related to the Contractor's identification of improper payments, as stated

in DOM Provider Policy Manual, Section 7.06.

If a provider files an appeal disputing the overpayment determination and the appeal is adjudicated in the provider's favor at any level, the Contractor will not be paid a contingency fee until monies are recovered.

The Contractor shall provide support to DOM, or its designee in defense of the improper payment finding throughout all levels of the administrative appeal and in regards to any other litigation or dispute resolution. This includes providing supporting documentation (including the medical record) with appropriate reference to Medicaid statutes, regulations, manuals and instructions when requested; and court appearances. The Contractor shall provide assistance and attend any hearings associated with the overpayment when requested by DOM.

DOM will notify the Contractor of the appeal request and the outcome of each applicable appeal level.

1.10 PUBLIC RELATIONS, OUTREACH AND CUSTOMER SERVICE

The initial project plan shall include a section covering provider outreach. DOM will announce the use of the Contractor to the Provider community. All other provider/stakeholder education and outreach concerning the use of Contractor will be the responsibility of the Contractor. DOM shall approve all presentations and written information shared with the provider, beneficiary, and/or other stakeholders before use.

Contractor personnel shall attend any provider or stakeholder meetings when requested by DOM. Contractor personnel including the Contractor's project manager shall attend legislative or other governmental staff information sessions when requested by DOM.

The Contractor shall provide a customer service telephone line which shall be staffed by qualified personnel during normal business hours from 8:00 a.m. to 5.00 p.m. in the applicable time zone. All Contractor correspondence shall contain the customer service number.

The staff answering the customer service lines shall be knowledgeable of the Medicaid Improper Payment Recovery Audit program. The Contractor shall provide remote call monitoring capability to DOM personnel. The phone system must notify all callers that the call may be monitored for quality assurance and program integrity purposes. The Contractor shall retain a written report of contact for all telephone inquiries and supply it to DOM when requested.

The staff shall have access to all Contractor identified improper payments and shall be knowledgeable of all possible recovery methods and the appeal rights of the provider. If necessary, the staff person responsible for that overpayment shall return the call within 1 business day. The Contractor shall provide a translator or language line, with availability within 1 business day of the provider's original call.

The Contractor shall utilize a Quality Assurance (QA) program to ensure that all customer service representatives are knowledgeable, being respectful to providers and providing timely follow-up calls when necessary. The Customer Service QA program shall be described in detail in the proposal.

The Contractor shall respond to written correspondence within 30 days of receipt. The Contractor shall provide copies to DOM, of all correspondence indicating displeasure with the Contractor, within ten (10) calendar days of receipt of such correspondence.

The provider outreach plan should include a component on customer service and should be updated with the project plan, as needed. If the customer service plan is determined by DOM to

be inappropriate or ineffective DOM may stop work. A "stop work order" would be effective until DOM was satisfied with all improvements made in the customer service area.

1.11 INFORMATION TECHNOLOGY AND SYSTEMS REQUIREMENTS

The Contractor shall assure seamless coordination between other systems including, but not limited to the state's fiscal agent.

The Contractor shall have the capacity (hardware, software and personnel) sufficient to fully manage and report on the project described in this RFP. The Contract shall assume the costs associated with the transfer of data.

The Contractor shall pay for any charges associated with the transfer of data. This includes, but is not limited to, cartridges, data communications equipment, lines, messenger service, mail, etc. The Contractor shall pay for all charges associated with the storage and processing of any data or equipment necessary to fulfill this contract. The Contractor shall establish and maintain back-up and recovery procedures to meet industry standards. The Contractor shall comply with all DOM privacy and security requirements. The Contractor shall provide all personal computers, printers and equipment to accomplish the demonstration throughout the contract term.

The Contractor's information system must ensure system linkage throughout all Contractor departments and include a scalable database repository that supports large data sets and exponential growth in total database size over the life of the contract. The Contractor shall comply with the Health insurance Portability and Accountability Act (HIPAA).

The Offeror shall submit in their proposal data file formats and data fields available. DOM shall provide the Contractor with data files for claims paid during specific timeframes based on approved identification work plans. The Contractor will receive new data updates as they become available, monthly or quarterly.

The Offeror must demonstrate that it has the necessary resources, equipment and capabilities to fulfill the requirements of this RFP.

1.12 ORGANIZATIONAL CONFLICT OF INTEREST

The Contractor must demonstrate the absence of potential organizational conflict of interest. An actual, potential or apparent conflict may exist if a Contractor, through their parent company, subsidiaries or affiliates, has a relationship with a contractor performing claims processing, monitoring or auditing activities. The Contractor is prohibited from receiving contingency fees on claims processed by affiliates in which improper payments are identified. Offerors shall identify potential sources of conflict of interest and detail their plans to mitigate this conflict.

If DOM becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information to attempt to resolve the conflict. A Contractor with a suspected conflict of interest will have five (5) business days from the date of notification of the conflict by DOM to provide complete information regarding the suspected conflict. If determined by DOM that a conflict exists that cannot be resolved to the satisfaction of DOM, the conflict will be grounds for terminating the Contract. DOM may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.

1.13 STAFFING

The Contractor must provide a detailed Organizational Chart and Staffing Plan that includes the name, title, and duties of each key staff person. In the event that a key staff person is found

unacceptable by DOM based on performance of duties and deliverables, the Contractor will be expected to replace that staff person with a different individual who meets the required qualifications and is able to perform the required duties and comply with all contract requirements and deliverables. Replacement of any key staff person should be accomplished within thirty (30) days of the position vacancy, regardless of the reason for the vacancy, unless a longer period is approved by DOM.

The Contractor may not make any permanent or temporary changes in key personnel assigned to this Contract without DOM's prior written approval. DOM reserves the right to approve all key staff persons assigned to this Contract.

An in-person interview with DOM is required at least five (5) working days prior to the proposed start date of assignment of any key staff person to this Contract. Resumes and references must be submitted to DOM for review and approval at least five (5) working days prior to the in-person interview. At least three (3) professional references for each key staff person are required. Resumes must demonstrate that the individual has the educational background and work experience that meet the requirements and support the individual's ability to perform the duties of the position.

The Contractor must provide an updated Organizational Chart and Staffing Plan that identifies each staff person assigned to this Contract and update this Chart and Staffing Plan when there are changes in key personnel.

Staffing levels must be sufficient to complete the responsibilities outlined in this RFP.

1.14 KEY PERSONNEL

Offeror should propose key personnel for each type of claims review proposed. Key personnel for program operations may include the following:

1. Project Manager – This key staff person will be the person responsible for implementation of the contract requirements, including all deliverables for this phase. This person must have experience in project management in an Overpayment/Underpayment Recovery Program and must have a college or university degree in public health, public administration, hospital administration, nursing or business administration with a health-care emphasis. Individual must have general knowledge of Medicaid program, particularly coverage and payment rules, with relevant experience in managing complex projects, conducting audits of Medicaid providers, systems and personnel for at least ten (10) years, and relevant experience in conducting health care audits for at least five (5) years.
2. Data/Information Systems Manager – This key staff person will be responsible for developing and implementing all requirements related to hardware and software, data collection, information management, file transfers, and data coordination with DOM's fiscal agent. This person should be skilled and experienced with data systems in an Overpayment/Underpayment Recovery Program and be able to work with DOM and the fiscal agent to develop and implement a data and information systems plan for implementation and operations. This person must have a college or university degree in information systems management, computer science, business administration with emphasis in information systems management, or similar degrees that relate to the required job duties.
3. Customer Service Manager – This key staff person will be responsible for management of the customer service staff. This person must have experience in management and must have a college or university degree in business administration, public administration public health management or other related field.

4. Medical Director – This key staff person will be responsible for management of the physicians, certified coders, and other clinicians. This person must have experience in management of clinical review, and must have appropriate academic and clinical certifications. This person must be a Mississippi licensed physician, as required by Mississippi statute for adverse determinations. This key person must have relevant Medicaid experience in the health insurance industry, with a utilization review firm or a health care claims processing organization in a role that involved developing coverage or medical necessity policies and guidelines. The Medical Director must also meet the following requirements:
    - Education resulting in a receipt of doctor of medicine or doctor of osteopathy degree;
    - A current, active, unrestricted license (in one or more United States licensing jurisdictions) to practice medicine as a doctor of medicine or doctor of osteopathy;
    - Board-certification in a medical specialty and at least three (3) years of medical practice as a board-certified physician;
    - Public relations experience, preferably working with physician groups, beneficiary organizations, and/or congressional offices.

5. Medical Staff –Medical staff persons according to CMS guidelines include physicians, nurses, therapists, and certified coders. All duties must be clearly defined and responsibilities must be directly related to program operations and must conform with federal and state laws and regulations.

6. Audit Manager - Individual with relevant experience personally conducting audits of health care providers and directly supervising the work of other health care auditors. The Audit Manager shall have detailed knowledge of the Generally Accepted Governmental Auditing Standards and have at least three (3) years experience in conducting audits under those standards. The Audit Manager shall have working knowledge of the Medicaid program and have detailed knowledge of Medicaid coverage, reimbursement, policies and regulations. A Bachelor's degree or higher in Accounting or Auditing is required. The Audit Manager shall be a Certified Public Accountant in good standing.

7. Medical Review Utilization Manager – Individual with recent and relevant supervisory experience in medical utilization review. Education (required): The Medical Review Manager shall possess a bachelor's degree in nursing and/or social or health service with an active Registered Nurse license. The Medical Review Utilization Manager shall possess the ability and skills to appropriately interpret State Medicaid regulations and policies

8. Statistician – Individual with relevant and recent experience in the use of statistics to support audit sampling and extrapolations. Knowledge of health care information and claims data (NCCI, ICD-9 codes (and all successors), physician specialty codes, survey and certification data etc.) is also required.

9. Other Key Support Staff – Other key staff persons as assigned by the Contractor. All duties must be clearly defined and responsibilities must be directly related to program operations.

1.15 CONTRACT PHASES

1.15.1 IMPLEMENTATION PHASE

The Contractor shall be responsible for the preparation and execution of a final implementation plan. This plan shall be based upon the requirements of this RFP and coordinated with DOM to

ensure readiness to complete required tasks by specified dates. The Contractor will develop an implementation plan to be approved by DOM that outlines in detail all steps necessary to begin program operations. It is anticipated that Phase I will begin April 1, 2011. The Offeror shall propose time required for implementation.

During the Implementation phase a written report of program progress shall be submitted to DOM every week. The progress report must specify accomplishments during the report period in a task-by-task format, including personnel hours expended, whether the planning tasks are being performed on schedule and any administrative problems encountered.

1.15.2 OPERATIONS PHASE

During Phase 2, the Contractor must perform the responsibilities described in this RFP. The Contractor will be required to adhere to the performance requirements of the contract as well as the requirements of any revisions in federal and state legislation or regulations which may be enacted or implemented during the period of performance of this contract that are directly applicable to the performance requirements of this contract. Such requirements will become a part of this contract effort through execution of a written contract amendment.

1.15.3 TURNOVER PHASE

During this phase the contractor will prepare DOM or other applicable parties to take over the operations of those initiatives implemented under this contract. The Contractor must put procedures in place and provide training so that DOM sustains the ability to continue each initiative even after the project is completed and after expiration of the contract. The contractor shall provide detailed written documentation of all new procedures implemented and any system changes made during the Operations Phase. Failure to properly prepare the state and provide written documentation will be cause for continued withholding of payment(s).

Upon receipt of notification of DOM's intent to transfer the contract functions, the Contractor must provide a Turnover Plan to DOM within the time frame specified by DOM. Time lines for turnover activities will be specified by DOM. The Turnover Plan must include, but is not limited to, the following:

1. Proposed approach to turnover
2. Tasks and subtasks for turnover
3. Schedule for turnover
4. Detailed chart depicting the Contractor's total operation
5. Transfer of Medicaid documents and case files to DOM or its designated agent

Deliverables must be produced in an organized manner according to reasonable and customary business standards. Deliverables must be turned over to DOM in a form and condition that is satisfactory to DOM and in the time frames specified by DOM. Deliverables include the following:

1. Turnover Plan
2. Detailed organizational chart
3. All Medicaid documents and case files
4. Turnover Results Report

1.16 CONTRACTOR RESPONSIBILITIES

1.16.1 General Contractor Responsibilities

1. Secure any necessary approvals and clearances required to conduct the tasks required by this RFP.

2. Select and establish a site(s) at which all Contractor functions will be performed, permanently, and temporarily, if necessary. The contractor must obtain DOM acceptance of site selection in writing.

3. Provide a system for effective communication with a variety of entities including but not limited to employers, providers, recipients. This communication should include a toll-free number to answer inquiries. The toll-free line must be operable and manned on business days from 8:00 a.m. - 5:00 p.m. CST.

4. The Contractor's project manager must be available and prepared to meet with DOM staff and other individuals as considered necessary for the discussion of the RFP and contract requirements. The project manager must also be prepared to answer pertinent inquiries regarding the program, its implementation, and operation. Meetings between the representatives of the Contractor and DOM shall be on an as-needed basis throughout the implementation phase and on a monthly basis, or as otherwise required by DOM during the operations phase.

5. Submit monthly invoices to DOM based on finalized recoveries (those that the provider does not challenge or that have completed administrative appeals process.

6. The Contractor will be required to assist in the eventuality of an audit, appeals, and court appearances as necessary.

1.16.2 Detailed Contractor Responsibilities

These responsibilities will vary depending on the solutions proposed.

1. Propose a Medicaid Overpayment Recovery Audit Solution that will identify improper payments and recover payments of inappropriate billings by providers.
2. Be proficient in performing medical payment error risk assessments, detecting overpayment/underpayment errors, utilizing efficient methods for overpayment error detection including computer algorithms to identify payment anomalies, handling large volumes of data, understanding control systems and weaknesses, and overpayment recovery.
3. Conduct data mining and data analysis to identify inappropriate payments that will result in recoveries from providers.
4. Conduct automated pre-adjudication review of claims, inclusive of existing system edits, and those of contractor.
5. Conduct post-payment audits after written notice to providers of the intent to conduct such audit.
6. Utilize generally accepted auditing standards during the course of each audit to ensure due diligence in its efforts to identify funds legitimately owed to the State.
7. Develop and maintain an audit workflow program that allows compilation and generation of audit work papers, audit reports, etc. Develop and maintain intuitive reporting tools that will allow users and management to request parameterized reports for various areas.
8. Furnish all material, labor, computers, software, equipment and supplies necessary to perform their services.
9. Be responsible for all travel expenses.

10. Be responsible for medical record costs.
11. Be responsible for data transmission costs.
12. Not remove any original records from the State offices.
13. The State will not pay for incidental expenses related to this contract.
14. Follow all related laws, statutes, rules and contract terms in its collection activities.
15. Define each specific overpayment scenario. Each scenario must show the State proof of the overpayment and the specifics regarding the providers, clients and services that the scenario covers.
16. Present recommendation and impact analysis for each scenario to State subject matter experts (Policy/Operations) and executive management for approval before pursuing recovery and contacting providers.
17. Provide a description of the complete process for identifying the incorrect payment scenario.
18. Identify each specific incorrect payment and provide the details to the State for updating claims history.
19. Identify each specific collection and provide the details to update claims history.
20. Identify particular billing codes that may be over-utilized by type of providers of services and provide notice to provider of overutilization.
21. Conduct clinical, medical, and utilization reviews of entities furnishing items and services for payment, which must be in compliance with established regulations. These reviews must be conducted by certified clinicians.
22. Provide a complete description of the data required to be sent from the State to the contractor.
23. Propose a solution that will have minimal impact on the current operations of the MMIS.
24. Provide a description of the proposed solution; including a high-level diagram of expected data flow.
25. Describe the source authorities utilized to determine the validity of the incorrect payments.
26. Educate providers with overpayment issues in the proper reporting of health care services in order to permanently correct errors in billing. All training should be performed using a collaborative and provider-centric approach.
27. Not seek legal representation or pursue any judicial action surrounding the overpayment recovery and collection activities.
28. Identify overpayments/underpayments only for service dates after January 1, 2008.
29. Identify overpayments/underpayments only for authorized provider types and services determined by the State. Submit reports to State of all potential findings for validation with the State by contractor and verified against past audit recoveries.
30. Submit itemized statements to State for authorization of recoveries and contingency fee reimbursement.
31. Retain all audit and recovery documentation for 3 years following the final payment under this contract or the date upon which all questions involving the overpayment's validity are resolved, whichever happens last.
32. Receive payment of only those funds recovered based on efforts by contractors, and not other sources.
33. Participate in formal hearings/appeals and provide expert testimony.
34. For providers identified as receiving overpayments, assist the State through provider dispute process that includes responding to providers following the initial notification of overpayments, answering telephone inquiries, reviewing provider documentation, tracking communications and status, and providing recommendations for resolution of overpayment disputes.
35. Coordinate with other audits to avoid overlap and duplication of effort with other recovery efforts.
36. Report and refer all potential/suspected fraud cases to the State.
37. Submit itemized monthly statement with details for all recoveries for the previous month.
38. Report and send uncollectable debts to agency.
39. Recommend system changes to prevent future overpayments.

40. Conduct medical chart/documentation review. Contractor should refer to State Medicaid Provider Policy Manual in its entirety and specifically Sec. 7.03, 7.11, 53.32.
41. Provide secure transmission of data exchange.
42. Provide initial and ongoing expert support for correct payment principles and best practices.
43. Edit claims based on the DOM policy in effect on the date of service.

1.17 STATE RESPONSIBILITIES

1. Identify cases where the State or other authorities have initiated investigations, collections, reviews, audits, etc.
2. Supply extract of claims/encounters for specified dates of services.
3. Provide Policy and Operations experts and executive management to validate and approve each scenario before Contractor contacts providers.
4. Provide receipt of collections.
5. Update MMIS with claim specific collection details to allow correct CMS reporting.
6. Evaluate requests for offset against future payments where immediate recovery would undermine the business operations of the provider. If State approves such a request, Contractor' contingency payment will only include credit for the actual offsets as they occur during the life of the contract.
7. Monitor Contractor's performance.

1.18 FAILURE TO MEET PERFORMANCE STANDARDS

If the Contractor does not meet performance standards, the Contractor shall pay to DOM performance penalties as indicated below. Penalties will be computed based on the Contractor's estimated annual recoveries. Penalties will be assessed against the contractor's next contingency payment until such time as the deficiency is corrected by the Contractor. Penalties will be deducted from the contractor's next contingency payment and any penalties applied prior to recovery of money under this RFP shall be applied against the first contingency payment.

	Requirement		Performance Penalties
1	**Failure to submit Customer Service Project Plan:** by the date as agreed upon by Contractor and DOM	.01%	For each business day after the Contractor is notified of its non-compliance
2	**Failure to conduct provider outreach:** as required by Section 1.10	.01%	For each business day one month after the Contractor is notified of its non-compliance
3	**Contractor Organizational Chart:** must be provided to the Contract Manager as required by Section 1.13	.01%	For each business day after the Contractor is notified of its non-compliance
4	**Meetings:** must be conducted by the Contractor as required throughout the RFP	.01%	For each business day after the Contractor is notified of its non-compliance
5	**Progress and Fiscal Reports:** must be submitted to the Contract Manager or designee as required throughout the RFP	.01%	For each business day after the Contractor is notified of its non-compliance
6	**Case File Maintenance:** by the Contractor as found in section 1.6	.01%	For each instance in which the Contractor is non-compliant
7	**Organizational Structure and Staffing:** Contractor must staff a Certified Medical Director and other professional medical staff as required in section 1.13, 1.14 and as stated in the Offeror's Technical Proposal	.01%	For each business day after the Contractor is notified of its non-compliance
8	**Timeline to Complete Complex Review of Claims:** the Contractor shall complete 99% of its complex reviews within the 100 calendar day window given in section 1.5	.01%	For each instance in which the Contractor is non-compliant
9	**Meeting Summaries:** Meeting summaries requirements and standards are found in Section 1.6	.02%	For each business day after the Contractor is notified of its non-compliance

10	**Rationale for Determinations:** The Contractor shall document its rationale for determinations as required in section 1.4 and 1.5	.01%	For each instance in which the Contractor is non-compliant
11	**Adjustments to Contractor findings:** Upon request by the provider, the Contractor shall perform RAC case review to validate RAC findings.	.01%	For each instance in which the Contractor is non-compliant
12	**Turnover Plan:** Deliverables and requirements are found in Section 1.15	.01%	For each business day after the Contractor is notified of its non-compliance
13	**Reporting of Potential Fraud**: The Contractor shall report all instances of potential fraud to DOM Bureau of Program Integrity as required by section 1.3.2	.01%	For each instance in which the Contractor is non-compliant
14	**Returned Cases:** The Contractor shall not work on any case returned at DOM's request as stated in section 1.6	.01%	For each business day after the Contractor is notified of its non-compliance
15	**Customer Service:** The Contractor shall comply with section 1.10	.01%	For each business day after the Contractor is notified of its non-compliance
16	**Quality Assurance:** The Contractor shall comply with section 1.10	.01%	For each business day after the Contractor is notified of its non-compliance
17	**Business Continuity Plan:** The Contractor shall submit a Business Continuity Plan and Risk Management Plan as outlined in section 4.13	.01%	For each business day after the Contractor is notified of its non-compliance
18	**Complaints:** The Contractor shall comply with section 1.6	.01%	For each instance in which the Contractor is non-compliant
19	**Projected Recoveries:** The Contractor must comply with the projected cost recovery requirement of this RFP as stated in Appendix A.		DOM shall apply liquidated damages to the Contractor in an amount equal to the difference between the projected recoveries minus 10% and the actual recoveries (e.g. projected recovery of $100,000 and an actual recovery of $50,000 would result in damages of $40,000 ((100,000*.1) - $50,000)). The damages shall be due and owing within thirty (30) business days from the date that the liquidated damages are applied by the Contract Manager.

2 AUTHORITY

This RFP is issued under the authority of Title XIX of the Social Security Act as amended, implementing regulations issued under the authority thereof and under the provisions of the Mississippi Code of 1972 as amended. All prospective contractors are charged with presumptive knowledge of all requirements of the cited authorities. The submission of a valid executed proposal by any prospective contractor shall constitute admission of such knowledge on the part of each prospective contractor. Any proposal submitted by any prospective contractor which fails to meet any published requirement of the cited authorities may, at the option of DOM, be rejected without further consideration.

Medicaid is a program of medical assistance for the needy administered by the states using state appropriated funds and federal matching funds within the provisions of Title XIX and Title XXI of the Social Security Act as amended.

In addition, Section 1902 (a) (30) (A) of the Social Security Act requires that State Medicaid Agencies provide methods and procedures to safeguard against unnecessary utilization of care and services and to assure "efficiency, economy and quality of care."

2.1 ORGANIZATIONS ELIGIBLE TO SUBMIT PROPOSALS

To be eligible to submit a proposal, an Offeror must provide documentation for each requirement as specified below:

1. The Offeror has not been sanctioned by a state or federal government within the last 10 years.
2. The Offeror must have experience in contractual services providing the type of services described in this RFP.
3. The Offeror must be able to provide each required component and deliverable as detailed in the Scope of Work.

2.2 PROCUREMENT APPROACH

The major steps of the procurement approach are described in detail in Section 3 of this RFP. Proposals must be submitted in two parts: Technical Proposal and Business Proposal. The format and content are each specified in Sections 5 and 6 of this RFP.

2.3 ACCURACY OF DATA

All information provided by DOM in relation to this RFP represents the best and most accurate information available to DOM from DOM records at the time of the RFP preparation. DOM, however, disclaims any responsibility for the inaccuracy of such data and should any element of such data later be discovered to be inaccurate, such inaccuracy shall not constitute a basis for Contract rejection by any Offeror. Neither shall such inaccuracy constitute a basis for renegotiation of any payment rate after Contract award.

2.4 ELECTRONIC AVAILABILITY

The materials listed below are on the Internet for informational purposes only. This electronic access is a supplement to the procurement process and is not an alternative to official requirements outlined in this RFP.

This RFP and RFP Questions and Answers (following official written release) will be posted on the bids/proposals page of the DOM web site www.medicaid.ms.gov/bids.aspx.

Information concerning services covered by Mississippi Medicaid and a description of the DOM organization and functions can also be found on the bids/proposals page of the DOM web site.

DOM's website is http://www.medicaid.ms.gov and contains Annual Reports, Provider Manuals, Bulletins and other information.
The DOM Annual Report Summary provides information on beneficiary enrollment, program funding and expenditures broken down by types of services covered in the Mississippi Medicaid program for the respective fiscal years.

State financial information is available at http://merlin.state.ms.us under the Public Access query section.

The State of Mississippi portal is http://www.mississippi.gov

Regulations of the State Personnel Board/Personal Services Contract Review Board can be found at http://www.mspb.ms.gov.

3 PROCUREMENT

3.1 APPROACH

It is the intent of the procurement process to ensure the fair and equitable treatment of all persons and bidders. The procurement process provides for the evaluation of proposals and selection of the winning proposal in accordance with federal law and regulations and state law and regulations, specifically, by appropriate provisions of the State Personal Service Contract Review Board Regulations which are available for inspection at 301 N. Lamar St., Jackson, Mississippi or on the web at www.mspb.ms.gov.

Separate technical and business proposals must be submitted simultaneously but will be opened at different stages of the evaluation process. Technical Proposals will be thoroughly evaluated in order to determine point scores for each evaluation factor. The evaluation and selection process is described in more detail in Section 7 of this RFP.

Submission of a proposal constitutes acceptance of the conditions governing the procurement, including the evaluation factors contained in Section 7 of this RFP, and constitutes acknowledgment of the detailed descriptions of the Mississippi Medicaid Program.

No public disclosure or news release pertaining to this procurement shall be made without prior written approval of DOM. FAILURE TO COMPLY WITH THIS PROVISION MAY RESULT IN THE OFFEROR BEING DISQUALIFIED.

3.2 QUALIFICATION OF OFFERORS

Each corporation shall report its corporate charter number in its transmittal letter or, if appropriate, have attached to its transmittal letter a signed statement to the effect that said corporation is exempt from the above described, and set forth the particular reason(s) for exemption. All corporations shall be in full compliance with all Mississippi laws regarding incorporation or formation and doing business in Mississippi and shall be in compliance with the laws of the state in which they are incorporated, formed, or organized.

DOM may make such investigations as necessary to determine the ability and commitment of the Offeror to adhere to the requirements specified within this RFP and its proposal, and the Offeror shall furnish to DOM all such information and data for this purpose as may be requested. DOM reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capability to fulfill the requirements of the contract. DOM reserves the absolute right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fail to satisfy DOM that such Offeror is properly qualified to carry out the obligations of the contract and to complete the work or furnish the items contemplated.

The State reserves the right to reject any and all proposals, to request and evaluate "best and final offers" from some or all of the respondents, to negotiate with the best proposed offer to address issues other than those described in the proposal, to award a contract to other than the low Offeror, or not to make any award if it is determined to be in the best interest of the State.

Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award. Proposals may also be accepted without such discussions.

3.3 RULES OF PROCUREMENT

To facilitate the DOM procurement, various rules have been established and are described in the following paragraphs.

3.3.1 Restrictions on Communications with DOM Staff

From the issue date of this RFP until a Contractor is selected and the contract is signed, Offerors and/or their representatives are not allowed to communicate with any DOM staff regarding this procurement except the RFP Issuing Officer, Melanie Wakeland.

For violation of this provision, DOM shall reserve the right to reject any proposal.

3.3.2 Amendments

DOM reserves the right to amend the RFP at any time prior to the date for proposal submission. All amendments will be posted to the DOM website at http://www.medicaid.ms.gov. After January 14, 2011, Offerors submitting proposals will be notified when amendments are released.

Bidders shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the bid, by identifying the amendment number and date by letter. The acknowledgment must be received by DOM by the time and at the place specified for receipt of bids.

3.3.3 Cost of Preparing Proposal

Costs of developing the proposals are solely the responsibility of the Offerors. DOM will provide no reimbursement for such costs. Any costs associated with any oral presentations to DOM will be the responsibility of the Offeror and will in no way be billable to DOM. If site visits are made, DOM's cost for such visits will be the responsibility of DOM and the Offeror's cost will be the responsibility of the Offeror and will in no way be billable to DOM.

3.3.4 Certification of Independent Price Determination

The Offeror certifies that the prices submitted in response to the solicitation have been arrived at independently and without any consultation, communication, or agreement with any other bidder or competitor.

3.3.5 Acceptance of Proposals

After receipt of the proposals, DOM reserves the right to award the contract based on the terms, conditions, and premises of the RFP and the proposal of the selected Contractor without negotiation.

All proposals properly submitted will be accepted by DOM. However, DOM reserves the right to request necessary amendments from all Offerors, reject any or all proposals received, or cancel this RFP, according to the best interest of DOM.

DOM also reserves the right to waive minor irregularities in bids providing such action is in the best interest of DOM.

Where DOM may waive minor irregularities as determined by DOM, such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

DOM reserves the right to exclude any and all non-responsive proposals from any consideration for contract award. DOM will award a contingency fee contract or contracts to the Offeror(s) whose offer is responsive to the solicitation and is most advantageous to DOM in price, quality, and other factors considered. DOM reserves the right to make the award to an Offeror other than the Offeror bidding the lowest rate when it can be demonstrated to the satisfaction of DOM, the

Governor, the State Personal Service Contract Review Board, and to CMS, if necessary, that award to the low Offeror would not be in the best interest of DOM and the State of Mississippi.

3.3.6 Rejection of Proposals

A proposal may be rejected for failure to conform to the rules or the requirements contained in this RFP. Proposals must be responsive to all requirements of the RFP as applicable to the service proposed in order to be considered for contract award. DOM reserves the right at any time to cancel the RFP, or after the proposals are received to reject any of the submitted proposals determined to be non-responsive. DOM further reserves the right to reject any and all proposals received by reason of this request. Reasons for rejecting a proposal include, but are not limited to

1. The proposal contains unauthorized amendments to the requirements of the RFP.
2. The proposal is conditional.
3. The proposal is incomplete or contains irregularities that make the proposal indefinite or ambiguous.
4. An authorized representative of the party does not sign the proposal.
5. The proposal contains false or misleading statements or references.
6. The Offeror is determined to be non-responsible as specified in Section 3-401 of the Personal Services Contract Review Board Regulations.
7. The proposal ultimately fails to meet the announced requirements of the State in some material aspect.
8. The proposal price is clearly unreasonable.
9. The proposal is not responsive, i.e., does not conform in all material respects to the RFP.
10. The supply or service item offered in the proposal is unacceptable by reason of its failure to meet the requirements of the specifications or permissible alternates or other acceptability criteria set forth in the RFP.
11. The Offeror does not comply with the Procedures for Delivery of Proposal as set forth in the RFP.
12. The Offeror currently owes the State money.

3.3.7 Alternate Proposals

Each Offeror, its subsidiaries, affiliates or related entities shall be limited to one proposal which is responsive to the requirements of this RFP. Failure to submit a responsive proposal will result in the rejection of the Offeror's proposal. Submission of more than one proposal by an Offeror will result in the summary rejection of all proposals submitted

3.3.8 Proposal Amendments and Withdrawal

Prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to DOM, signed by the Offeror.

An Offeror may submit an amended proposal before the due date for receipt of proposals. Such amended proposal must be a complete replacement for a previously submitted proposal and must be clearly identified as such in the Transmittal Letter. DOM will not merge, collate, or assemble proposal materials.

Unless requested by DOM, no other amendments, revisions, or alterations to proposals will be accepted after the proposal due date.

Any submitted proposal shall remain a valid proposal for 180 days from the proposal due date.

3.3.9 Disposition of Proposals

The proposal submitted by the successful Offeror shall be incorporated into and become part of the resulting contract. All proposals received by DOM shall upon receipt become and remain the property of DOM. DOM will have the right to use all concepts contained in any proposal and this right will not affect the solicitation or rejection of the proposal.

3.3.10 Responsible Contractor

DOM shall contract only with a responsible contractor who possesses the ability to perform successfully under the terms and conditions of the proposed procurement and implementation. In letting the contract, consideration shall be given to such matters as Contractor's integrity, performance history, financial and technical resources, and accessibility to other necessary resources.

3.3.11 Oral Presentations/Demonstrations

Oral presentations and demonstrations are part of the technical proposal evaluation. If desired by DOM, Offerors whose technical proposals score a minimum of 70% (490 points) of the total technical score will be given the opportunity to make an oral presentation/demonstration. The purpose of the oral presentation/demonstration is to provide an opportunity for the Offeror to present its proposal, product demonstration and credentials of proposed staff; and to respond to any questions from DOM. The original proposal cannot be supplemented, changed or corrected either in writing or orally.

The determination to hold oral presentations/demonstrations is strictly at the discretion of DOM and may be cancelled if deemed unnecessary. The presentations/demonstrations will occur at a State office location in Jackson, MS. The determination of participants, location, order, and schedule for the presentations is at the sole discretion of DOM and will be provided during the Evaluation process. The presentation may include slides, graphics and other media selected by the Offeror to illustrate the Offeror's Proposal.

The presentations are tentatively scheduled for January 24 – 28, 2011. The Offeror's presentation team shall include, at a minimum, the proposed Project Manager, Medical Director and other key management staff necessary to implement the contract requirements. However, DOM reserves the right to limit the number of participants in the Offeror's presentation. Questions and answers will be recorded and transcribed. DOM reserves the right to limit the time period for the presentation.

3.3.12 Best and Final Offers

The Executive Director of DOM may make a written determination that it is in the State's best interest to conduct additional discussions or change the State's requirements and require submission of best and final offers. The Procurement Officer shall establish a date and time for the submission of best and final offers. Otherwise, no discussion of or changes in the bids shall be allowed prior to award. Offerors shall also be informed that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

3.4 STATE APPROVAL

Approval from the State Personal Services Contract Review Board must be received before contract signing. Every effort will be made by DOM to facilitate rapid approval and an early start date.

3.5 AWARD NOTICE

The notice of intended contract award shall be sent by carriers that require signature upon receipt, by fax with voice confirmation, or by email with reply confirmation to the winning Offeror.

Consistent with existing state law, no Offeror shall infer or be construed to have any rights or interest to a contract with DOM until final approval is received from all necessary entities and until both the Offeror and DOM have executed a valid contract.

4 TERMS AND CONDITIONS

4.1 GENERAL

The contract between the State of Mississippi and the Contractor shall consist of 1) the contract and any amendments thereto; 2) this request for proposals (RFP) and any amendments thereto; 3) the Contractor's proposal submitted in response to the RFP by reference and as an integral part of this contract; 4) written questions and answers. In the event of a conflict in language among the four documents referenced above, the provisions and requirements set forth and/or referenced in the contract and its amendments shall govern. In the event that an issue is addressed in one document that is not addressed in another document, no conflict in language shall be deemed to occur.

However, DOM reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict or ambiguity with the applicable requirements stated in the RFP or the Contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP and its amendments shall govern.

The contract shall be governed by the applicable provisions of the Personal Service Contract Review Board Regulations, a copy of which is available at 301 North Lamar Street, Jackson, Mississippi, for inspection or on the web at www.mspb.ms.gov .

No modification or change of any provision in the contract shall be made, or construed to have been made, unless such modification or change is mutually agreed upon in writing by the Contractor and DOM. The agreed upon modification or change will be incorporated as a written contract amendment and processed through DOM for approval prior to the effective date of such modification or change. In some instances, the contract amendment must be approved by CMS before the change becomes effective.

The only representatives authorized to modify this contract on behalf of DOM and the Contractor are shown below:

Contractor: Person(s) designated by the Contractor

Division of Medicaid: Executive Director

4.2 PERFORMANCE STANDARDS, ACTUAL DAMAGES, LIQUIDATED DAMAGES, AND RETAINAGE

DOM reserves the right to assess actual or liquidated damages, upon the Contractor's failure to provide timely services required pursuant to this contract. Actual or liquidated damages for failure to meet specific performance standards as set forth in the scope of work may be assessed as specifically set forth in each performance standard. The Contractor shall be given 15 days notice to respond before DOM makes the assessment. The assessments will be offset against the subsequent monthly payments to the Contractor. Assessment of any actual or liquidated damages does not waive any other remedies available to DOM pursuant to this contract or state or federal law. If liquidated damages are known to be insufficient then DOM has the right to pursue actual damages.

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 retainage, DOM may withhold from the Contractor payments in an amount commensurate with the costs anticipated to be incurred. If costs are incurred, DOM shall account to the Contractor and return any excess to the Contractor. If the

retainage is not sufficient, the Contractor shall immediately reimburse DOM the difference or DOM may offset from any payments due the Contractor. The Contractor will cooperate fully with the retained Contractor and provide any assistance it needs to implement the terms of its agreement for services for retainage.

4.3 TERM OF CONTRACT

DOM will award a Contract based on proposals. The Contract period begins the day the contract is executed by both parties. The Contract operational period begins April 1, 2011, and shall terminate on June 30, 2014. DOM may have, under the same terms and conditions as the existing contract, an option for up to a one-year extension, provided DOM obtains approval from the Personal Services Contract Review Board to allow an extension period.

4.3.1 Stop Work Order

1. Order to Stop Work - DOM Contract Administrator may, by written order to the Contractor at any time and without notice to any surety, require the Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding ninety (90) days after the order is delivered to the Contractor, unless the parties agree to an extension. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allowable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within an extension to which the parties shall have agreed, the Contract Administrator shall either

    a. Cancel the stop work order; or

    b. Terminate the work covered by such order as provided in the “Termination for Default Clause” or the “Termination for Convenience Clause” of this contract.

2. Cancellation or Expiration of the Order - If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Contractor price, or both, and the contract shall be modified in writing accordingly, only if

    a. The stop work order or extension results in an increase in the time required for, or in the Contractor’s cost properly allocable to, the performance of any part of this contract; and

    b. The Contractor asserts a claim for such an adjustment within 30 days after the end of the stop work order or extension.

3. Termination of Work - If a stop work order or extension is not canceled and the work covered by such stop work order or extension is terminated for default or convenience, adjustment to the contract price will be negotiated between DOM and the Contractor.

4.3.2 Termination of Contract

The Contract resulting from this RFP may be terminated by DOM as follows:

1. For default by the Contractor
2. For convenience
3. For the Contractor’s bankruptcy, insolvency, receivership, liquidation

At DOM's option, termination for any reason listed herein may also be considered termination for convenience.

4.3.2.1 Termination for Default by the Contractor

DOM may immediately terminate this contract in whole or in part whenever DOM determines that the Contractor has failed to satisfactorily perform its contractual duties and responsibilities and is unable to resolve such failure within a period of time specified by DOM, after considering the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by DOM of any such failure to satisfactorily perform its contractual duties and responsibilities, DOM may notify the Contractor of the failure and establish a reasonable time period in which to resolve such failure. If the Contractor does not resolve the failure within the specified time period, DOM will notify the Contractor that the contract in full or in part has been terminated for default. Such notices shall be in writing and delivered to the Contractor by certified mail, return receipt requested, or in person.

If, after Notice of Termination for default, it is determined that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control and without error or negligence on the part of the Contractor or any subcontractor, the Notice of Termination shall be deemed to have been issued as a termination for the convenience of DOM, and the rights and obligations of the parties shall be governed accordingly.

In the event of Termination for Default, in full or in part as provided by this clause, DOM may procure, upon such terms and in such manner as DOM may deem appropriate, supplies or services similar to those terminated, and the Contractor shall be liable to DOM for any excess costs for such similar supplies or services for the remainder of the contract period. In addition, the Contractor shall be liable to DOM for administrative costs incurred by DOM in procuring such similar supplies or services.

In the event of a termination for default, the Contractor shall be paid a contingency payment for pending recoveries based on the percentage of identified amounts prior to the termination of the contract. This percentage will be calculated based on historical performance under this contract.

The rights and remedies of DOM provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the contract.

4.3.2.2 Termination for Convenience

DOM may terminate performance of work under the contract in whole or in part whenever for any reason DOM shall determine that such termination is in the best interest of DOM.

In the event that DOM elects to terminate the contract pursuant to this provision, it shall notify the Contractor by certified mail, return receipt requested, or delivered in person. Termination shall be effective as of the close of business on the date specified in the notice, which shall be at least 30 days from the date of receipt of the notice by the Contractor.

Upon receipt of Notice of Termination for convenience, the Contractor shall be paid the contract rate(s) for completed collections based on identifications made by the Contractor.

4.3.2.3 Termination for the Contractor Bankruptcy

In the event that the Contractor shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets, or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors, DOM may, at its option, terminate this contract in whole or in part.

In the event DOM elects to terminate the contract under this provision, it shall do so by sending Notice of Termination to the Contractor by certified mail, return receipt requested, or delivered in person. The date of termination shall be the close of business on the date specified in such notice to the Contractor. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise DOM.

4.3.2.4 Availability of Funds

It is expressly understood and agreed that the obligation of DOM to proceed under this agreement is conditioned upon the collection of overpaid claims and receipt of state and/or federal funds as prescribed by CMS. The effective date of termination shall be as specified in the notice of termination.

4.3.3 Procedure on Termination

4.3.3.1 Contractor Responsibilities

Upon delivery by certified mail, return receipt requested, or in person to the Contractor a Notice of Termination specifying the nature of the termination, the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective, the Contractor shall:

Stop work under the contract on the date and to the extent specified in the Notice of Termination;

Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the work in progress under the contract until the effective date of termination;

Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;

Deliver to DOM within the time frame as specified by DOM in the Notice of Termination, copies of all data and documentation in the appropriate media and make available all records required to assure continued delivery of services to beneficiaries and providers at no cost to DOM;

Complete the performance of the work not terminated by the Notice of Termination;

Take such action as may be necessary, or as DOM may direct, for the protection and preservation of the property related to the contract which is in the possession of the Contractor and in which DOM has or may acquire an interest;

Fully train DOM staff or other individuals at the direction of DOM in the operation and maintenance of the process;

Promptly transfer all information necessary for the reimbursement of any outstanding claims; and

Complete each portion of the Turnover Phase after receipt of the Notice of Termination.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any allowable delay in determining or adjusting the amount of any item of reimbursable price under this clause.

The Contractor has an absolute duty to cooperate and help with the orderly transition of the duties to DOM or its designated contractor following termination of the contract for any reason.

4.3.3.2 DOM Responsibilities

Except for Termination for Contractor Default, DOM will make payment to the Contractor on termination and at contract rate for completed deliverables delivered to and accepted by DOM. The Contractor shall be reimbursed for partially completed deliverables at a price commensurate with actual cost of performance.

Payment to the Contractor by DOM shall not constitute final release of the Contractor. Should audit or inspection of the Contractor's records or client complaints subsequently reveal outstanding Contractor liabilities or obligations, the Contractor shall remain liable to DOM for such liabilities and obligations. Any overpayments by DOM shall be subject to any appropriate recoupment to which DOM is lawfully entitled. Any payment under this contract shall not foreclose the right of DOM to recover excessive or illegal payments as well as interest, attorney fees and costs incurred in such recovery.

In the event of the failure of the Contractor and DOM to agree in whole or in part as to the amounts to be paid to the Contractor in connection with any termination described in this RFP, DOM shall determine on the basis of information available the amount, if any, due to the Contractor by reason of termination and shall pay to the Contractor the amount so determined.

The Contractor shall have the right of appeal, as stated under Disputes (Paragraph 3.9.6) from any such determination made by DOM.

4.3.4 Assignment of the Contract

The Contractor shall not sell, transfer, assign, or otherwise dispose of the contract or any portion thereof or of any right, title, or interest therein without written consent of DOM. Any such purported assignment or transfer shall be void. If approved, any assignee shall be subject to all terms and conditions of this contract. No approval by DOM of any assignment may be deemed to obligate DOM beyond the provisions of this contract. This provision includes reassignment of the contract due to change in ownership of the Contractor. DOM shall at all times be entitled to assign or transfer its rights, duties, and/or obligations under this contract to another governmental agency in the State of Mississippi upon giving prior written notice to the Contractor.

4.3.5 Excusable Delays

The Contractor and DOM shall be excused from performance under this contract for any period that they are prevented from performing any services under this Contract as a result of an act of God, war, civil disturbance, epidemic, court order, government act or omission, or other cause beyond their reasonable control.

4.3.6 Applicable Law

The contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflict of law provisions, and any litigation with respect thereto shall be brought in the courts of the State of Mississippi. The Contractor shall comply with applicable federal, state and local laws and regulations.

4.4 NOTICES

Whenever, under this RFP, one party is required to give notice to the other, except for purposes of Notice of Termination under Section 4.3, such notice shall be deemed given upon delivery, if delivered by hand, or upon the date of receipt or refusal, if sent by registered or certified mail, return receipt requested or by other carriers that require signature upon receipt. Notice may be delivered by facsimile transmission, with original to follow by certified mail, return receipt requested, or by other carriers that require signature upon receipt, and shall be deemed given upon transmission and facsimile confirmation that it has been received. Notices shall be addressed as follows:

In case of notice to the Contractor:

Project Manager
Contractor
Street Address
City, State Zip Code

In case of notice to DOM:

Executive Director
Division of Medicaid
550 High St., Suite 1000
Jackson, Mississippi 39201

Copy to Contract Administrator, DOM

4.5 COST OR PRICING DATA

If DOM determines that any price, including profit or fee, negotiated in connection with this RFP was increased because the Contractor furnished incomplete or inaccurate cost or pricing data not current as certified in the Contractor's certification of current cost or pricing data, then such price or cost shall be reduced accordingly and this RFP shall be modified in writing and acknowledged by the Contractor to reflect such reduction

4.6 SUBCONTRACTING

The Contractor is solely responsible for fulfillment of the Contract terms with DOM. DOM will make Contract payments only to the Contractor.

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of DOM. The Contractor shall notify DOM not less than thirty (30) days in advance of its desire to subcontract and include a copy of the proposed subcontract with the proposed subcontractor.

Approval of any subcontract shall neither obligate DOM nor the State of Mississippi as a party to that subcontract nor create any right, claim, or interest for the subcontractor against the State of Mississippi or DOM, their agents, their employees, their representatives, or successors.

Any subcontract shall be in writing and shall contain provisions such that it is consistent with the Contractor's obligations pursuant to this Contract.

The Contractor shall be solely responsible for the performance of any subcontractor under such subcontract approved by DOM.

The Contractor shall give DOM immediate written notice by certified mail, facsimile, or any other carrier that requires signature upon receipt of any action or suit filed and prompt notice of any claim made against the Contractor or Contractor which in the opinion of the Contractor may result in litigation related in any way to the Contract with DOM.

4.7 PROPRIETARY RIGHTS

4.7.1 Ownership of Documents

Where activities supported by this contract produce original writing, sound recordings, pictorial reproductions, drawings, or other graphic representation and works of any similar nature, DOM shall have the right to use, duplicate, and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to have others do so. If the material is qualified for copyright, the Contractor may copyright such material, with approval of DOM, but DOM shall reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such materials, in whole or in part, and to authorize others to do so.

4.7.2 Ownership of Information and Data

DOM, The Department of Health and Human Services (DHHS), The Centers for Medicare and Medicaid Services (CMS), the State of Mississippi, and/or their agents shall have unlimited rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by the Contractor under any contract resulting from this RFP.

The Contractor agrees to grant in its own behalf and on behalf of its agents, employees, representatives, assignees, and contractors to DOM, DHHS, CMS and the State of Mississippi and to their officers, agents, and employees acting in their official capacities a royalty-free, non-exclusive, and irrevocable license throughout the world to publish, reproduce, translate, deliver, and dispose of all such information now covered by copyright of the proposed Contractor.

Excluded from the foregoing provisions in this Section 4.7.2, however, are any pre-existing, proprietary tools owned, developed, or otherwise obtained by Contractor independently of this Contract. Contractor is and shall remain the owner of all rights, title and interest in and to the Proprietary Tools, including all copyright, patent, trademark, trade secret and all other proprietary rights thereto arising under federal and state law, and no license or other right to the Proprietary Tools is granted or otherwise implied. Any right that DOM may have with respect to the Proprietary Tools shall arise only pursuant to a separate written agreement between the parties.

4.7.3 Public Information

Offerors must bind separately those provisions of the proposal which contain trade secrets or other proprietary data which they believe may remain confidential in accordance with Sections 25-61-9 and 79-23-1, et seq. of the Mississippi Code Annotated of 1972, as amended.

4.7.4 Right of Inspection

DOM, the Mississippi Department of Audit, The Department of Health and Human Services (DHHS), The Centers for Medicare and Medicaid Services (CMS), the Office of Inspector General (OIG), the General Accounting Office (GAO), or any other auditing agency prior-approved by DOM, or their authorized representative shall, at all reasonable times, have the right to enter onto the Contractor's premises, or such other places where duties under this contract are being performed, to inspect, monitor, or otherwise evaluate (including periodic systems testing) the work being performed.. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. Refusal by the Contractor to allow access to all documents, papers,

letters or other materials, shall constitute a breach of contract. All audits performed by persons other than DOM staff will be coordinated through DOM and its staff.

4.7.5 Licenses, Patents and Royalties

DOM does not tolerate the possession or use of unlicensed copies of proprietary software. The Contractor shall be responsible for any penalties or fines imposed as a result of unlicensed or otherwise defectively titled software.

The Contractor, without exception, shall indemnify, save, and hold harmless DOM and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or non-patented invention, process, or article manufactured by the Contractor. The Contractor has no liability when such claim is solely and exclusively due to the combination, operation or use of any article supplied hereunder with equipment or data not supplied by the Contractor or is based solely and exclusively upon DOM's alteration of the article. DOM will provide prompt written notification of a claim of copyright or patent infringement.

Further, if such a claim is made or is pending, the Contractor may, at its option and expense, procure for DOM the right to continue use of, replace or modify the article to render it non-infringing. If none of the alternatives is reasonably available, the Contractor agrees to take back the article and refund the total amount DOM has paid the Contractor under this contract for use of the article.

If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the proposed prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.

4.7.6 Records Retention Requirements

The Contractor shall maintain detailed records evidencing all expenses incurred pursuant to the Contract, the provision of services under the Contract, and complaints, for the purpose of audit and evaluation by DOM and other federal or State personnel. All records, including training records, pertaining to the Contract must be readily retrievable within three (3) workdays for review at the request of DOM and its authorized representatives. All records shall be maintained and available for review by authorized federal and State personnel during the entire term of the Contract and for a period of five (5) years thereafter, unless an audit is in progress. When an audit is in progress or audit findings are unresolved, records shall be kept for a period of five (5) years or until all issues are finally resolved, whichever is later.

4.8 REPRESENTATION REGARDING CONTINGENT FEES

The Contractor represents by executing this contract that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except as disclosed in the contractor's bid or proposal.

4.9 INTERPRETATIONS/CHANGES/DISPUTES

In the event of a conflict in language among any of the components of the contract, the Contract shall govern. DOM reserves the right to clarify any contractual relationship in writing and such clarification will govern in case of conflict with the requirements of the RFP. Any ambiguity in the RFP shall be construed in favor of DOM.

The contract represents the entire agreement between the Contractor and DOM and it supersedes all prior negotiations, representations, or agreements, either written or oral between the parties hereto relating to the subject matter hereof.

4.9.1 Conformance with Federal and State Regulations

The Contractor shall be required to conform to all federal and state laws, regulations, and policies as they exist or as amended.

In the event that the Contractor requests that the Executive Director of DOM or his/her designee issue policy determinations or operating guidelines required for proper performance of the contract, DOM shall do so in a timely manner. The Contractor shall be entitled to rely upon and act in accordance with such policy determinations and operating guidelines unless the Contractor acts negligently, maliciously, fraudulently, or in bad faith.

4.9.2 Waiver

No covenant, condition, duty, obligation, or undertaking contained in or made a part of this contract will be waived except by the written agreement of the parties, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the party to which the same may apply; and until complete performance or satisfaction of all such covenants, conditions, duties, obligations, and undertakings, the other party shall have the right to invoke any remedy available under law or equity, notwithstanding any such forbearance or indulgence.

4.9.3 Contract Variations

If any provision of the contract (including items incorporated by reference) is declared or found to be illegal, unenforceable, or void, then both DOM and the Contractor shall be relieved of all obligations arising under such provision; if the remainder of the contract is capable of performance, it shall not be affected by such declaration or funding and shall be fully performed.

4.9.4 Headings

The headings used throughout the contract are for convenience only and shall not be resorted to for interpretation of the contract.

4.9.5 Change Orders and/or Amendments

The Executive Director of DOM or designated representative may, at any time, by written order delivered to the Contractor at least thirty (30) days prior to the commencement date of such change, make administrative changes within the general scope of the contract. Any claim by the Contractor for equitable adjustment under this clause must be asserted in writing to DOM within thirty (30) days from the date of receipt by the Contractor of the notification of change. Failure to agree to any adjustment shall be a dispute within the meaning of the Dispute Clause of this Contract. Nothing in this case, however, shall in any manner excuse the Contractor from proceeding diligently with the contract as changed.

If the parties are unable to reach an agreement within thirty (30) days of DOM receipt of the Contractor's cost estimate, the Executive Director of DOM shall make a determination of the revised price, and the Contractor shall proceed with the work according to a schedule approved by DOM subject to the Contractor's right to appeal the Executive Director's determination of the price pursuant to the Disputes Section. Nothing in this clause shall in any manner excuse the Contractor from proceeding diligently with the contract as changed.

The rate of payment for changes or amendments completed per contract year shall be at the rates specified by the Contractor's proposal. However any change in rate shall not exceed the rate allowed by CMS.

At any time during the term of this contract, DOM may increase the quantity of goods or services purchased under this contract by sending the Contractor a written amendment or modification to that effect which references this contract and is signed by the Executive Director of DOM. The purchase price shall be the lower of the unit cost identified in the Contractor's proposal or the Contractor's then-current, published price. The foregoing shall not apply to services provided to DOM at no charge. The delivery schedule for any items added by exercise of this option shall be set by mutual agreement.

4.9.6 Disputes

Any dispute concerning the contract which is not disposed of by agreement shall be decided by the Executive Director of DOM who shall reduce such decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Executive Director shall be final and conclusive unless within thirty (30) days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Attorney General a written request to render an interpretation addressed to the Office of the Attorney General, 550 High St., Suite 1200, Jackson, Mississippi 39205. The interpretation of the Attorney General or his duly authorized representative shall be final and conclusive. The Contractor and DOM shall be afforded an opportunity to be heard and to offer evidence in support of their interpretations. Nothing in this paragraph shall be construed to relieve the Contractor of full and diligent performance of the contract.

4.9.7 Cost of Litigation

In the event that DOM deems it necessary to take legal action to enforce any provision of the contract, the Contractor shall bear the cost of such litigation, as assessed by the court, in which DOM prevails. Neither the State of Mississippi nor DOM shall bear any of the Contractor's cost of litigation for any legal actions initiated by the Contractor against DOM regarding the provisions of the contract. Legal action shall include administrative proceedings.

4.9.8 Attorney Fees

The Contractor agrees to pay reasonable attorney fees incurred by the State and DOM in enforcing this agreement or otherwise reasonably related thereto.

4.10 INDEMNIFICATION

The Contractor agrees to indemnify, defend, save, and hold harmless DOM, the State of Mississippi, their officers, agents, employees, representatives, assignees, and contractors from any and all claims and losses accruing or resulting to any and all the Contractor employees, agents, subcontractors, laborers, and any other person, association, partnership, entity, or corporation furnishing or supplying work, services, materials, or supplies in connection with performance of this contract, and from any and all claims and losses accruing or resulting to any such person, association, partnership, entity, or corporation who may be injured, damaged, or suffer any loss by the Contractor in the performance of the contract.

The Contractor agrees to indemnify, defend, save, and hold harmless DOM, the State of Mississippi, their officers, agents, employees, representatives, assignees, and contractors against any and all liability, loss, damage, costs or expenses which DOM may sustain, incur or be required to pay: 1.) by reason of any person suffering personal injury, death or property loss or damage of any kind either while participating with or receiving services from the Contractor under

this contract, or while on premises owned, leased, or operated by the Contractor or while being transported to or from said premises in any vehicle owned, operated, leased, chartered, or otherwise contracted for or in the control of the Contractor or any officer, agent, or employee thereof; or 2.) by reason of the Contractor or its employee, agent, or person within its scope of authority of this contract causing injury to, or damage to the person or property of a person including but not limited to DOM or the Contractor, their employees or agents, during any time when the Contractor or any officer, agent, employee thereof has undertaken or is furnishing the services called for under this contract.

The Contractor agrees to indemnify, defend, save, and hold harmless DOM, the State of Mississippi, their officers, agents, employees, representatives, assignees, and contractors against any and all liability, loss, damages, costs or expenses which DOM or the State may incur, sustain or be required to pay by reason of the Contractor, its employees, agents or assigns: 1.) failing to honor copyright, patent or licensing rights to software, programs or technology of any kind in providing services to DOM, or 2.) breaching in any manner the confidentiality required pursuant to federal and state law and regulations.

The Contractor agrees to indemnify, defend, save, and hold harmless DOM, the State of Mississippi, their officers, agents, employees, representatives, assignees, and contractors from all claims, demands, liabilities, and suits of any nature whatsoever arising out of the contract because of any breach of the contract by the Contractor, its agents or employees, including but not limited to any occurrence of omission or commission or negligence of the Contractor, its agents or employees.

If in the reasonable judgment of DOM a default by the Contractor is not so substantial as to require termination and reasonable efforts to induce the Contractor to cure the default are unsuccessful and the default is capable of being cured by DOM or by another resource without unduly interfering with the continued performance of the Contractor, DOM may provide or procure such services as are reasonably necessary to correct the default. In such event, the Contractor shall reimburse DOM for the reasonable cost of those services. DOM may deduct the cost of those services from the Contractor's monthly administrative invoices. The Contractor shall cooperate with DOM or those procured resources in allowing access to facilities, equipment, data or any other Contractor resources to which access is required to correct the default. The Contractor shall remain liable for ensuring that all operational performance standards remain satisfied.

4.10.1 No Limitation of Liability

Nothing in this contract shall be interpreted as excluding or limiting any liability of the Contractor for harm caused by the intentional or reckless conduct of the Contractor, or for damages incurred in the negligent performance of duties by the Contractor, or for the delivery by the Contractor of products that are defective, or for breach of contract or any other duty by the Contractor. Nothing in the contract shall be interpreted as waiving the liability of the Contractor for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense related to the Contractor's conduct or performance under this contract.

4.11 STATUS OF THE CONTRACTOR

4.11.1 Independent Contractor

It is expressly agreed that the Contractor is an independent Contractor performing professional services for DOM and is not an officer or employee of the State of Mississippi or DOM. It is further expressly agreed that the contract shall not be construed as a partnership or joint venture between the Contractor and DOM.

The Contractor shall be solely responsible for all applicable taxes, insurance, licensing and other costs of doing business. Should the Contractor default on these or other responsibilities jeopardizing the Contractor's ability to perform services effectively, DOM, in its sole discretion, may terminate this contract.
The Contractor shall not purport to bind DOM, its officers or employees nor the State of Mississippi to any obligation not expressly authorized herein unless DOM has expressly given the Contractor the authority to do so in writing.
The Contractor shall give DOM immediate notice in writing of any action or suit filed, or of any claim made by any party which might reasonably be expected to result in litigation related in any manner to this contract or which may impact the Contractor's ability to perform.

No other agreements of any kind may be made by the Contractor with any other party for furnishing any information or data accumulated by the Contractor under this contract or used in the operation of this program without the written approval of DOM. Specifically, DOM reserves the right to review any data released from reports, histories, or data files created pursuant to this Contract.

In no way shall the Contractor represent itself directly or by inference as a representative of the State of Mississippi or the Division of Medicaid except within the confines of its role as a contractor for the Division of Medicaid. DOM's approval must be received in all instances in which the Contractor distributes publications, presents seminars, presents workshops, or performs any other outreach.

The Contractor shall not use DOM's name or refer to the contract directly or indirectly in any advertisement, news release, professional trade or business presentation without prior written approval from DOM.

4.11.2 Employment of DOM Employees

The Contractor shall not knowingly engage on a full-time, part-time, or other basis during the period of the contract, any professional or technical personnel who are or have been at any time during the period of the contract in the employ of DOM, without the written consent of DOM. Further, the Contractor shall not knowingly engage in this project, on a full-time, part-time, or other basis during the period of the contract, any former employee of DOM who has not been separated from DOM for at least one year, without the written consent of DOM.

The Contractor shall give priority consideration to hiring interested and qualified adversely affected State employees at such times as requested by DOM to the extent permitted by this contract or state law.

4.11.3 Conflict of Interest

No official or employee of DOM and no other public official of the State of Mississippi or the Federal Government who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the contract or proposed contract. A violation of this provision shall constitute grounds for termination of this contract. In addition, such violation will be reported to the State Ethics Commission, Attorney General, and appropriate federal law enforcement officers for review.

The Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of the contract no person having any such known interests shall be employed including subsidiaries or entities that

could be misconstrued as having a joint relationship, and to employment by the Contractor of immediate family members of Medicaid providers.

4.11.4 Personnel Practices

All employees of the Contractor involved in the Medicaid function will be paid as any other employee of the Contractor who works in another area of their organization in a similar position. The Contractor shall develop any and all methods to encourage longevity in Contractor's staff assigned to this contract.

Employees of the Contractor shall receive all benefits afforded to other similarly situated employees of the Contractor.

The Contractor must agree to sign the Drug Free Workplace Certificate (Exhibit 1).

4.11.5 No Property Rights

No property rights inure to the Contractor except for compensation for work that has already been performed.

4.12 EMPLOYMENT PRACTICES

The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age, marital status, political affiliations, or disability. The Contractor must act affirmatively to ensure that employees, as well as applicants for employment, are treated without discrimination because of their race, color, religion, gender, national origin, age, marital status, political affiliation, or disability.

Such action shall include, but is not limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment notices setting forth the provisions of this clause.

The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, marital status, political affiliation, or disability, except where it relates to a bona fide occupational qualification or requirement.

The Contractor shall comply with the non-discrimination clause contained in Federal Executive Order 11246, as amended by Federal Executive Order 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor and with Title 41, Code of Federal Regulations, Chapter 60. The Contractor shall comply with related state laws and regulations, if any.

The Contractor shall comply with the Civil Rights Act of 1964, and any amendments thereto, and the rules and regulations thereunder, and Section 504 of Title V of the Rehabilitation Act of 1973, as amended, and the Mississippi Human Rights Act of 1977.

If DOM finds that the Contractor is not in compliance with any of these requirements at any time during the term of this contract, DOM reserves the right to terminate this contract or take such other steps as it deems appropriate, in its sole discretion, considering the interests and welfare of the State.

4.13 RISK MANAGEMENT

The Contractor may insure any portion of the risk under the provision of the contract based upon the Contractor's ability (size and financial reserves included) to survive a series of adverse experiences, including withholding of payment by DOM, or imposition of penalties by DOM.

On or before beginning performance under this Contract, the Contractor shall obtain from an insurance company, duly authorized to do business and doing business in Mississippi, insurance as follows:

4.13.1 Workers' Compensation

The Contractor shall take out and maintain, during the life of this contract, workers' compensation insurance for all employees employed at the project in Mississippi. Such insurance shall fully comply with the Mississippi Workers' Compensation Law. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide adequate insurance satisfactory for protection of his or her employees not otherwise protected.

4.13.2 Liability

The Contractor shall ensure that professional staff and other decision making staff shall be required to carry professional liability insurance in an amount commensurate with the professional responsibilities and liabilities under the terms of this RFP.

The Contractor shall obtain, pay for and keep in force during the contract period general liability insurance against bodily injury or death in an amount commensurate with the responsibilities and liabilities under the terms of this RFP; and insurance against property damage and fire insurance including contents coverage for all records maintained pursuant to this contract in an amount commensurate with the responsibilities and liabilities under the terms of this RFP. The Contractor shall furnish to DOM certificates evidencing such insurance is in effect on the first working day following contract signing.

4.14 CONFIDENTIALITY OF INFORMATION

4.14.1 Confidentiality of Beneficiary Information

All information as to personal facts and circumstances concerning Medicaid beneficiaries obtained by the Contractor shall be treated as privileged communications, shall be held confidential, and shall not be divulged without the written consent of DOM and the written consent of the enrolled beneficiary, his attorney, or his responsible parent or guardian, except as may be required by DOM.

The use or disclosure of information concerning beneficiaries shall be limited to purposes directly connected with the administration of the contract.

All of the Contractor officers and employees performing any work for or on the contract shall be instructed in writing of this confidentiality requirement and required to sign such a document upon employment and annually thereafter.

The Contractor shall notify DOM promptly of any unauthorized possession, use, knowledge or attempt thereof, of DOM's data files or other confidential information. The Contractor shall promptly furnish DOM full details of the attempted unauthorized possession, use or knowledge, and assist in investigating or preventing the recurrence thereof.

4.14.2 Confidentiality of Proposals and Contract Terms

After award of the contract, all Offeror's proposals, including those terms bid in the Business Proposal, are subject to disclosure under the State's Access to Public Records Act and the Federal Freedom of Information Act. Information specified by an Offeror as proprietary information shall be available for disclosure as provided by State statute.

In the event that either party to this agreement receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information, that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by State law. This provision shall survive termination or completion of this agreement. The parties agree that this provision is subject to and superseded by Miss. Code Ann. Section 25-61-1, et seq. regarding Public Access to Public Records.

4.15 THE CONTRACTOR COMPLIANCE ISSUES

The Contractor agrees that all work performed as part of this contract will comply fully with administrative and other requirements established by federal and state laws, regulations and guidelines, and assumes responsibility for full compliance with all such laws, regulations and guidelines, and agrees to fully reimburse DOM for any loss of funds, resources, overpayments, duplicate payments or incorrect payments resulting from noncompliance by the Contractor, its staff, or agents, as revealed in any audit.

4.15.1 Federal, State, and Local Taxes

Unless otherwise provided herein, the contract price shall include all applicable federal, state, and local taxes.

The Contractor shall pay all taxes lawfully imposed upon it with respect to this contract or any product delivered in accordance herewith. DOM makes no representation whatsoever as to exemption from liability to any tax imposed by any governmental entity on the Contractor.

4.15.2 License Requirements

The Contractor shall have, or obtain, any license/permits that are required prior to and during the performance of work under this contract.

4.15.3 HIPAA Compliance

The Contractor must ensure that all work supports the HIPAA Security Rules and sign a HIPAA Business Associate Agreement.

4.15.4 Site Rules and Regulations

The Contractor shall use its best efforts to ensure that its employees and agents, while on DOM premises, shall comply with site rules and regulations.

4.15.5 Environmental Protection

The Contractor shall be in compliance with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (45 USC 1857 [h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulation (40 CFR Part 15) which prohibit the use under non-exempt federal contracts, grants, or loans of

facilities included on the EPA list of Violating Facilities. The Contractor shall report violations to the applicable grantor federal agency and the U. S. EPA Assistant Administrator for Enforcement.

4.15.6 Lobbying

The Contractor certifies, to the best of its knowledge and belief, that no federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance is placed when entering into this contract. Submission of this certification is a prerequisite for making or entering into this contract imposed under Title 31, Section 1352, U.S. Code. Failure to file the required certification shall be subject to civil penalties for such failure.

The Contractor shall abide by lobbying laws of the State of Mississippi.

4.15.7 Bribes, Gratuities and Kickbacks Prohibited

The receipt or solicitation of bribes, gratuities and kickbacks is strictly prohibited.

No elected or appointed officer or other employee of the Federal Government or of the State of Mississippi shall benefit financially or materially from this contract. No individual employed by the State of Mississippi shall be permitted any share or part of this contract or any benefit that might arise there from.

The Contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibitions against gratuities set forth in Section 7-204 (Gratuities) of the Mississippi Personal Service Contract Procurement Regulations.

4.15.8 Small and Minority Businesses

DOM encourages the employment of small business and minority business enterprises. Therefore, the Contractor shall report, separately, the involvement in this contract of small businesses and businesses owned by minorities and women. Such information shall be reported on an invoice annually on the contract anniversary and shall specify the actual dollars contracted to-date with such businesses, actual dollars expended to date with such businesses, and the total dollars planned to be contracted for with such businesses on this contract.

4.15.9 Suspension and Debarment

The Contractor certifies that it is not suspended or debarred under federal law and regulations or any other state's laws and regulations.

4.15.10 Compliance with the Mississippi Employment Protection Act

The Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Contractor further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor understands and agrees that any breach of these warranties may subject Contractor to the following: (a) Termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years with notice of such cancellation/termination being made public, or (b) The loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) Both.
In the event of such termination/cancellation, Contractor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

The Contractor certifies that it is not suspended or debarred under federal law and regulations or any other state's laws and regulations.

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5 TECHNICAL PROPOSAL

5.1 INTRODUCTION

All proposals must be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) with tabs delineating each section. One copy of the proposal must be submitted on diskette or CD in Microsoft Word or Adobe Acrobat (.PDF) format.

The Technical Proposal must include the following sections:

1. Transmittal Letter
2. Executive Summary
3. Corporate Background and Experience
4. Project Organization and Staffing
5. Methodology
6. Project Management and Control
7. Work Plan and Schedule

Items to be included under each of these headings are identified in the paragraphs below. Each section within the Technical Proposal should include all items listed in the paragraphs below. The evaluation of proposals will be done on a section-by-section basis. A format that easily follows the requirements and order of the RFP should be used.

Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

5.2 TRANSMITTAL LETTER

The Transmittal Letter shall be in the form of a standard business letter on letterhead of the proposing company and shall be signed by an individual authorized to legally bind the Offeror. It shall be included in each Technical Proposal. The letter should identify all material and enclosures being submitted in response to the RFP. The transmittal letter shall include

1. A statement indicating that the Offeror is a corporation or other legal entity;
2. A statement confirming that the Contractor is registered to do business in Mississippi and providing their corporate charter number to work in Mississippi, if applicable;
3. A statement identifying the Offeror's Federal tax identification number;
4. A statement that no attempt has been made or will be made by the Offeror to induce any other person or firm to submit or not to submit a proposal;
5. A statement that the Contractor has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 of the Mississippi Personal Service Contract Procurement Regulations.
6. A statement of Affirmative Action, that the Offeror does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or disability;
7. A statement that no cost or pricing information has been included in this letter or any other part of the technical proposal;
8. A statement identifying all amendments to this RFP issued by DOM which have been

received by the Offeror. If no amendments have been received, a statement to that effect should be included;

9. A statement that the Offeror has read, understands and agrees to all provisions of this RFP without reservation;
10. Certification that the Offeror's offer will be firm and binding for 180 days from the proposal due date;
11. A statement naming any outside firms responsible for writing the proposal;
12. A statement agreeing that the Contractor and all subcontractors will sign the Drug Free Workplace Certificate (Exhibit 1);
13. A statement that the Offeror has included the signed DHHS Certification Regarding Debarment, Suspension, and Other Responsibility Matters for Primary Covered Transactions (Exhibit 2) with the Transmittal letter;
14. All proposals submitted by corporations must contain certifications by the secretary or other appropriate corporate official other than the corporate official signing the corporate proposal that the corporate official signing the corporate proposal has the full authority to obligate and bind the corporation to the terms, conditions, and provisions of the proposal; and,
15. All proposals submitted must include a statement that the bidder presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services under this contract, and it shall not employ, in the performance of this contract, any person having such interest.
16. If the proposal deviates from the detailed specifications and requirements of the RFP, the transmittal letter must identify and explain these deviations. DOM reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

5.3 EXECUTIVE SUMMARY

The Executive Summary shall condense and highlight the contents of the Technical Proposal in such a way as to provide a broad understanding of the entire proposal. The Executive Summary shall include a summary of the proposed technical approach, the staffing structure, and the task schedule, including a brief overview of

1. Proposed work plan
2. Staff organizational structure
3. Key personnel
4. A brief discussion of the Offeror's understanding of the Mississippi environment and the Medicaid program requirements.

Also, Offerors may designate those provisions of the proposal which contain trade secrets or other proprietary data which they believe may remain confidential in accordance with Section 25-61-9 and 79-23-1 of the Mississippi Code.

The Executive Summary should be no more than five single-spaced typed pages in length.

5.4 CORPORATE BACKGROUND AND EXPERIENCE

The Corporate Background and Experience Section shall include for the Offeror details of the background of the company, its size and resources, details of corporate experience relevant to the proposed contract, financial statements, and a list of all current or recent Medicaid or related projects. The time frame to be covered should begin, at a minimum, in January 2007 through present date.

5.4.1 Corporate Background

The details of the background of the corporation, its size, and resources, shall cover

1. date established
2. location of the principal place of business
3. location of the place of performance of the proposed contract
4. ownership (e.g.: public company, partnership, subsidiary)
5. total number of employees
6. number of personnel currently engaged in project operations
7. computer resources
8. performance history and reputation
9. current products and services
10. professional accreditations pertinent to the services provided by this RFP

5.4.2 Financial Statements

Financial statements for the contracting entity shall be provided for each of the last five (5) years, including at a minimum

1. statement of income
2. balance sheet
3. statement of changes in financial position during the last five (5) years
4. statement of cash flow
5. auditors' reports
6. notes to financial statements
7. summary of significant accounting policies

The State reserves the right to request any additional information to assure itself of an Offeror's financial status.

5.4.3 Corporate Experience

The corporate experience section must present the details of the Offeror's experience with the type of services to be provided by this RFP and Medicaid experience. A minimum of one corporate reference is required for each type of experience. DOM will check references at its option. Each reference must include the client's name and address and the current telephone number of the client's responsible project administrator or of a senior official of the client who is familiar with the Offeror's performance and who may be contacted by DOM during the evaluation

process. DOM reserves the right to contact officials of the client other than those indicated by the Offeror. Overlapping responsibilities on the same client's contract should be depicted so that they are easily recognized.

The Offeror must provide for each experience:

1. customer name;
2. customer references (including phone numbers);
3. description of the work performed;
4. time period of contract;
5. staff months expended;
6. personnel requirements;
7. publicly funded contract cost; and
8. any contractual termination within the past five (5) years.

5.5 PROJECT ORGANIZATION AND STAFFING

The Project Organization and Staffing section shall include project team organization, charts of proposed personnel and positions, estimates of the staff-hours by major task(s) to be provided by proposed positions, and if known, résumés of all management and key professional personnel as required in this RFP.

5.5.1 Organization

The organization charts shall show

1. Organization and staffing during each phase as described in the RFP; and
2. Full-time, part-time and temporary status of all employees.

5.5.2 Staff References

Offerors must submit three references for each proposed key staff member. Each reference must include the name of the contact person, current address, telephone number and date and description of the service provided. Current DOM staff shall not be submitted for any reference for the above requirements.

5.5.3 Résumés

Offerors must submit résumés of all proposed key staff persons - Project Manager, and other key management staff. Experience narratives shall be attached to the résumés describing specific experience with the type service to be provided by this RFP, a Medicaid program, and professional credentials, including any degrees, licenses and recent and relevant continuing education.

The résumés of proposed personnel shall include:

1. experience with Offeror;
2. experience in working with Medicaid program;
3. experience in the type of services to be provided by this RFP;

4. relevant education and training, including college degrees, dates of completion, and institution name and address; and
5. names, positions, and phone numbers of a minimum of three persons who can give information on the individual's experience and competence.

The résumés of proposed managers shall include:

1. experience in managing large-scale contractual services projects;
2. other management experience; and
3. supervisory experience including details and number of people supervised.

If project management responsibilities will be assigned to more than one individual during the project (i.e., management may be changed following implementation), résumés must be provided for all persons concerned.

Each project referenced in a résumé should include the customer name, the time period of the project, and the time period the person performed, as well as a brief description of the project and the person's responsibilities.

5.5.4 Responsibilities

This section should discuss the anticipated roles of personnel during all phases of the contract. All proposed key technical team leaders, including definitions of their responsibilities during each phase of the contract, should be included.

5.5.5 Backup Personnel Plan

If additional staff is required to perform the functions of the contract, the Contractor should outline specifically its plans and resources for adapting to these situations. The Contractor should also address plans to ensure the longevity of staff in order to allow for effective DOM support.

5.6 METHODOLOGY

The Methodology Section should describe the Contractor's approach to providing the services described in the scope of work, Section 1, of the RFP. This section should contain a comprehensive description of the proposed work plan. The narrative descriptions within this section must include the following:

1. The description shall encompass the requirements of this RFP as outlined in Scope of Work.
2. The proposal must describe the methodology to be followed in sufficient detail to demonstrate the Offeror's direction and understanding of this RFP.
3. The proposal must summarize how State of Mississippi agency staff will be used as resources in this project. It is the State's desire that agency staff be advised of all aspects of the engagement.
4. The proposal should include information about past performance results and a plan for evaluating the proposed project.

5.7 PROJECT MANAGEMENT AND CONTROL

The Project Management and Control Section shall include details of the methodology to be used in management and control of the project, project activities, and progress reports. This section will also supervise correction of problems. Specific explanation must be provided if solutions vary from one phase to another. This section covers:

1. Project management approach;
2. Project control approach;
3. Manpower and time estimating methods;
4. Sign-off procedures for completion of all deliverables and major activities;
5. Management of performance standards, milestones and/or deliverables;
6. Assessment of project risks and approach to managing them;
7. Anticipated problem areas and the approach to management of these areas, including loss of key personnel, loss of technical personnel;
8. Internal quality control monitoring;
9. Approach to problem identification and resolution;
10. Project status reporting, including examples of types of reports; and
11. Approach to DOM's interaction with contract management staff.

5.8 WORK PLANS AND SCHEDULE

The Offeror shall provide sample Work Plans and Schedules that include a detailed work plan for each recovery activity proposed. The schedule should allow fifteen (15) working days for DOM approval of each submission or re-submission of each deliverable. The work plan to be proposed should include all responsibilities, milestones, and deliverables outlined previously in this RFP. This section shall cover:

1. Any assumptions or constraints identified by the Offeror, both in developing the work plan and in completing the work plan.
2. Person-weeks of effort for each task or subtask, showing Contractor personnel and DOM personnel efforts separately.
3. A network diagram, showing the planned start and end dates for all tasks and subtasks, indicating the interrelationships of all tasks and subtasks, and identifying the critical path.
4. A Gantt chart, showing the planned start and end dates of all tasks and subtasks.
5. A discussion of how the work plan provides for handling of potential and actual problems.
6. A schedule for all deliverables providing a minimum of five (5) days review time by DOM.

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6 BUSINESS/COST PROPOSAL

6.1 GENERAL

All Offerors must certify in the transmittal letter that their offer shall be binding upon the Offeror for a period of 180 days following the proposal due date. Pricing will be considered as a separate criteria of the overall bid package.

Offerors must propose a firm fixed price for each of the requirements contained on the pricing schedule (Appendix A).

6.2 BID MODIFICATION IN THE EVENT OF A FEDERAL AND/OR STATE LAW, REGULATION OR POLICY

In the event any change occurs in federal law, federal regulations, state law, state regulations, state policies, or state Medicaid plan coverage, and DOM determines that these changes impact materially on proposal pricing, DOM reserves the right to require the Offerors to amend their proposals. The failure of an Offeror to negotiate these required changes will exclude such Offeror from further consideration for contract award. All proposals shall be based upon the provisions of federal and state laws and regulations and DOM's approved Medicaid State Plan coverage in effect on the issuance date of this RFP, unless this RFP is amended in writing to include changes prior to the closing date for receipt of proposals.

6.3 PROPOSAL CONTENT

The Business Proposal shall include only the following:

1. A detailed worksheet by line item of all recovery activities as they pertain to the Contractor Responsibilities and Deliverables as found in Section 1.0 of the RFP.
2. Each pricing schedule must be signed and dated by an authorized corporate official.
3. All proposals submitted by corporations must contain certification by the secretary or other appropriate corporate official, other than the signer of the corporate proposal, that the corporate official signing the corporate proposal has the authority to obligate and bind the corporation to the terms, conditions and provisions of the proposal.

Proposals received that do not include the above items will be rejected. Proposals that contain any material other than the above will be rejected.

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7 PROPOSAL EVALUATION

7.1 GENERAL

An Evaluation Committee comprised of DOM staff will be established to judge the merits of eligible proposals. The committee will be appointed by the Executive Director of the Division of Medicaid and will include members who have extensive experience in the Medicaid program. The committee will be responsible for the evaluation of the technical and business proposals.

7.2 EVALUATION OF PROPOSALS

A standard evaluation form will be utilized by the evaluation committee to ensure consistency in evaluation criteria.

A maximum of 1,000 points will be available for each proposal which shall be comprised of a technical and a business proposal. The points awarded per phase by the evaluation committee will be totaled to determine the points awarded per proposal.

Evaluation of eligible proposals will be conducted in five phases. The Procurement Officer will complete Phase One, the technical proposal evaluation committee will complete Phase Two, and the business proposal evaluation committee will complete Phase Three. In Phase Four, the Procurement Officer will compile the results of the technical and business evaluations and make a recommendation to the Executive Director of Medicaid based on the results of the evaluation. The fifth phase is the award decision of the Executive Director.

At its option, the State may request an interview from Contractors in a competitive range in the evaluation. Contractors must be prepared to meet with DOM staff within five (5) days of notification. All costs associated with the interview will be the responsibility of the Contractor.

7.2.1 Phase 1 - Evaluation of Bidders' Response to RFP

In this phase, the Procurement Officer reviews each proposal to determine if each proposal is sufficiently responsive. Each proposal will be evaluated to determine if it is complete and whether it complies with the instructions to bidders in the RFP. Each proposal that is incomplete will be declared non-responsive and may be rejected with no further evaluation.

The Procurement Officer will determine if an incomplete proposal is sufficiently responsive to continue to Phase Two.

7.2.2 Phase 2 - Evaluation of Technical Proposal

Only those proposals which meet the requirements in Phase One will be considered in Phase Two.

Any technical proposal that is incomplete or in which there are significant inconsistencies or inaccuracies may be rejected by the Division of Medicaid. The Division of Medicaid reserves the right to waive minor variances or reject any or all proposals. In addition, the Division of Medicaid reserves the right to request clarifications or enter into discussions with all Offerors.

The evaluation committee will review the bidder's response to each requirement in order to determine if the bidder sufficiently addresses all of the requirements and that the bidder has developed a specific approach to meeting each requirement.

Maximum number of points that may be awarded for the technical evaluation:

Maximum Points per Section

1. Corporate Background and Experience	140
2. Organization and Staffing	200
3. Methodology	150
4. Project Management and Control	140
5. Work Plan and Schedule	70
Total Points	700

Proposals must score a minimum of 70% (490 points) of the total technical score in order to proceed to the Business/Cost phase of the evaluation. Proposals receiving less than 70% will not be considered for the Business/Cost evaluation or contract award.

Technical proposal evaluations may be adjusted based on information gathered during the oral presentations.

7.2.2.1 Executive Summary

The Evaluation Committee will review the Executive Summary to determine if it provides all information required in Section 5.3 of this RFP and is five pages or less in length.

7.2.2.2 Corporate Background and Experience

The Evaluation Committee will evaluate the experience, performance on similar contracts, resources, and qualifications of the Offeror to provide the services required by the RFP. The evaluation criteria will address:

1. Experience of Offeror in providing the requested services.
2. Corporate experience providing similar services.
3. Amount and level of resources proposed by the Offeror.
4. Specific qualifications that evidence the Offeror's ability to provide the services requested.
5. Current financial position and cash flow of the Offeror and evidence that the Offeror has a history of financial solvency.
6. Any contract terminations or non-renewals within the past five years.

7.2.2.3 Methodology

The Evaluation Committee will evaluate the approach and process offered to provide services as required by this RFP. In addition to the information required in Section 1.0 of this RFP, the evaluation criteria will address at a minimum the following (if applicable):

1. Processes and requirements for completion of the project.
2. Data management plan, including hardware, software, communications links, and data needs and proposed coordination plan.
3. Processes for maintaining confidentiality of protected health information.
4. Processes for development and submission of required deliverables.
5. Scope of services provided through partnerships or subcontractors.

6. Relevant experience that indicates your organizational qualifications for the performance of the potential contract.
7. Quality Assurance processes.

7.2.2.4 Organization and Staffing

The Evaluation Committee will review this section of the Offeror's proposal to determine if the proposed organizational structure and staffing level are sufficient to accomplish the requirements of the RFP. The committee will review the organizational chart(s), time lines, the job descriptions including job qualifications, the resumes of staff and their qualifications for the positions they will hold, and the relationship of their past experience to their proposed responsibilities under this contract. The committee will evaluate the explanation of the Offeror regarding the relationship between the Offeror and the Project Manager to determine if they will have sufficient autonomy to make management decisions to improve the Offeror's delivery of services to DOM.

7.2.2.5 Project Management and Control

The evaluation committee will evaluate the Offeror's proposal to determine if all of the elements required by Section 5.7 of the RFP are addressed. Specifically, the committee will evaluate

1. the Offeror's approach to the management of the project and ability to keep the project on target and to ensure that the requested services are provided;
2. the Offeror's control of the project to ensure that all requests are being met and that the Offeror is able to identify and resolve problems which occur;
3. the Offeror's methods for estimating and documenting personnel hours spent by staff on project activities to be sure they are sound and fair;
4. the Offeror's plans to comply with the reporting requirements of the contract, including the provision of status reports to DOM, and whether the reports are appropriate and sufficient to keep DOM informed of all aspects of the implementation and operation of the project; and
5. the Offeror's understand of the importance of interacting with DOM management staff and presenting a plan to do so appropriately.

7.2.2.6 Sample Work Plans and Schedule

The committee will review and evaluate sample work plans and schedule to determine if all tasks are included and if, for each task, a timeline and an identification of staff responsible for the task's accomplishment are indicated. The work plans must provide a logical sequence of tasks and a sufficient amount of time for their accomplishment.

7.2.3 Phase 3 - Evaluation of Business/Cost Proposal

Only those proposals that satisfactorily completed Phase 2 will be considered for Phase 3. DOM reserves the right to waive minor variances or reject any or all proposals.

Any contingency fee determined by DOM to be unrealistically or unreasonably low may not be considered acceptable, as such a proposal has a high probability of not being accomplished for the cost proposed. The Offeror may be required to produce additional documentation to authenticate the proposal price.

The maximum 300 points will be assigned to the lowest and best acceptable proposal. All other proposals will be assigned points based on the following formula:

$\frac{X}{Y} * 300 = Z$

X = lowest bid price
Y = Offeror's bid price
Z = assigned points

7.3 SELECTION

After the evaluation committee has completed the evaluation of the proposals, a summary report including all evaluations will be submitted to the Executive Director of DOM. The Executive Director will make the final decision regarding the winning proposal.

7.4 AWARD NOTICE

The notice of intended contract award shall be sent by mail, email or fax to all Offerors.

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Appendix A - Budget Summary

Section 6.0 addresses submission of the Budget Summary. Failure to follow the submittal instructions will immediately disqualify the Offeror.

Offeror may propose one or more Recovery Activities.

Budget Summary **RECOVERY AUDIT CONTRACTOR** **RFP #20101210**	
Offeror:	
Recovery Activities	**Proposed Contingency Rate**
Pre-Adjudication	
Post-Adjudication	
Other Services	
Other Services	
Other Services	
Offeror:	
Projected Recoveries:	
Average Rate:	
I certify that I am legally obligating the above named Offeror to the conditions of this contract.	
Signature:	Date:
Printed Name:	Title:

Appendix B – HIPAA Business Associate Agreement

Business Associate Agreement

This Business Associate Agreement ("Agreement") is entered into between Mississippi Division of Medicaid, a State Agency ("DOM") and Contractor, a corporation qualified to do business in Mississippi ("Business Associate").

I. RECITALS

a. DOM is a State Agency that acts both as an employer and as a health plan for public benefit with a principal place of business at 550 High Street, Suite 1000, Jackson, MS 39201.

b. Business Associate is a corporation qualified to do business in Mississippi that will act to consulting services in connection with MMIS, PBM and DSS development for DOM with a principal place of business at 6263 North Scottsdale Rd., Suite 200, Scottsdale, AZ 85250-5402.

c. DOM, as a Covered Entity defined herein under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") is required to enter into this Agreement to obtain satisfactory assurances that Business Associate, a Business Associate under HIPAA, will appropriately safeguard all Protected Health Information ("PHI") as defined herein, disclosed, created or received by Business Associate on behalf of, DOM.

d. DOM desires to engage Business Associate to perform certain functions for, or on behalf of, DOM involving the disclosure of PHI by DOM to Business Associate, or the creation or use of PHI by Business Associate on behalf of DOM, and Business Associate desires to perform such functions, as set forth in the contracts or agreements which involve the exchange of information, and wholly incorporated herein.

e. The terms used in this Agreement shall have the same meaning as those terms in the Privacy Rule.

In consideration of the mutual promises below and the exchange of information pursuant to this agreement and in order to comply with all legal requirements for the protection of this information, the parties therefore agree as follows:

II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
d. Business Associate agrees to report to DOM any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of DOM agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

f. Business Associate agrees to provide access, at the request of DOM, and in the time and manner determined by DOM, to Protected Health Information in a Designated Record Set, to DOM or, as directed by DOM, to an Individual in order to meet the requirements under 45 CFR § 164.524.
g. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that DOM directs or agrees to pursuant to 45 CFR § 164.526 at the request of DOM or an Individual.
h. Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, and available to DOM, or to the Secretary of the Department of Health and Human Service, in a time and manner designated by the Secretary, for purposes of the Secretary determining DOM's compliance with the Privacy Rule.
i. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for DOM to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
j. Business Associate agrees to provide to DOM or an Individual, an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

General Use and Disclosure Provisions

Refer to underlying agreements and contracts:

Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, DOM as specified in the service agreements and contracts, provided that such use or disclosure would not violate the Privacy Rule if done by DOM or the minimum necessary policies and procedures of DOM.

IV. OBLIGATIONS OF DOM

a. Provisions for DOM to Inform Business Associate of Privacy Practices and Restrictions

i. DOM shall notify Business Associate of any limitation(s), as set forth in the Notice of Privacy Practices attached hereto as Exhibit “A” and wholly incorporated herein, in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
ii. DOM shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
iii. DOM shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that DOM has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

b. Permissible Requests by DOM

DOM shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by DOM.

V. TERM AND TERMINATION

a. Term. The Term of this Agreement shall be effective as of the effective date of the agreements and contracts entered into between DOM and Business Associate, and shall terminate when all of the Protected Health Information provided by DOM to Business Associate, or created or received by Business Associate on behalf of DOM, is destroyed. If it is infeasible to destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
b. Termination for Cause. Upon DOM's knowledge of a material breach by Business Associate, DOM shall, at its discretion, either:
   i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the associated Contracts or Agreements. If Business Associate does not cure the breach or end the violation within the time specified by DOM; or
   ii. Immediately terminate this Agreement and the associated Contracts or Agreements if Business Associate has breached a material term of this Agreement and cure is not possible; and
   iii. In either event, DOM shall report the violation to the Secretary of Health and Human Services as required.

c. Effect of Termination.
   i. Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall destroy all Protected Health Information received from DOM, or created or received by Business Associate on behalf of DOM. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
   ii. In the event that Business Associate determines that destroying the Protected Health Information is infeasible, Business Associate shall provide to DOM notification of the conditions that make destruction infeasible. Upon notification in writing that destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VI. MISCELLANEOUS

a. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement as is necessary to effectively comply with the terms of any agreements or contracts, or for DOM to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191. Such modifications signed by the parties shall be attached to and become part of this Agreement.
c. Survival. The respective rights and obligations of Business Associate under the Section, "Effect of Termination" of this Agreement shall survive the termination of this Agreement.
d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit DOM to comply with the Privacy Rule.

e. Indemnification. Business Associate will indemnify and hold harmless DOM to this Agreement from and against all claims, losses, liabilities, costs and other expenses incurred as a result of, or arising directly or indirectly out of or in conjunction with:
   i. Any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of the party under this Agreement; and
   ii. Any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with the performance of the Business Associate under this Agreement.

f. Business Associate's Compliance with HIPAA. DOM makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

g. Notices. Any notice required to be given pursuant to the terms and provisions of this Agreement shall be in writing and may be either personally delivered or sent by registered or certified mail in the United States Postal Service, Return Receipt Requested, postage prepaid, addressed to each party at the addresses which follow or to such other addresses as the parties may hereinafter designate in writing:

DOM:	**Office of the Governor** **Division of Medicaid** **550 High Street, Suite 1000** **Jackson, MS. 39201**
Business Associate:	Contractor's Address

Any such notice shall be deemed to have been given, if mailed as provided herein, as of the date mailed.

h. Change in Law. In the event that there are subsequent changes or clarifications of statutes, regulations or rules relating to Agreement, DOM shall notify Business Associate of any actions it reasonably deems are necessary to comply with such changes, and Business Associate promptly shall take such actions. In the event that there shall be a change in the federal or state laws, rules or regulations, or any interpretation or any such law, rule, regulation or general instructions which may render any of the material terms of this Agreement unlawful or unenforceable, or materially affects the financial arrangement contained in this Agreement, Business Associate may, by providing advanced written notice, propose an amendment to this Agreement addressing such issues.

i. Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

j. Counterparts. This Agreement may be executed in counterparts, any of which is considered to be an original agreement.

k. Governing Law. This Agreement shall be construed broadly to implement and comply with the requirements relating to the HIPAA laws and regulations. All other aspects of this Agreement shall be governed under the laws of the State of Mississippi.

l. Assignment/Subcontracting. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. Except as

otherwise provided in the Contract and any proposal or RFP related thereto and agreed upon between the parties, Business Associate may not assign or subcontract the rights or obligations under this Agreement without the express written consent of DOM. DOM may assign its rights and obligations under this Agreement to any successor or affiliated entity.

m. Entire Agreement. This Agreement contains the entire agreement between parties and supersedes all prior discussions, negotiations and services for like services.
n. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DOM, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
o. Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any agents, affiliates, subsidiaries, subcontractors or employees assisting Business Associate in the fulfillment of its obligations under this Agreement, available to DOM, at no cost to DOM, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DOM, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, except where Business Associate or its agents, affiliates, subsidiaries, subcontractors or employees are a named adverse party.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement to be effective on the date first herein written.

Division of Medicaid **Office of the Governor** **State of Mississippi**	**Contractor's Information**
By:_____ **Robert L. Robinson** **Executive Director**	**By:**_____
Date:_____	**Date:**_____

Appendix C – Claim Types

Claim Types

By Number and Payment Methodology

Claim Type	Number of Claims FY 2010	Claim Form	Claim Level	Payment Methodology
Inpatient - Hospital	491,590	UB04	Header	Per diem
Nursing Facility and Long Term Care	893,025	UB04	Header	Per diem
Hospice	14,674	UB04	Header	Rate
Pharmacy	7,451,741	NCPDP	Header	Point of Sale (POS)
Crossover Part A	101,837	UB04	Header	Crossover methodology (deductible, coinsurance)
Crossover Part B	2,296,217	CMS1500	Header	Crossover methodology (deductible, coinsurance)
Crossover Part B Outpatient	570,710	UB04	Header	Crossover methodology (deductible, coinsurance)
Outpatient – Hospital	4,171,158	UB04	Header (payment) Line (pricing)	Percentage of Charge (Primarily)
Outpatient - Other				
Laboratory and Radiology	471,242	CMS1500	Line	Fee Schedule
Mental Health	2,087,224	CMS1500	Line	Fee Schedule
Services	636,351	CMS1500	Line	Fee Schedule
Practitioner/Physician	4,136,145	CMS1500	Line	Fee Schedule
Vision and Hearing	201,460	CMS1500	Line	Fee Schedule
Medical Supply (DME)	233,834	CMS1500	Line	Fee Schedule
Transportation (Emergency Ambulance)	69,281	CMS1500	Line	Fee Schedule
Clinics (RHC/FQHC)	709,835	CMS1500	Line	Encounter Rates
Dental	555,331	2006 ADA	Line	Fee Schedule
Home Health	68,099	UB04	Line	Fee Schedule
Financial Transaction	170,444			
TOTAL FY2010	**25,330,198**			

Appendix D – Medicaid Expenditures

Division of Medicaid

Medical Expenditures by Category of Service

Past Three (3) Fiscal Years – FY 2008 to FY 2011

MR-O-01

State Category of Service	Number of Claims Fiscal Year 2010	Fiscal Year End June 2010	Fiscal Year End June 2009	Fiscal Year End June 2008
Inpatient Hospital	476,068	615,739,679.87	558,983,842.77	554,026,610.95
Outpatient Hospital	4,132,071	270,461,579.48	180,058,028.89	256,435,409.08
Laboratory and Radiology	471,272	14,913,616.46	15,883,440.74	15,864,653.51
Nursing Facility	770,554	733,230,286.19	704,312,801.72	674,003,354.23
Physician	3,465,958	283,143,974.80	249,756,635.02	243,895,742.14
Home & Comm Based Services	407,012	185,348,394.73	155,276,956.37	144,169,706.11
Home Health Services	40,685	8,676,895.01	7,048,049.96	7,284,428.71
Swing Bed Skilled Care	54	100,503.12	99,282.55	23,073.02
Mental Health Clinic Services	2,047,691	157,843,661.40	140,360,024.03	135,602,669.99
EPSDT Screening	453,556	23,785,272.64	21,430,610.51	20,166,498.02
Emerg/Non-Emerg Transportation	69,279	16,695,003.44	11,804,661.00	10,935,558.44
Dental Services	70,311	9,308,535.58	7,009,286.58	6,543,437.82
Eyeglass Services	58,883	5,356,840.08	4,705,331.45	4,487,416.77
Drug Services	7,272,830	345,823,849.15	314,245,361.29	305,621,049.92
Dental Services	485,099	73,509,525.32	54,163,372.39	47,303,919.26
Eyeglass Screening	145,059	15,356,998.74	12,768,838.34	11,342,616.96
Hearing Screening	3,317	364,292.15	893,211.60	603,066.82
Intermediate Care Fac (ICF)		0.00	0.00	0.00
ICF – Mental Retardation (MR)	109,837	275,716,765.45	278,164,185.89	277,980,422.46
Swing Bed Inter Care Fac	106	226,351.47	182,480.21	170,473.86
Rural Health Clinic	438,809	39,651,569.32	34,794,315.75	37,602,773.68

Federally Qualified Health Center	235,615	25,829,991.59	22,910,445.00	22,992,465.71
Medical Supply (DME)	233,090	23,982,256.81	20,320,145.60	19,424,500.30
Therapy Services (Outside HH)	66,177	5,370,587.15	6,453,468.38	5,841,427.35
Inpatient Residential Psych	13,041	40,480,498.72	37,879,737.77	36,092,792.87
Inpatient Free Standing Psych	15,610	25,351,116.40	21,985,739.61	20,349,557.05
Nurse Services	530,344	34,222,406.46	25,332,145.92	21,221,930.55
Ambulatory Surgical Center	35,441	6,609,479.84	5,657,929.53	5,079,057.44
Personal Care Services	6,563	8,275,086.00	5,525,342.00	4,274,378.00
Hospice	14,672	33,586,828.63	32,281,685.02	30,963,883.00
Outpatient Free Standing Psych		0.00	0.00	30.10
Mental Health Private	35,926	3,714,676.33	2,647,439.06	3,300,588.64
Family Planning Drug Services	178,920	6,521,725.67	4,821,593.18	4,268,708.31
Free Standing Dialysis	39,078	9,107,766.76	12,909,329.91	11,348,827.34
Managed Care Cap Payments		0.00	0.00	0.00
Dietary and Nutritional Svcs		0.00	0.00	0.00
Disease Management Payments		0.00	0.00	0.00
Medicare Part A		0.00	0.00	0.00
Medicare Part B		0.00	0.00	0.00
Crossover Part A Inpatient	42,870	19,298,140.36	9,920,777.43	46,747,667.22
Crossover Part A Swingbed	729	57,156.37	128,021.45	993,600.73
Crossover Part A Hospice	68	0.00	0.00	0.00
Crossover Part A LTC	57,712	11,029,767.38	12,246,104.42	36,584,411.82
Crossover Part A Psych Hosp	458	54,705.38	121,785.63	280,605.50
Crossover Part A HMO/Inst		0.00	0.00	0.00
Crossover Part A Psych Res		0.00	0.00	0.00
Crossover Part B Outpatient	525,190	50,776,001.20	42,539,834.41	46,085,664.93
Crossover Part B DME	353,015	17,251,659.99	16,084,232.00	17,082,915.58
Crossover Part B Transport	73,478	5,591,796.93	4,909,078.55	5,101,989.00
Crossover Part B Psych OP	85	3,159.42	935.13	0.00

Crossover Part B Dialysis	44,310	19,493,678.76	15,871,626.86	14,472,297.50
Crossover Part B Physician	1,870,849	32,707,533.16	30,037,474.17	28,515,175.90
Crossover Part B HMO/Profess		0.00	0.00	0.00
JO4 NET Accommodation Provider		0.00	0.00	0.00
MYPAC Service	3,624	11,151,240.09	5,155,210.00	777,850.00
Unknown	171,949	262,038.17	104,116.41	107,519.26
Financial Claims		720,858,826.75	847,089,133.62	294,590,706.33
State – TOTAL	**25,330,198**	**4,186,841,718.72**	**3,934,874,048.12**	**3,430,624,432.18**
State – TOTAL (No Financials)		**3,465,982,891.97**	**3,087,784,914.50**	**3,136,033,725.85**

Appendix E – Existing DOM Recovery Activities

EXISTING DOM RECOVERY ACTIVITIES

The DOM Organization and Functions is located on the agency webpage at www.medicaid.ms.gov.

BUREAU OF PROGRAM INTEGRITY

The Bureau of Program Integrity consists of four divisions:

- Investigations
- Medical Review
- Medicaid Eligibility Quality Control
- Data Analysis

INVESTIGATIONS DIVISION

This Division conducts periodic reviews of provider records and interviews with Beneficiaries to verify actual receipt of service for which payments were made. They investigate cases of possible fraud or abuse. This unit is responsible for conducting on-site investigations of providers and for monitoring their utilization in the Medicaid Program.

Cases involving suspected fraud are referred to the Medicaid Fraud Control Unit, Office of the Attorney General. When warranted by the findings of the investigations, referrals are made to the appropriate regulatory agencies such as the Board of Medical Licensure, Dental Board, Board of Pharmacy, MS Board of Nursing.

Provider investigations could result in monetary recovery, termination as a provider of Medicaid or criminal or civil prosecution through the Office of Attorney General's MFCU.

MEDICAL REVIEW DIVISION

This Division is responsible for investigating provider/beneficiary referrals received from outside sources, medical necessity referrals from Medicaid Investigators, and SURS exception data. Registered Nurses analyze data histories and provider files to make qualified medical decisions regarding the appropriateness of services rendered, to ensure quality of care according to standards of practice, to verify services rendered, and to determine medical necessity of procedures performed.

For providers, results can lead to a peer review, possible sanction, corrective action plan or a referral to MFCU or other appropriate agencies.

MEDICAID ELIGIBILITY QUALITY CONTROL DIVISION

Medicaid Eligibility Quality Control is a federally mandated program whose purpose is to determine the accuracy of Medicaid eligibility decisions made by the Division of Medicaid to allow or deny Medicaid coverage. In the active case review process, eligibility cases are audited for the correct establishment of eligibility for persons actively receiving benefits. From these findings the State Eligibility Error Rate is developed. In a separate audit process, persons or cases whose Medicaid benefits have been terminated or denied are examined to ensure that no one is refused benefits to which they are entitled. This division assists the Division of Medicaid's eligibility staff in the development of corrective action measures when error patterns or trends are noted in the course of the MEQC review process.

Active Cases

MEQC is responsible for analyzing each factor of Medicaid eligibility as determined by the case eligibility worker and for ruling on the eligibility and/or liability status of the case. The Investigators are currently required to complete 90 percent of their cases within 75 days of assignment and 100 percent with 90 days.

Negative Cases

MEQC examines negative case actions (cases in which benefits have been terminated or denied) to

ensure that no one is refused Medicaid benefits to which they are entitled. The Investigator is responsible for determining the agency's adherence to (a) timely notice and hearing requirements and (b) eligibility requirements.

Targeted Review

Designed and completed by MEQC to identify the depth of errors in a particular area.

DATA ANALYSIS DIVISION

This division is responsible for creating algorithms that uncover areas of fraud and abuse in the Medicaid system. The algorithms are created through research using multiple means such as Medicare Fraud Alerts, newspaper articles, websites, and other sources. This division also develops provider analysis reports for use in Investigative and Medical Review cases, records and collects data for internal and external program integrity analysis reports, and documents the recoupment of funds from Program Integrity cases.

In summary, the Bureau of Program Integrity serves as an invaluable deterrent to fraud and abuse of benefits in the Medicaid Program.

BUREAU OF COMPLIANCE AND FINANCIAL REVIEW

The Bureau of Compliance and Financial Review monitors contracts and agreements, and audits institutional providers. Currently this bureau contracts with an auditing contractor for provider audits of cost reports and claims.

The Bureau of Compliance and Financial Review consists of two divisions:

- Provider Review Unit (PRU)
- Contracts Monitoring Unit

PROVIDER REVIEW UNIT

This division is responsible for conducting financial reviews of cost reports submitted by selected long term care facilities to verify the accuracy and reasonableness of information contained in the financial and statistical reports. The unit works closely with the staff of the Bureau of Reimbursement, which conducts desk review of the cost reports to set reimbursement rates for providers.

PROVIDER AUDITS

This branch audits medical providers to ensure compliance with federal and state laws. This branch identifies and recoups overpayments, and strives to prevent overpayments by making recommendations and educating providers.

CONTRACTS MONITORING UNIT

This division conducts reviews of contractors, including individuals, state agencies, and various organizations which provide assistance to the Division of Medicaid in the administration of the Medicaid program. The unit also conducts annual reviews of resident trust funds at all nursing facilities that receive Medicaid funding. These facilities include any nursing facility, intermediate care facility for the mentally retarded (ICF/MR), or psychiatric residential treatment facility (PRTF) funded by the Medicaid program. The CMU is also responsible for receiving and approving payment for services rendered on either a monthly or quarterly basis from certain Division contractors.

BUREAU OF THIRD PARTY RECOVERY

The federally required function of the Third Party Liability (TPL) Division in the Bureau of Third Party Recovery is to identify possible resources available to pay for medical services for Medicaid beneficiaries, to incorporate this third party data into the MMIS TPL files, and to affect post payment recoveries in order to reduce the expenditure of State and Federal funds. The TPL Bureau currently augments services with a contractor for various data matching services.

BOOKKEEPING BRANCH

This branch ensures the integrity of third party collections by matching reimbursements with services rendered; processes checks in a timely manner by collecting or refunding payments; compiles financial reports of third party recoveries; maintains MMIS Financial files as they related to Third Party Recovery.

BENEFICIARY RECOUPMENT BRANCH

This branch recovers Medicaid payments from beneficiaries who received benefits while ineligible; receives and processes Improper Payment Reports. The Medicare Buy-In unit resolves complaints and related Medicare entitlement issues.

CASUALTY BRANCH

This branch recovers Medicaid payments for services related to accidents, injuries, malpractice, tort, and paternity. This branch prepares itemizations of payments for court documentation; monitors progress of court action; and educates the legal community of Medicaid's right to recovery.

ESTATE RECOVERY BRANCH

This branch recovers Medicaid payments on nursing home and hospital-related services from the estate of deceased beneficiaries age 55 or older when there is no surviving spouse, disabled child in home and the estate is worth $5000 or more. This branch prepares itemizations of payments for court documentation; monitors progress of court action; and educates the legal community.

HEALTH BRANCH

This branch investigates the results of third part liability (TPL) billings 60 days after notice. This branch audits pharmacy edit usage for third party compliance; resolves beneficiary and provider TPL-related problems; and educates beneficiaries, providers, and insurance carriers on TPL policy and procedures to ensure compliance with federal and state laws.

MMIS FILE MAINTENANCE BRANCH

This branch identifies and verifies the existence liable third parties for medical coverage of beneficiaries. This branch updates the MMIS RIM (resource information module) files; guarantees the integrity of TPL files in claims payment subsystem.

BUREAU OF SYSTEMS

The Bureau of Systems Management (BSM) supports the agency by ensuring the fiscal agent operates the Mississippi Medicaid Information System (MMIS) in compliance with key performance indicators and federal, state, and agency guidelines; providing data analysis to support changes in state health policy and health-care reform; and providing state-of-the-art technological support in data processing, communications, and computer training. BSM, in conjunction with the fiscal agent, applies claims edits during claim adjudication; and provides support to various systems and software, such as Java Surveillance Utilization Review Systems (SURS), COGNOS, Decision Support Systems (DSS), McKesson ClaimCheck.

Appendix F – Types of Improper Payments

Types of Improper Payments

- Payments for incorrect amounts, overpayments and underpayments
- Payments for non-covered services, including services not reasonable and necessary under section 1862(a)(1)(A) of the Social Security Act
- Payments for incorrectly coded services
- Payments for duplicate services
- Payments for additional TPL sources, subrogation

Types of payments not to be identified include:

- Improper payments already identified by other audit/investigation activity as stated in Sec. 1.3.2
- Pre-Adjudicated claims in which DOM would deny claim through current business processes
- Payments for rate adjustments
- Payments for mass adjustments
- Payments for system problems already identified by DOM

Appendix G –Provider Types

Appendix G

Eligible Providers, October 1, 2009 – September 30, 2010

Provider Type Code	Provider Type Description	Number of Providers
A00	PHYSICIAN MD	11,073
A05	DOCTOR OF OSTEOPATHY	251
A06	CLINIC CROSSOVERS ONLY	0
A08	CHIROPRACTOR	122
A09	PODIATRIST	67
B00	IND XRAY AND LAB	192
B01	IND DIAGNOSTIC TESTING FACLTY	61
C00	INDEPENDENT X-RAY	1
C01	NUTRITIONIST	10
D01	HOSPITAL, NONPROFIT GENERAL	545
D05	HOSPITAL, PSYCHIATRIC	11
D06	HOSPITAL, PROPRIETARY GENERAL	150
DP0	PSYCHIATRIC RESIDENTIAL TMT CN	12
DS0	HOSPITAL, SWINGBED	54
E00*	NURSE SCREENING	334
E02*	SCREENER, PHRM	5
E04*	PHYSICIANS SCREENER	515
E05*	PHYSICIAN SCREENER CASE MGMT	1
E06*	FEDERAL CLINIC, SCREEN ONLY	272
E08*	FEDERAL CLINIC, SCR, CM, CC	60
EA0	STATE DEPARTMENT OF HEALTH	1
EC0	EXPANDED SRVS/HLTH RELATED SRV	42
ED0	SCHOOL BASED SCREEN & CS MGT	88

EE0	TCM FOR EARLY INTERVENTION	1
EV0*	VACCINE FOR CHILDREN PROVIDER	1376
G02	ICF, NONPROFIT MENTAL	11
G07	ICF, PROPIETARY MENTAL	5
H01	PHARMACIES, CLOSED DOOR	74
H02	PHARMACIES, RETAIL	872
H04	PHARMACY DISEASE MANAGEMENT	8
H07	PHARMACIES, INSTITUTIONAL	24
I00	DME, MEDICAL EQUIP SUPPLIES	702
I01	DME, HOME HEALTH	4
I03	DME, PHAMACY BASED, COMMUNITY	371
I06	INFUSION COMPANIES	2
J00	AMBULANCE	84
J01	VOLUNTEER DRIVER, NON-EMERGNCY	0
J03	GROUP PROVIDER, NON-EMERGENCY	0
K00	DENTIST, UNCLASSIFIED	647
L00	HHA UNCLASSIFIED	38
L01	HHA PUBLIC HEALTH AGENCY	1
L02	HHA HOSPITAL BASED PROGRAM	9
L08	HOSPICE	119
M00	AUDIOLOGIST	53
M01	HEARING AID DEALER	1
N00	OPTOMETRIST	276
N01	OPTICAL DISPENSARY	60
O00	RURAL HEALTH CENTER	147
O01	SDH CLINIC	3
O02	FEDERAL CLINIC	195
O03	RHC PROVIDER BASED	0
O04	RHC-HOSPITAL BASED	0

P01	OPTICAL, OPTICAL DISPENSARY	0
Q01	KIDNEY DIALYSIS FREESTANDING	125
Q02	KIDNEY DIALYSIS HOSPITAL BASED	3
R00	STATE BOARD OF HEALTH	1
R01	PRIVATE CASE MANAGER	1
S00	NURSE ANESTHETIST	973
S01	NURSE MIDWIVES	36
S02	NURSE PRACTITIONER	1,665
S05	PRIVATE DUTY NURSING	21
S06	PHYSICIAN ASSISTANT	149
T00	OCCUPATIONAL THERAPISTS	155
T01	PHYSICAL THERAPISTS	235
T02	SPEECH/LANGUAGE THERAPISTS	253
T04	COMPREHENSIVE OP REHAB FACILIT	6
V00	AMBULATORY SURGICAL CENTERS	77
V01	BIRTHING CENTERS	0
W00	CASE MANAGEMENT	10
W01	HOMEMAKER SERVICES	132
W02	RESPITE CARE, INSTITUTIONAL	7
W03	RESPITE CARE, IN HOME	146
W04	ADULT DAY CARE	50
W05	HOME DELIVERED MEALS	0
W06	PERSONAL CARE ATTENDANT	5
W07	HABILITATION	3
W08	MULTIPLE SRVS PROVIDERS, HCBS	19
W09	ESCORTED TRANSPORTATION	40
WC0	ASSISTED LIVING SERVICES PROV	26
X00	COMMUNITY MENTAL HEALTH	25
X01	PRIVATE MENTAL HEALTH	0

X02	SOCIAL WORKER	189
X03	PSYCHOLOGIST	142
X04	MYPAC PROVIDER TYPE	3
Y00	NF, NONPROFIT	28
Y01	NF, PROPRIETARY	147
Y02	NF, STATE OWNED	8
Y03	NF, COUNTY OWNED	17
ZA0	GROUP, PHYSICIANS	1,130
ZE0	GROUP, EPSDT	0
ZK0	GROUP, DENTIST	189
ZL0	MANAGED CARE LOCATION PROVIDER	1
ZM0	GROUP, HEARING	2
ZN0	GROUP, OPTICAL	114
ZP0	GROUP, PHARM DISEASE MGMT	3
ZS0	GROUP, NURSING SERVICES	91
ZT0	GROUP, THERAPIST	154
ZW0	GROUP, WAIVER	0
ZX0	GROUP, MENTAL HEALTH	42
ZY0	GROUP DENTIST	0
ZZ0	GROUP, OTHERS	1,597
	Total	21,850

*Secondary segments to providers that would be included in another count such as: physicians or NPs.

EXHIBIT 1

DHHS CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS:

GRANTEES OTHER THAN INDIVIDUALS

Instructions for Certification

By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

1) This certification is required by regulations implementing the Drug-Free Act of 1988, 45 CFR Part 76, Subpart F. The regulations, published in the May 25, 1990, Federal Register, require certification by grantees that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when the Department of Health and Human Services (HHS) determines to award the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HHS, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

2) Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

3) Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

4) If the workplace identified to DOM changes during the performance of the grant, the grantee shall inform DOM of the change(s), if it previously identified the workplaces in question (see above).

5) Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including (i) all direct charge employees; (ii) all indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

The grantee certifies that it will or will continue to provide a drug-free workplace by

a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or

use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b) Establishing an ongoing drug-free awareness program to inform employees about

1) The dangers of drug abuse in the workplace; 2) the grantee's policy of maintaining a drug-free workplace; 3) any available drug counseling, rehabilitation, and employee assistance programs; and 4) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will

1) Abide by the terms of the statement; and 2) notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e) Notifying DOM in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted:

1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or 2) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant (use attachments if needed):

Place of Performance (street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here.

---->NOTE: Sections 76.630(c) and (d)(2) and 76.635(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For HHS, the central receipt point is Division of Grants Management and Oversight, Office of Management and Acquisition, HHS, Room 517-D, 200 Independence Ave, S.W., Washington, D.C. 20201

_____ _____
Signature Date

_____ _____
Title Organization

EXHIBIT 2

DHHS Certification Regarding Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions
45 CFR Part 76, Appendix A

(1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
d. Have not within a three-year period preceding this proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

_____ _____
Signature Date

_____ _____
Title Organization