



STATE OF ARKANSAS

OFFICE OF STATE PROCUREMENT

1509 West 7th Street, Room 300
Little Rock, Arkansas 72201-4222

FINAL REQUEST FOR PROPOSAL

BID SOLICITATION DOCUMENT

Note: Updates to this final RFP are designated by red font.

SOLICITATION INFORMATION			
Bid Number:	SP-18-0059	Solicitation Issued:	April 13, 2018
Description:	Bundled Health Services		
Agency:	Department of Finance and Administration – Employee Benefits Division		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	May 14, 2018	Bid Opening Time:	2:00 p.m., Central Time
<p>Deliver proposal submissions for this Request for Proposal to the Office of State Procurement on or before the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of Prospective Contractors to submit proposals at the designated location on or before the bid opening date and time. Proposals received after the designated bid opening date and time may be considered late and may be returned to the Prospective Contractor without further review. It is not necessary to return "no bids" to OSP.</p>			

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	<p>Office of State Procurement 1509 West 7th Street, Room 300 Little Rock, AR 72201-4222</p> <p>Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address. Prospective Contractors assume all risk for timely, properly submitted deliveries.</p>
Proposal's Outer Packaging:	<p>Seal outer packaging and properly mark with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for bid identification purposes.</p> <ul style="list-style-type: none">• Bid number• Date and time of bid opening• Prospective Contractor's name and return address

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Tamara DeBord	Buyer's Direct Phone Number:	501-371-6059
Email Address:	tamara.debord@dfa.arkansas.gov	OSP's Main Number:	501-324-9316
OSP Website:	http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx		

SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

- **Do not provide responses to items in this section unless specifically and expressly required.**

1.1 PURPOSE

- A. This Request for Proposal (RFP) is issued by the Office of State Procurement (OSP) for the Department of Finance and Administration – Employee Benefits Division (EBD) to request proposals from a Third Party Administrator (TPA) for the administration and management, **through a single contract, of the four (4) combined Major Service Components** listed below for the eligible Arkansas Recipients. The Major Service Components are as follows:
1. Health Insurance
 2. Actuarial Services
 3. Medical Management Program (MMP)
 4. Employee Assistance Program (EAP)
- B. Prescription Drug benefits are **not** included in this RFP.
- C. **A Prospective Contractor's proposal must provide for the overall administration and management of the four (4) combined Major Service Components. Proposal's offering administration and management for less than all four (4) Programs as a combined unit will not be considered and will be disqualified.**

1.2 TYPE OF CONTRACT

- A. As a result of this RFP, OSP intends to award **a single contract for the combined Major Service Components** to a single Contractor, with the goal of increased cost containment for the services and better integration of the services. However, if it is in the best interest of the State, **the State** reserves the right to award **one or more of the Programs** to multiple Contractors.
- B. The anticipated starting date for any resulting contract is immediately upon award, except that the actual contract start date may be adjusted forward unilaterally by the State for up to three calendar months. By submitting a signed proposal in response to the RFP, the Prospective Contractor represents and warrants that it will honor its proposal as being held open as irrevocable for this period.
- C. The initial term of a resulting contract will be for three (3) years. Upon mutual agreement by the Contractor and State agency, the contract may be renewed by OSP for up to four (4) additional one-year terms or portions thereof, not to exceed a total aggregate contract term of seven (7) consecutive years.

1.3 COOPERATIVE PURCHASING

Any contract resulting from this solicitation will be for the use of the State of Arkansas. In addition, with the consent of the successful respondent, the resultant contract from this solicitation may be made available to other public agencies including State and local governmental entities, public and private primary, secondary and higher education entities and nonprofit entities. Appropriate cooperative purchasing agencies' purchasing laws, rules and regulations **must** apply to the purchases made under the resultant contract.

1.4 ISSUING AGENCY

OSP, as the issuing office, is the sole point of contact throughout this solicitation.

1.5 BID OPENING LOCATION

Proposals will be opened at the following location:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222

1.6 ACCEPTANCE OF REQUIREMENTS

- A. A Prospective Contractor **shall** unconditionally accept all Requirements in the Requirements Section(s) of this RFP to be considered a responsive Prospective Contractor.
- B. A Prospective Contractor's proposal will be disqualified if a Prospective Contractor takes exceptions to any Requirements in the Requirements Section(s) of this RFP.

1.7 DEFINITION OF TERMS

- A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and will attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.
- B. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.
- C. Throughout this solicitation, when a term is capitalized, it references the formal definition as stated in this section (1.7), and when not capitalized, it references its generic meaning.
- D. "Administrative Services Start Date" means the date the Contractor **shall** begin providing all administrative, management, and/or other services required by this bid solicitation, anticipated to be January 1, 2019 but may be another date as determined necessary by EBD and immediately follows the Implementation Period. EBD **shall** have the final determination of the Administrative Services Start Date.
- E. "ARBenefits.org" is an interactive platform that is the primary means of communication with Recipients, Board Members, and various vendors and contractors working with EBD. **Secure Task (Task) are generated within ARBenefits allowing for secure communication.**
- F. "AR Employees" means all active ASE/PSE and their household dependents as referenced for EAP eligibility.
- G. "ASE" means Arkansas State Employees.
- H. "Benefit Coordinator" is any employee of the Contractor or subcontractors who interacts with the Recipients and/or EBD staff.
- I. "Bundled Health Services" means all services requested within this RFP including, but not limited to, General Administration, Health Insurance, Actuarial Services, Medical Management Program, and Employee Assistance Program performed by a single Contractor.
- J. "Care Coordination" is the deliberate organization of patient care activities between the providers, community resources, specialist and the patients that facilitate the most effective delivery of health care services.
- K. "Contractor" means a person who sells or contracts to sell commodities and/or services.
- L. "EAP" means Employee Assistance Program.
- M. "Effective Date" means the date on which the ASE or PSE coverage under the Services specified in this RFP commences for an enrolled Recipient.
- N. "Enrollment" means receipt of referral followed by contact with enrollee based on Participant's agreement to participate in any module of services outlined within the Medical Management Program.
- O. "Fiscal Year" means the accounting period used by the State of Arkansas which runs from July 1 through June 30 of each year.
- P. **"Health Services Liaison" is the EBD primary contact for all services provided under Medical Management. This position is also responsible for monitoring the overall performance of the disease and case management programs.**
- Q. "High Dollar Claims" is a claim that exceeds \$50,000 that requires additional documentation to support medical necessity and confirms submitted services correctly reflect the services documented in the medical record.

- R. "Implementation Period" means the period of time beginning on the starting date of the contract, anticipated to be **September** 2018 during which the Contractor **shall** perform all start up and implementation activities required to achieve full implementation by the Administrative Services Start Date.
- S. "Major Service Components" means the four (4) Programs as a bundled unit which consists of:
 - 1. Health Insurance
 - 2. Actuarial Services
 - 3. Medical Management Program
 - 4. Employee Assistance Program
- T. "Member" means any ASE/PSE or dependent enrolled in one of the Plans of the Health Insurance Program.
- U. "Open Enrollment" means an annual time period, facilitated by EBD, which allows all Arkansas State Employees (ASE) or Public School Employees (PSE) the opportunity to make changes, additions, or deletions to their current health insurance and for ASE/PSE Employees not currently enrolled in any of the available Plans, **the ability to enroll**.
- V. "Participant" means any Member who is enrolled in any module of services outlined within the Medical Management Program.
- W. "Plan" means the Arkansas State Employees and Public School Employees and Retirees Health Insurance Benefit coverage, designed and administered by EBD.
- X. "Plan Year" means the benefit year for Arkansas State Employees, Public School Employees and Retirees Health Insurance and runs from January 1st to December 31st of each year.
- Y. "Program" means one or all of the individual units within the Major Service Components.
- Z. "Proposal Submission Requirement" means a task a Prospective Contractor **must** complete when submitting a proposal response. These requirements will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- AA. "Prospective Contractor" means a person who submits a proposal in response to this solicitation.
- BB. "PSE" means Public School Employees.
- CC. "Recipients" means any person eligible for any of the Major Service Components.
- DD. The terms "Request for Proposal", "RFP," "Bid Solicitation," and "Solicitation" are used synonymously in this document.
- EE. "Requirement" means a specification that a Contractor's product and/or service **must** perform during the term of the contract. These specifications will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- FF. "Responsive proposal" means a proposal submitted in response to this solicitation that conforms in all material respects to this RFP.
- GG. "Service" means an individual service module of a Program.
- HH. "Small Dollar Claims" is a claim with a billed amount between \$25,000 - \$49,999.99 that requires additional documentation to support medical necessity and confirms submitted services correctly reflect the services documented in the medical record.
- II. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this solicitation, that obligation is limited to the State agency using such a contract.
- JJ. "TPA" means Third Party Administrator.

KK. “Transparency” means full and open practices involving all aspects of the contractual relationship between EBD and the Contractor, where no aspect of the contract will be hidden from EBD’s review for any reason including, confidential, proprietary, exclusive and/or privileges.

1.8 RFP OUTLINE

The following outlines the contents of this RFP.

Section/Document	Description
Section 1 Final RFP	General Information and Instructions
Section 2 Final RFP	General Requirements
Section 3 Final RFP	Overall Administration
Section 4 Final RFP	Health Insurance Requirements
Section 5 Final RFP	Actuarial Services Requirements
Section 6 Final RFP	Medical Management Program Requirements
Section 7 Final RFP	Employee Assistance Program Requirements
Section 8 Final RFP	Operations, Systems and Security Requirements
Attachment A	Business Associate Agreement
Attachment B	Performance Standards – Overall Administration
Attachment C	Performance Standards – Health Insurance
Attachment D	Performance Standards – Actuarial Services
Attachment E	Performance Standards – Medical Management Program
Attachment F	Performance Standards – Employee Assistance Program
Attachment G	ASE Schedule of Benefits
Attachment H	PSE Schedule of Benefits
Attachment I	Small Case Management Trigger List
Attachment J	Large Case Management Trigger List
Attachment K	System Confidentiality Agreement
Attachment L	Network Coverage
Attachment M	Network Pricing Submission Format Sample
Attachment N	Sample Data File
Posted as separate document	Technical Proposal Packet
Posted as separate document	Final Bid Price Sheet #1
Posted as separate document	Final Bid Price Sheet #2
Posted as separate document	Contract & Grant Disclosure Form

1.9 RESPONSE DOCUMENTS

A. Original Technical Proposal Packet

1. Proposal Submission Requirements

a. Prospective Contractor **shall** provide the following:

- i. Original signed *Proposal Signature Page*. (See *Technical Proposal Packet*.)
- ii. Original signed *Conflict of Interest Affidavit*. (See *Technical Proposal Packet*.)
- iii. Original *Proposed Subcontractors Form*. (See *Subcontractors and Technical Proposal Packet*.)
- iv. Certificate of compliance with SOC -2 Level II and/or SSAE-18 (See item 2.2.I)
- v. Proposal Bond (See item 1.32)
- vi. **Letter of Intent to obtain insurance coverage, if not already in place (See item 1.34)**
- vii. *One (1) original hard copy of the proposal response which includes:*

- *Technical Proposal* response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.
 - *Response to the Official Bid Price Sheets #1 and #2*.
 - **Completed Attachment L – Network Coverage with pricing submission.**
- b. The *Official Bid Price Sheets* and **Attachment L**, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as “Pricing”. A Prospective Contractor **shall not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.
- c. Proposal response **must** be in the English language.
- d. Pricing **must** be proposed in U.S. dollars and cents.
2. The following items should be submitted in the original *Technical Proposal Packet*.
- EO 98-04 Disclosure Form. (See *Standard Terms and Conditions*, #27. *Disclosure*.)
 - Copy of Prospective Contractor’s *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
 - *Voluntary Product Accessibility Template* (VPAT). (See *Technology Access*.)
 - **Insurance Certificate of Coverage, if already available**
3. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

B. Additional Copies and Redacted Copy of the *Technical Proposal Packet* and *Official Bid Price Sheets*

In addition to the original *Technical Proposal Packet* and the *Official Bid Price Sheets*, the following items should be submitted:

1. Additional Copies of the *Technical Proposal Packet*
- a. Five (5) complete hard copies (marked "COPY") of the *Technical Proposal Packet*.
 - b. Five (5) electronic copies of the *Technical Proposal Packet*, preferably on flash drives. CDs will also be acceptable. Do not send electronic copies via email or fax.
 - c. All additional hard copies and electronic copies **must** be identical to the original hard copy. In case of a discrepancy, the original hard copy governs.
 - d. If OSP requests additional copies of the proposal, the copies **must** be delivered within the timeframe specified in the request.
2. Additional Copies of the Official Bid Price Sheets
- a. Prospective Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheets* and **Attachment L**, preferably on a flash drive. A CD will also be acceptable. Do not send electronic copies via email or fax.
 - i. *The Official Bid Price Sheets* and **Attachment L**, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as “Pricing”. Prospective Contractor **shall not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.

3. One (1) redacted (marked "REDACTED") copy of the original *Technical Proposal Packet*, preferably on a flash drive. A CD will also be acceptable. Do not send electronic copies via email or fax. (See *Proprietary Information*.)

1.10 ORGANIZATION OF RESPONSE DOCUMENTS

- A. It is strongly recommended that Prospective Contractors adhere to the following format and suggestions when preparing their Technical Proposal response.
- B. The original *Technical Proposal Packet* and all copies should be arranged in the following order.
 - *Proposal Signature Page.*
 - *Signed Conflict of Interest Affidavit*
 - *Proposed Subcontractors Form.*
 - Signed Addenda, if applicable.
 - E.O. 98-04 – *Contract Grant and Disclosure Form.*
 - *Equal Opportunity Policy.*
 - *Voluntary Product Accessibility Template (VPAT).*
 - Proposal Bond
 - Insurance Certificate of Coverage, if already available
 - Certificate of compliance with SOC -2 Level II and/or SSAE-18
 - Technical Proposal response to the *Information for Evaluation* section of the *Technical Proposal Packet*.

1.11 CLARIFICATION OF BID SOLICITATION

- A. Submit any questions requesting clarification of information contained in this *Bid Solicitation* in writing via email by 4:00 p.m., Central Time on or before **April 24, 2018** to the OSP buyer as shown on page one (1) of this *Bid Solicitation*.
 1. For each question submitted, Prospective Contractor should reference the specific solicitation item number to which the question refers.
 2. Prospective Contractors' written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OSP website by the close of business on **May 1, 2018**. If Prospective Contractor questions are unclear or non-substantive in nature, the State may request clarification of a question(s) and/or reserves the right not to respond to those questions.
- B. The Prospective Contractor should notify the OSP buyer of any term, condition, etc., that precludes the Prospective Contractor from submitting a compliant, responsive proposal. Prospective Contractors should note that it is the responsibility of the Prospective Contractor to seek resolution of all such issues, including those relating to the terms and conditions of the contract, prior to the submission of a proposal.
- C. Prospective Contractors may contact the OSP buyer with non-substantive questions at any time prior to the bid opening.
- D. An oral statement by OSP will not be part of any contract resulting from this solicitation and may not reasonably be relied on by any Prospective Contractor as an aid to interpretation unless it is reduced to writing and expressly adopted by OSP.
- E. Prospective Contractors entering into a contract with the State shall comply with all the terms and conditions contained herein.

1.12 PROPOSAL SIGNATURE PAGE

- A. An official authorized to bind the Prospective Contractor(s) to a resultant contract **must** sign the *Proposal Signature Page* included in the *Technical Proposal Packet*.
- B. Prospective Contractor's signature on this page signifies Prospective Contractor's agreement to and compliance with all Requirements of this RFP, and that any exception that conflicts with a Requirement or Proposal Submission Requirement of this *Bid Solicitation* will cause the Prospective Contractor's proposal to be disqualified.

1.13 SUBCONTRACTORS

- A. Prospective Contractor should complete, sign and submit the *Proposed Subcontractors Form* included in the *Technical Proposal Packet*.
- B. Additional subcontractor information may be required or requested in following sections of this *Bid Solicitation* or in the *Information for Evaluation* section provided in the *Technical Proposal Packet*. **Do not** attach any additional information to the *Proposed Subcontractors Form*.
- C. Any proposed subcontractor is subject to prior approval by the State agency.
- D. Pricing and fees from subcontractors are to be borne by the Prospective Contractor and not EBD.

1.14 CONFLICT OF INTEREST AFFIDAVIT

Prospective Contractor **shall** provide a completed and signed *Conflict of Interest Affidavit* located in the *Technical Proposal Packet*.

1.15 PRICING

- A. Prospective Contractor(s) **shall** include all pricing on the *Official Bid Price Sheets* only. The *Official Bid Price Sheets* are provided as separate excel files posted with this *Bid Solicitation*.
- B. To allow time to evaluate proposals, prices **must** be valid for 120 days following the bid opening.
- C. The proposed prices **must** include all services and requirements described in the RFP.
- D. The State of Arkansas, EBD, or the Recipients **shall not** pay any costs the Prospective Contractor fails to include on the *Official Bid Price Sheets* such as, but not limited to, the following:
 - 1. All fees charged by third parties including any subcontractors of the Contractor.
 - 2. Printing and mailing expenses.
 - 3. All expenses associated with the education and/or enrollment sessions provided to agencies.
 - 4. All travel costs associated with providing the services specified in this RFP including meals, lodging, and airfare.
- E. For all required services, the Contractor **shall** bear all costs not included on the *Official Bid Price Sheets* but subsequently incurred in order to achieve successful operation. If no specific pricing cell is provided for a particular cost of a required service, the Prospective Contractor **shall** bear such expense and **must** figure that expense amount into the yellow shaded cell for the most appropriate cost category to include that expense in the proposed pricing. **Do not alter, or write or mark on, the Official Bid Price Sheets except to enter the pricing in the designated pricing cells.**
- F. The *Official Bid Price Sheets* and the Pricing CD's or flash drive's, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". DO NOT submit any ancillary information not related to actual pricing on the *Official Bid Price Sheets* or in the sealed pricing package.
- G. Attachment L – Network Coverage **must** be provided with the pricing submission and **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing".

1.16 PRIME CONTRACTOR RESPONSIBILITY

- A. A single Prospective Contractor **must** be identified as the prime Contractor.
- B. The prime Contractor **shall** be responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to the State for the performance thereof.

1.17 INDEPENDENT PRICE DETERMINATION

By submission of this proposal, the Prospective Contractor certifies that the prices in the proposal have been arrived at independently, without collusion, as that term is defined in Arkansas Code Annotated § 19-11-240.

1.18 PROPRIETARY INFORMATION

- A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA).
- B. In accordance with FOIA and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.
- C. Prospective Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by submitting a redacted copy of the response.
- D. By so redacting any information contained in the response, the Prospective Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of the Rules and Statutes set forth above.
- E. Under no circumstances will price information be designated as confidential.
- F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Technical Proposal Packet*. A CD is also acceptable. Do not submit documents via email or fax.
- G. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.
- H. The Prospective Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- I. The redacted copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Prospective Contractor.
- J. If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).
- K. If the State deems redacted information to be subject to FOIA, the Prospective Contractor will be contacted prior to release of the documents.
- L. The State has no liability to a Prospective Contractor with respect to the disclosure of Prospective Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

1.19 CAUTION TO PROSPECTIVE CONTRACTORS

- A. Prior to any contract award, address all communication concerning this *Bid Solicitation* through OSP.
- B. Do not alter any language in any solicitation document provided by the State.
- C. Do not alter the Official Bid Price Sheets.
- D. All official documents and correspondence related to this solicitation become part of the resultant contract.
- E. The State has the right to award or not award a contract, if it is in the best interest of the State to do so.
- F. As requested, provide clarification regarding Prospective Contractor's proposal response to OSP.

- G. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.
- H. Prospective Contractors may submit multiple proposals.

1.20 **REQUIREMENT OF ADDENDUM**

- A. Only an addendum written and authorized by OSP will modify this *Bid Solicitation*.
- B. An addendum posted within three (3) calendar days prior to the proposal opening may extend the proposal opening and may or may not include changes to the Bid Solicitation.
- C. The Prospective Contractor is expected to check the OSP website, <http://www.arkansas.gov/dfa/procurement/bids/index.php>, for any and all addenda up to bid opening.

1.21 **AWARD PROCESS**

A. Successful Contractor Selection

The Grand Total Score for each Prospective Contractor, which is the sum of the Technical Score and Net Cost Score, will be used to determine the ranking of proposals. The State may move forward to negotiations with those responsible Prospective Contractors determined, based on the ranking of the proposals, to be reasonably susceptible of being selected for award.

B. Negotiations

1. If the State so chooses, negotiations may be conducted with the highest ranking Prospective Contractors. Negotiations are conducted at the sole discretion of the State.
2. If negotiations fail to result in a contract, the State may begin the negotiation process with the next highest ranking Prospective Contractor. The negotiation process may be repeated until the anticipated successful Contractor has been determined, or until such time the State decides not to move forward with an award.

C. Anticipation to Award

1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the OSP website at http://www.arkansas.gov/dfa/procurement/pro_intent.php.
2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Prospective Contractors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen (14) day posting period.
3. OSP may waive the policy of Anticipation to Award when it is in the best interest of the State.
4. It is the Prospective Contractor's responsibility to check the OSP website for the posting of an anticipated award.

D. Issuance of Contract

1. Any resultant contract of this *Bid Solicitation* is subject to State approval processes which may include Legislative review.
2. A State Procurement Official will be responsible for the solicitation and award of any resulting contract.

1.22 MINORITY AND WOMEN-OWNED BUSINESS POLICY

- A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business owned by a lawful permanent resident of this State who is:
- African American
 - American Indian
 - Asian American
 - Hispanic American
 - Pacific Islander American
 - A Service Disabled Veteran as designated by the United States Department of Veteran Affairs
- B. A women-owned business is defined by Act 1080 of the 91st General Assembly Regular Session 2017 as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.
- C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the *Proposal Signature Page*.

1.23 EQUAL OPPORTUNITY POLICY

- A. In compliance with Arkansas Code Annotated § 19-11-104, OSP is required to have a copy of the anticipated Contractor's *Equal Opportunity (EO) Policy* prior to issuing a contract award.
- B. *EO Policies* may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.arkansas.gov, but should also be included as a hardcopy accompanying the solicitation response.
- C. The submission of an *EO Policy* to OSP is a one-time Requirement. Contractors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that **must** also comply with this statute.
- D. Prospective Contractors, who are not required by law to have an *EO Policy*, **must** submit a written statement to that effect.

1.24 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS

- A. Pursuant to Arkansas Code Annotated § 19-11-105, Prospective Contractor(s) **shall** certify with OSP that they do not employ or contract with illegal immigrants.
- B. By signing and submitting a response to this *Bid Solicitation*, a Prospective Contractor agrees and certifies that they do not employ illegal immigrants. If selected, the Prospective Contractor certifies that they will not employ illegal immigrants during the aggregate term of a contract.

1.25 RESTRICTION OF BOYCOTT OF ISRAEL

- A. Pursuant to Arkansas Code Annotated § 25-1-503, a public entity **shall not** enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel.
- B. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.
- C. By checking the designated box on the Proposal Signature Page of the response packet, a Prospective Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

1.26 PAST PERFORMANCE

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a Prospective Contractor's past performance with the State may be used to determine if the Prospective Contractor is "responsible". Proposals submitted by Prospective Contractors determined to be non-responsible will be disqualified. The Contractor certifies by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. If the Contractor is un-able to certify to any of the statements in

this certification the Contractor **shall** attach an explanation to this proposal.

1.27 **TECHNOLOGY ACCESS**

- A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. The Prospective Contractor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.
- B. Accordingly, the Prospective Contractor expressly represents and warrants to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:
1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.
 2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.
 3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.
 4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.
 5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact, **must** meet all ADA requirements.
 6. Integrating into networks used to share communications among employees, program participants, and the public.
 7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.
- C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies **must** evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency **must** provide written documentation supporting the selection of a different product, including any required reasonable accommodations.
- D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.
- E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

1.28 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM

The Prospective Contractor's solution **must** comply with the State's shared Technical Architecture Program which is a set of policies and standards that can be viewed at: <https://www.dfa.arkansas.gov/intergovernmental-services/state-technology-cost-analysis/architecture-compliance/>. Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

1.29 VISA ACCEPTANCE

- A. Awarded Contractor should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment.
- B. Price changes or additional fee(s) **must not** be levied against the State when accepting the p-card as a form of payment.
- C. VISA is not the exclusive method of payment.

1.30 PUBLICITY

- A. Do not discuss the solicitation nor your proposal response, nor issue statements or comments, nor provide interviews to any public media during the solicitation and award process.
- B. Failure to comply with this Requirement may be cause for a Prospective Contractor's proposal to be disqualified.

1.31 RESERVATION

The State will not pay costs incurred in the preparation of a proposal.

1.32 PROPOSAL BOND

Each proposal submission **must** be accompanied by a Proposal Bond in the Technical Proposal Packet, in the form of a cashier's check, certified check, or surety bond payable to the Department of Finance & Administration-EBD in the amount of \$2,000,000.00. If the Contractor fails to meet EBD's implementation requirements within 120 calendar days after award of contract, the proposal bond will be forfeited to the State. The Proposal Bond will be returned to the non-selected Prospective Contractors upon execution of a contract and to the selected Contractor upon execution of the contract and submittal of the Performance Security.

1.33 PERFORMANCE SECURITY

In order to assure full performance of all obligations, Contractor **shall** provide an original performance security in an amount of no less than 10% percent of the total proposal price submitted by the Contractor. This performance security **must** be submitted within thirty (30) business days from date of the State's public posting of Anticipation to Award a contract. The form of security required **must** be a performance bond such as is usually and customarily written and issued by surety companies licensed and authorized to do business in Arkansas or a cashier's/certified check. An irrevocable letter of credit from an Arkansas bank is also acceptable. The performance security **must** be made out to the State of Arkansas and will be on file in the Office of State Procurement.

In the event of a breach of contract, (i.e. quality problems, late delivery, substitutions, non-performance, not meeting a requirement(s) of the contract) the State Procurement Official will notify the Contractor in writing of the default and may assess reasonable charges against the Contractor's performance security. If, after notification of default, the Contractor fails to remedy the State's damages within ten (10) business days, the State may initiate procedures for collection against the Contractor's performance security.

The performance security will be released to the Contractor at the end of the contract.

1.34 INSURANCE

The Contractor **shall** obtain, and maintain for the life of the contract, general liability, professional liability, and cyber liability insurance, including data breach insurance, naming EBD as an additionally named insured in the amount of \$40,000,000.00. In addition, Contractor **shall** maintain an errors and omissions insurance policy, acceptable to EBD, for an amount at least 90% percent of the total proposal price submitted by the Contractor. The policy **must** be effective throughout the duration of the contract. The Contractor **shall** notify EBD within thirty (30) calendar days if the policy is modified.

The Contractor **shall** obtain, pay for, and keep in force the above minimum insurance and **must** furnish a **copy of a Letter of Intent to obtain insurance coverage, if not already in place. Insurance Certificate of Coverage** evidencing that such insurance is in effect **must be furnished** to EBD within thirty (30) days of contract award and remain in effect no less than twelve (12) months after the end of the contract.

SECTION 2 – GENERAL REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

2.1 INTRODUCTION

A. This Request for Proposal (RFP) is issued by the Office of State Procurement (OSP) for the Department of Finance and Administration – Employee Benefits Division (EBD) to request proposals from a Third Party Administrator (TPA) for the administration and management, **through a single contract, of the four (4) combined** Major Service Components listed below for the eligible Arkansas Recipients. Proposals **must** include the following services:

1. Health Insurance

- Provide a network of Physicians, hospitals, labs, and other service providers to ensure in-network coverage under the Plan is appropriately managed.
- Serve as Third Party Administrator, interpret and define medical coverage policies, eligibility of benefits, and defined Member assistance.
- Adjudicate claims on behalf of the Plan for medical claims submitted by health care providers.

2. Actuarial Services

- Provide Actuarial Consulting
 - Pricing/Plan design
 - Monitoring Plan Performance
 - Fiscal Year closing book activities
 - Analyzing claim experience
 - Various funding options, as needed
 - Report production
- Provide rate projections
- **Provide regulatory guidance on proposed Plan changes**
- Participate, in-person, with AR Legislative meetings as requested, or any other time when EBD determines it is necessary, or as required in this RFP

3. Medical Management Program

- Provide oversight, cost containment, Participant assistance and education
- Provide Case Management
- Provide Disease Management Services through Nurse coaching
- Provide Utilization Management
- Process High Dollar Claims
- Process Small Dollar Claims
- Provide 24/7 Nurse line
- Provide Maternity Management
- Provide Predictive Modeling
- Provide trend analysis
- Provide Wellness Program
 - Lifestyle Coaching
 - Ongoing education and communications
 - Weight management
 - Tobacco cessation
 - Participant participation-based incentives

4. Employee Assistance Program

- Provide Behavioral health
- Provide Emotional health
- Provide Lifestyle Assessment

B. EBD's role:

1. EBD will provide necessary information and guidance to the Contractor to establish the Major Service Components.
2. The following outlines EBD's current and possible future responsibilities.

C. EBD's responsibilities:

- Manage Recipient enrollment process
 - Handle customer service / Recipient advocacy
 - Maintain current eligibility
 - Manage billing and billing reconciliation
 - Manage Recipient appeals and complaints, after all Contractor processes have been exhausted
 - Facilitate external reviews through an IRO
 - Oversee contract services
 - Oversee business partners and field affiliates
 - Maintain EBD's privacy and security programs
 - Audit Contractors
 - Approve Recipient communications
 - Generate Member ID Cards
 - **Maintain Summary Plan Description**
- D. If at any time EBD assumes responsibilities or decides to outsource any individually priced Service or any individual Program(s), Contractor **shall** reduce Administration Fees pursuant to the *Official Bid Price Sheets*.
- E. If at any time EBD decides to transfer responsibility of the administration of the recipient enrollment process to the Contractor, the Contractor **shall** provide these services as outlined by EBD and at the cost submitted on the *Official Bid Price Sheets*.
- F. The Arkansas State and Public School Life and Health Insurance Board (Board) has full policy-making authority for the Bundled Health Services contract. The Board **shall** have the right to modify, add, or delete any policies for the duration of the contract. The Contractor **shall** adjust services based on any changes the Board makes during the duration of the contract.
- G. Throughout the duration of this contract, should newly enacted Federal and/or State mandates effect the scope of work of this contract, the Contractor **shall** add, delete, or adjust the services provided to be in compliance with these mandates.
- H. The contract start date is anticipated to be immediately upon award. The Administrative Services Start Date is anticipated to be January 1, 2019 with enrollment and education activities taking place no earlier than September 1, 2018. EBD **shall** have the final determination of the Administrative Services Start Date.
- I. Enrollment and changes made during the annual Enrollment period become effective at the beginning of the new Plan Year.

2.2 **PROSPECTIVE CONTRACTOR QUALIFICATIONS**

- A. Prior to contract award, Prospective Contractor **shall** be authorized to conduct business in the State of Arkansas, for all Major Service Components, as required by this RFP.
- B. At proposal submission, Prospective Contractor or its agent **shall** be licensed by the Arkansas Insurance Department **and shall provide its National Association of Insurance Commissioner's (NAIC) code**.
- C. Prospective Contractor **shall** be an administrative services organization or third party administrator that is currently administering health insurance benefits.
- D. Prospective Contractor **shall** have the comprehensive and technical administration system(s) required for successful rendering of services required by this RFP in full operation and production for a minimum of one (1) year prior to responding to this RFP. This one (1) year requirement does not apply to modifications,

enhancements, or system fixes to existing system(s).

- E. Prospective Contractor **shall** have a minimum of five (5) years' experience of large group health insurance plan experience working with either State, Federal or Local Public Entities and **shall** be capable of serving the needs of a geographically diverse employer population.
- F. Prospective Contractor's experience requirements listed herein may be met by subcontractors. The subcontractor **shall** perform the specific service or function which relates to the required experience.
- G. If the Prospective Contractor proposes to use subcontractors, the Prospective Contractor's proposed subcontractors **shall** meet experience requirements listed herein related to the Major Service Components.
- H. Prospective Contractor **shall** have substantial experience in the development, implementation and administration of a comprehensive statewide network, claims payments, and customer service. Work with state government agencies is preferred.
- I. Prospective Contractor **shall** be SOC -2 Level II and SSAE-18 compliant. The Prospective Contractor **shall** provide a certificate of evidence of such compliance with bid submission.
- J. Prospective Contractor **shall** be URAC (Utilization Review Accreditation Commission) accredited for a Health Plan. The Contractor **shall** provide evidence of accreditation prior to award, or a hard copy of accreditation may be included in with the Technical Proposal Packet.
- K. Prospective Contractor **shall** have experience in developing and implementing benefits administration system, ANSI X12 HIPAA transactions on a regional, statewide, and national basis. (For example: 270/271, 276/277, 834, 835, 837I, 837P).
- L. EBD prefers a Contractor using innovative ideas to support the Recipients such as, but not limited to:
- Interactive Recipient portal
 - Personnel health record
 - Gaps in Care analysis
 - Proactive Medical Management
- M. Prospective Contractor **shall** have experience coordinating the development, implementation and management of a public benefit plan.
- N. If requested prior to contract award, Prospective Contractor **shall** permit designated employees of EBD, or a company of EBD's choosing, to conduct audits at the Contractor's site housing provider and facility contracts. EBD has the right to notify the Prospective Contractor of designated physician and facility contracts required for review. The Prospective Contractor **shall** make adequate time available for the review, per EBD determination. Prospective Contractor's network management staff **shall** be available to answer questions.
- O. Prior to contract award, the HIPAA-compliant Business Associate Agreement (BAA) provided by EBD (Attachment A), **must** be executed by the Contractor and all subcontractors and submitted to EBD for their records. By signing and submitting the *Proposal Signature Page*, the Prospective Contractor represents and warrants they **shall** sign the BAA as it is written.
- P. Prospective Contractor **shall** have five (5) years' experience in each of the following:
- Case Management for Medical Health and Behavioral Health
 - Disease Management
 - Utilization Management
 - Maternity Management Services
 - Claims Analysis and Predictive Modeling
- Q. Prospective Contractor **shall** have a working knowledge of, and a history of working with, Arkansas medical facilities and providers with Medical Management services.

- R. Prospective Contractor **shall** currently provide Medical Management services to a minimum of 50,000 Participants.
- S. Prospective Contractor **shall** have an Advanced Claims Analytics/Predictive Modeling software platform. An “Advanced Claims Analytics/Predictive Modeling software platform” is designed to query and explore the Plans’ health care related data to identify chronic conditions. This gives the user the ability to do in-depth queries and combine data sets which will identify risk mitigation opportunities within the data while statistically validating the outcome efficacy of the chosen solutions.
- T. Prospective Contractor **shall** be registered and in good standing to be able to perform Utilization Management Services by the State of Arkansas Department of Health. The Contractor **shall** provide evidence of certification prior to award.
- U. Prospective Contractor **shall** have Staff comprised of licensed Physicians, Registered Nurses and Case Managers qualified to perform the Medical Management services listed in this RFP.
- V. At the start of this contract, 60% of RN's who work on this account **must** be Certified Case Managers, with an additional 180 days for additional 20% of RN's to become certified. After the 180 days, 80% of RN's who work on this account **must** be Certified Case Managers for the duration of this contract. This applies to both UM and DM staff.

2.3 OUTSOURCE AGENTS/SUBCONTRACTORS

- A. The Contractor **shall** be fully responsible for all work performed under the contract. The Contractor may, with the prior written consent of the EBD, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontracts under this contract **must not** in any way relieve the Contractor of any responsibility for performance of its duties. The Contractor **shall** ensure that all subcontracts adhere to EBD policies.
- B. The Contractor **shall** give the EBD immediate notice in writing by certified mail of any action or suit filed, and prompt notice of any claim made, against the Contractor or any subcontractor which may result in litigation related in any way to the contract or the EBD.
- C. The Contractor **shall** give EBD notice of any services to be assigned to an outsource agent/subcontractor.
- D. The Contractor **shall not** outsource or subcontract any services including Customer Service, account processing, or data storage, to entities either subcontractors or wholly-owned subsidiaries of the Contractor, that are located outside the continental United States.

2.4 GENERAL REQUIREMENTS

- A. The Programs described in the RFP **must** adhere to all State and federal laws. The Contractor **shall** maintain compliance with all applicable State and federal laws as they pertain to the administration and management of the services described herein. The Contractor **shall** create and modify all forms, Recipient communication, education pieces, and all other documents and services provided as needed to maintain compliance of applicable State and federal laws.
- B. Throughout the term(s) of any contract resulting from this RFP and as requested by EBD and/or required by law, the State reserves the right to add or remove any Services within any of the Programs offered by the Contractor under the scope of any contract resulting from this RFP. These services may be additional services as offered in the Prospective Contractor's proposal and/or newly created services based on improving technology or changes in Federal and/or State mandates which fall under the scope of work. If pricing is not already submitted on the *Official Bid Price Sheets*, the Contractor **shall** negotiate pricing for these services with EBD if and when the services are added/deleted. Pricing **must** be consistent with current contract pricing for similar services and **must** be agreed upon in writing between EBD and the Contractor prior to implementation of the service.
- C. The Contractor **shall** implement specific procedures to ensure adherence to and appropriate reporting for the Performance Standards as stated in Attachment B through F, or as stated in the appropriate section within this RFP. Any modifications, additions, deletions, or adjustments of any kind, which are better than or equal to the current standards as determined by EBD will be viewed as a “recommendation” from the Contractor and may

be discussed with the Contractor during Implementation. However, “recommendations” **will not** be binding on EBD until accepted in writing by the State.

- D. Throughout the duration of the contract, the Contractor **shall** provide written notification to EBD, within three (3) business days, of any changes to the Contractor’s representatives, management, and/or ownership.
- E. Prior to the Administrative Start Date, the Contractor **shall** have a dedicated bank account for making all required claims payments for the Health Insurance Program.
- F. Contractor **shall** modify any Services as directed by EBD, for reasons such as, but not limited to, utilization results, revenues, and/or surplus funds.
- G. Contractor **shall** routinely review the overall effectiveness of each of the Major Service Components and provide EBD with consultation and recommendations regarding design and/or administrative adjustments. Method and frequency of review will be approved by EBD.
- H. Contractor **shall** complete the Plan(s) design and redesign process no later than three (3) months prior to the beginning of the new Plan Year. EBD will have the final approval.
- I. Contractor **shall** be liable for any penalty and interest payable to the Internal Revenue Service or Arkansas Department of Finance and Administration and assessed against the State if the penalty and/or interest assessed is the result of the level of accuracy of information or services provided by the Contractor, or the failure of the Contractor to provide information and/or services. The process for reimbursement to the State for the payment of any penalties and interest will be determined by EBD during Implementation.

2.5 **CONFLICT OF INTEREST AND LITIGATION DISCLOSURES**

- A. The Contractor **shall** adhere to the following conflict of interest and litigation disclosure requirements prior to and throughout the life of any awarded contract:
 - 1. The Prospective Contractor **shall** disclose any actual and/or potential conflict(s) of interest pertaining to the Prospective Contractor’s company. The conflict of interest disclosure requirement **shall** include but is not limited to:
 - a. Any contract and/or financial arrangement between the Prospective Contractor and any entity and/or subcontractor that impacts, has the potential to impact, and/or directly conflicts with the Prospective Contractor’s ability to effectively and impartially honor the terms of the contract resulting from this RFP.
 - b. Throughout the term(s) of any resultant contract, the Contractor **shall** notify EBD immediately upon knowledge of any such conflict of interest.
 - 2. Litigation and Bankruptcy
 - a. The Prospective Contractor **shall** disclose all litigation (criminal or civil) and all bankruptcy petitions pertaining to the Prospective Contractor’s company that impacts and/or has the potential to impact the Prospective Contractor’s ability to effectively and impartially honor the terms of any contract resulting from this RFP.
 - b. Throughout the term(s) of any resultant contract, the Contractor **shall** notify EBD immediately upon knowledge of any such litigation or bankruptcy petition.
- B. Conflict of Interest Affidavit
 - 1. As a Proposal Submission Requirement, the Prospective Contractor **shall** disclose any actual and/or potential conflict(s) of interest, litigation, and/or bankruptcy petition(s) pertaining to the Prospective Contractor’s company by utilizing the *Conflict of Interest Affidavit* located in the *Technical Proposal Packet* and instructed therein.
 - 2. Should the Prospective Contractor have any actual and/or potential conflict(s) of interest, litigation (criminal or civil), and/or bankruptcy petition(s) disclosures to make, the Prospective Contractor **shall** submit an

additional document, as an attachment to the *Conflict of Interest Affidavit*, explaining the actual and/or potential conflict(s) of interest, litigation (criminal or civil), and/or bankruptcy petition(s).

- a. The Prospective Contractor **shall** include all information necessary to fully communicate the nature of the actual and/or potential conflict(s) of interest, litigation, and/or bankruptcy petition(s) including proposed mitigation measures and **shall** include the attachment with the *Conflict of Interest Affidavit* in the *Technical Proposal Packet* response.
3. EBD and/or EBD's legal counsel will review the disclosures submitted with *Conflict of Interest Affidavit*.
4. EBD reserves the right, in its sole discretion, to determine if any actual and/or potential conflict(s) of interest, litigation, and/or bankruptcy petition disclosed with the *Conflict of Interest Affidavit* will directly conflict, impact, and/or prevent the Prospective Contractor from effectively and impartially honoring the terms of the contract resulting from this RFP.
5. If EBD determines any actual and/or potential conflict(s) of interest, litigation, and/or bankruptcy petition disclosed with the *Conflict of Interest Affidavit* directly conflicts, impacts, and/or prevents the Prospective Contractor from effectively and impartially honoring the terms of the contract resulting from this RFP, the State reserves the right to disqualify the Prospective Contractor's proposal.
6. The *Conflict of Interest Affidavit* will not be scored as part of the RFP evaluation. However, the Prospective Contractor **shall** submit the *Conflict of Interest Affidavit* with the *Technical Proposal Packet* response. Should the Contractor fail to submit the *Conflict of Interest Affidavit* with *Technical Proposal Packet* response, the State reserves the right to disqualify the Prospective Contractor's proposal.

SECTION 3 – OVERALL ADMINISTRATION REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

3.1 IMPLEMENTATION

- A. All Implementation and Service components **must** be complete so that the Contractor can begin administrative services on January 1, 2019 with technical updates and changes necessary for full and complete Implementation no later than December 1, 2018 to allocate time for testing and approval.
- B. At contract award, the Contractor **shall** provide to EBD the contact information for specific staff who are responsible for implementation, operations, claims, accounting, and privacy/security information. At a minimum, contact information **must** include the following:
 - Name
 - Title
 - Phone
 - Fax
 - Email
- C. Contractor **shall** acknowledge and accept that a significant amount of configuration will likely be needed to properly address established rules, exclusions, limitations, and other elements of current design that cannot be effectively provided within this RFP.
- D. Contractor **shall** acknowledge and accept that no “administration” fee will be paid during Implementation on any basis. Administration fees will be paid beginning on the month of the Administrative Services Start Date which is currently scheduled for January 1, 2019, **unless an alternate date is agreed upon between EBD and the Contractor. EBD shall have the final determination of the date.**
- E. All cost for Implementation will be the responsibility of the Contractor. The one-time Implementation fee will be paid at the end of the successful Implementation as approved by EBD.
- F. **The State of Arkansas Employee Benefits Division shall not accept any Implementation Bonus or Incentive or other payment from the Contractor or other third party for, or as a result of, their selection from this RFP, and any payment of this type must not be added to the Official Bid Price Sheets.**
- G. **EBD shall have the right to impose damages as described in the Performance Standards for any failure by the Contractor to meet established goals or milestones including but not limited to full Implementation by the Go Live Date.**
- H. **EBD shall approve final Implementation timeline and details.**

3.2 ADMINISTRATIVE SERVICES

- A. Contractor **shall** be able to support the EBD effort to administer any or all of the individual service items provided by this RFP, should EBD elect to administer a service item.
- B. Contractor **shall** provide an Account Manager solely dedicated to EBD and the contract resulting from this RFP. The Dedicated Account Manager **shall** be physically located in the Greater Little Rock area and **must** have written authorization from the Contractor authorizing the performance of certain functions which **must** include but are not limited to the following:
 1. Overseeing and supporting all day-to-day matters arising from the administration and management of the services listed within this RFP.
 2. Working with EBD on the administration and management of the Major Service Components as necessary (i.e., interpreting the Contractor’s policies, providing coverage criteria information, resource for outreach and education of our staff/Recipients as needed) to fulfill the requirements of this RFP and as requested by EBD.

3. Making all final decisions regarding claims, administrative, and/or programmatic issues arising from the operation of the Services and possessing the final decision-making authority necessary to implement changes presented and approved by EBD.
 4. Meeting weekly with EBD regarding topics such as the status of the operation of the Services, escalated issues, and other topics as determined necessary and requested by EBD.
 5. Facilitate the development of report(s) and creation of data files.
 6. Responding to EBD requests for data as needed.
- C. The Dedicated Account Manager **must** have health care industry experience. The Dedicated Account Manager will meet with EBD in a weekly/bi-weekly touchpoint meeting. He/She will attend Board Meetings and will be a resource for problem resolution.
- D. EBD has the right to meet and/or interview the Dedicated Account Manager, and other key personnel assigned by the Contractor to any contract resulting from this RFP, prior to the Contractor officially assigning the personnel to the EBD account.
- E. At any time during the term of any contract that may result from this RFP the Contractor **shall** replace the Dedicated Account Manager, key personnel, and/or any member of the Contractor's team having direct access to EBD, Recipients, or employees if requested by EBD.
1. Upon receipt of request, the Contractor **shall** remove or facilitate the removal of the Dedicated Account Manager, key personnel, or other team member from State property immediately.
 2. The Contractor **shall** replace the Dedicated Account Manager, key personnel, or team member with a person having equal or greater qualifications than the person being replaced.
 3. The Contractor **shall** perform the necessary replacement procedures without disruption to daily operations as they pertain to the requirements of this RFP.
- F. Contractor **shall** accept liability for any costs incurred due to Contractor's inaccurate or erroneous claims adjudication. Neither EBD nor Recipients will be held responsible by the Contractor and will not be exposed to billing from the provider.
- G. At the appropriate place in the Technical Proposal Packet, Contractor **shall** provide a blank copy of all provider/facility contracts that will be used during the life of the contract, including special programs such as: value-based programs, accountable care organization and global payment arrangements.
- H. Contractor **shall** provide all fee schedules used for claims adjudication process, as well as denial codes and meanings, on award of contract during implementation phase. Contractor **shall** include fee schedules for all special programs such as: value-based, accountable care organization and global payment arrangements.
- I. A Benefit Coordinator **must not** make any changes to any of the Services without a written request from the EBD Director or his/her designee.
- J. Contractor **shall** provide transparent administration of all Services required by this RFP and **shall** make available all aspects of the Contractor's operation and/or financial accounting for EBD's review regardless of confidentiality, proprietary, or exclusive rights and/or privileges.
- K. Contractor **must** abide by the State and Public School Life and Health Insurance Board's (Board) and EBD's coverage policy decisions. In the absence of specific Service policy, the Contractor's primary coverage policies will apply. Contractor **shall** amend and/or adopt policies as directed by EBD to ensure consistency.
- L. Contractor **shall** allow EBD to have final determination on any coverage policy considered experimental and investigational.

- M. Contractor **shall** develop and maintain the employer benefit Plan(s) providing benefits as specified by the Board and described in ATTACHMENT G and H: SCHEDULE OF BENEFITS.
- N. Contractor **shall** perform all services required by this RFP, including but not limited to claims adjudication process, financial reporting, administration, and reimbursement practices and procedures in a completely open and transparent environment.
- O. Contractor **shall** provide any information or documentation pertaining to the services provided by the Contractor under the terms of any resultant contract to EBD within three (3) business days of request by EBD in a format acceptable to EBD.
- P. Contractor **shall** utilize the EBD secure messaging and task service application as defined by EBD.
- Q. Contractor **shall** utilize a secure file transfer protocol (SFTP) as defined by EBD.
- R. Contractor's website **must** comply with all current Federal ADA and Arkansas laws required for accessibility as well as any Arkansas laws implemented during the life of the contract.
- S. Contractor **shall** allow EBD or EBD's authorized representative to test website structure, pages, and review content for usability during Implementation Period and throughout contract period, as determined by EBD.
 - 1. The Contractor **shall** resolve all usability concerns identified by EBD or EBD's authorized representative within two (2) business days of the Contractor's receipt of notification from EBD.
 - 2. The testing environment **must** simulate the live environment and its related process, including but not limited to file transfers and data loads. Manual entry of limited test data **must not** be used to fulfill this requirement.
- T. Contractor **shall** provide subrogation/recovery services.
- U. Contractor **shall** aggressively pursue all Medicare Secondary Payer claims. Failure to perform this task will result in the Contractor accepting responsibility for payment of any CMS interest and/or penalty due on those claims.
- V. Contractor **shall** complete all required reporting to the Center for Medicaid and Medicare **Services** (CMS).
- W. Contractor **shall** agree to process all Valid Defense Letters from CMS within 45 days of receipt. Contractor **shall** agree to notify EBD within five (5) days of receipt of a Valid Defense Letter from CMS. Contractor **shall** agree to update EBD of responses to the submitted Valid Defense cases.
- X. Contractor **shall not** make any adjustments in any way to any Services as a result of any changes implemented by the Board. As an example, a benefit option for the Medicare Primary Retirees such as a Medicare Advantage Plan will not be grounds for the Contractor to make adjustments in any way to any remaining Services.
- Y. Contractor **shall** provide claims data in the format outlined by EBD on a schedule determined by EBD.
- Z. Contractor **shall** agree that Administrative Fees will be based on EBD in-house system reported numbers (Administrative Fees will be paid on amount owed, not billed).
- AA. Contractor **shall** submit form 1099 to the providers and IRS on EBD's behalf.
- BB. Contractor **shall** provide a letter to EBD stating the 1099 process has been completed on behalf of EBD by March 15th of each year.
- CC. Contractor **shall** comply with the Unclaimed Property Act 18-28-201 on behalf of EBD and **shall** submit monies and report directly to the Auditor of State's Office.

DD. Contractor **shall** provide a letter to EBD stating that the Unclaimed Property Act 18-28-201 has been complied with on behalf of EBD by November 15th of each year.

EE. Invoicing requirements include:

1. Contractor **shall** provide pre-invoices and invoices on Contractor letterhead with contact name, number, and payment instructions (bank routing number and account number) with an accompanying Claims Fund Request claims file in the format defined by EBD. Invoices will not be paid without the accompanying Claims Fund Request claims file using a format determined by EBD. The Claims Fund Request will be processed to check for valid eligibility and claims, and claims payment will be withheld for any invalid claims.
2. Contractor **shall** provide separate invoices for ASE and PSE.
3. Contractor **shall** submit invoices and files on a schedule determined by EBD, currently monthly.
4. Contractor **shall** detail total health claims by Actives (which includes COBRA), Non-Medicare Retirees, and Medicare Retirees groups, with each group further detailed by current year/prior year.
5. Contractor's invoice **must** include explanation of differences if total claims is not equal to total of Claims Fund Request claims file.
6. Contractor **shall** manage any necessary recoupment using a process and schedule to be defined by EBD. If the contract ends, the Contractor **shall** still accept responsibility for recoupment.
7. Contractor **shall** agree that EBD will only pay for claims that it systematically determines are valid (eligibility, covered service, etc.).

FF. Contractor is required by Act 1937 of 2005 to provide quality of care information from systems, networks, hospitals, and clinical providers for the purpose of Program design, Program management and consumer decisions using accepted national standards as directed by EBD and/or the Board.

GG. Contractor **shall** utilize the unique Recipient ID numbers as provided from the EBD eligibility system. This number **must** be capable of utilizing alpha-numeric combinations with no character limit. The last two (2) digits represent the order of enrollment within a contract.

3.3 COMMUNICATION WITH RECIPIENTS AND INTERNAL/EXTERNAL CUSTOMERS

- A. Contractor **shall** create and coordinate all printed/published communications to Recipients, **including SPD updates**, with the exception of Recipient specific PHI, and submit for approval through the EBD Communications Manager prior to distribution.
- B. Should EBD deny approval, the Contractor **shall** make necessary edits until the material is approved by EBD.

3.4 CALL/CUSTOMER SERVICE CENTER(S) ADMINISTRATION

- A. Contractor **shall** provide appropriate call/customer service center(s) to facilitate the requirements for each of the Major Service Components within this RFP.
- B. Some Programs may have additional and/or more specific call/customer service center(s) requirements, those requirements are specified in the appropriate sections within this RFP.
- C. Contractor **shall** provide toll-free access to trained, live, State-side representatives.
- D. Representatives **must** be fluent in English.
- E. Calls **must** be returned within one (1) business day for any questions requiring research.
- F. At minimum, Contractor **shall** provide continuous, uninterrupted, toll-free access Monday through Friday (excluding State Holidays) during the hours of 8:00 a.m. – 5:00 p.m. CST. A current listing of State holidays may be found on the Arkansas Secretary of State's website at: <https://www.sos.arkansas.gov/news/state-holiday-calendar/>.

- G. Contractor **shall** record and archive 100% of telephone calls.
 - 1. Contractor **shall** retain all archived telephone calls, a minimum of eighteen (18) months.
 - 2. Contractor **shall** retrieve any archived telephone call(s) and **shall** provide the archived call(s) to EBD in either WAV file, CD, or DVD format within five (5) business days of request from EBD.
- H. Customer service **shall** have the functionality to provide call statistics and/or ad-hoc reporting, within three (3) business days, or at a duration of time and format as determined by EBD.
- I. Contractor **shall** track all calls in order to provide reporting to EBD for such items as call drivers, overall call volume, call volume by date/time, or as requested by EBD.
- J. The initial categories or data EBD will request for call tracking will be provided during the Implementation Period but EBD reserves the right to adjust throughout the term of this RFP.

3.5 MEETING REQUIREMENTS

- A. The Contractor **shall** attend meetings in person in Little Rock, Arkansas and/or at various locations throughout Arkansas, or may attend via telephone and/or video conferencing at EBD's discretion. If not otherwise specified, the specific times and locations of meetings will be determined by EBD in advance.
- B. The Contractor **shall** attend meetings with EBD and/or the Board in Little Rock, Arkansas for the purposes of providing general progress updates regarding the services provided, the interaction experienced with Recipients, and/or other purposes as determined necessary by EBD and **shall** attend with the following frequencies:
 - 1. Weekly, beginning with the Implementation Period (after the initial 1-3 day(s) implementation meeting(s)), and/or during the first year the Contractor provides the administrative and management services required by this RFP, or with a frequency and duration determined appropriate by EBD and as requested by EBD.
 - 2. Monthly, beginning after the first full year of administrative and management services is complete, or with a frequency beginning at a time determined appropriate by EBD and as requested by EBD.
 - 3. Quarterly, as requested by the EBD Administration Team, for an administrative overview.
- C. EBD will provide the Contractor with a minimum of 72 hours advance notice regarding EBD's determined meeting location, time and duration. Notice will be via email or telephone for any meeting specifics not previously published.
- D. Some services may have additional meeting requirements. Those additional meeting requirements are specified in the appropriate sections within this RFP.

3.6 GUIDANCE AND RECOMMENDATIONS

Contractor **shall** provide guidance and recommendations regarding EBD's questions or concerns about Contractor services, such as, guidance implementing State or federal legislation.

3.7 REPORTING REQUIREMENTS

- A. Contractor **shall** provide daily, weekly, monthly, quarterly, annually, year-end, and ad-hoc reporting. Reports **must** be separated by funding source that accurately reflects the activity of the Major Service Components within this RFP as determined, and in a format approved by, EBD.
- B. Should EBD request additional information and/or clarification of the information and/or data contained in any report, the Contractor **shall** acknowledge receipt of EBD's request and **shall** provide a timeline for providing the additional information and/or clarification requested within one (1) business day via the secure task system.
- C. Contractor **shall** provide reporting based on the divisions defined by EBD (e.g., ASE/PSE, Agency/School District Group Numbers, Active, COBRA, Retired, etc.).

- D. Contractor **shall** negotiate with EBD to develop mutually agreeable reporting formats, deadlines and method of delivery. EBD reserves the right to establish formats and deadlines, if negotiations fail.
- E. Contractor **shall** support provider transparency by providing basic provider information such as background information, cost data, quality data, peer-to-peer comparison, and value based program participation on a scheduled basis as determined by EBD.
- F. Contractor **shall** provide the following accounting reports:
- a. Monthly Accounting Report: Claims separated by group for ASE and PSE.
 - b. Monthly Lag Report: Claims separated by group for ASE and PSE.
 - c. Yearly Summary Report: Date of service by Plan by year.
 - d. Year-end Report: As specified by EBD for Fiscal and Plan year.
- G. Should EBD request additional information, Contractor **shall** acknowledge request within one (1) business day and provide the information no later than three (3) business days from the date of request unless an extension has been granted.
- H. Contractors that use capitation, withholds, value-based programs, and/or any other special arrangement with their providers **must** provide a report detailing how many of their providers are part of a capitation, withhold, value-based programs and/or other special arrangement agreement and the geographic areas covered by these arrangements. This report **must** be provided quarterly unless EBD determines it is needed more frequently.
- I. Contractor **shall** provide an electronic copy of every Explanation of Benefits generated for Recipients in a format and using a naming convention defined by EBD, and transmit to EBD using secure file transfer protocols as defined by EBD. File types such as PDF or 835 **must** be an option.
- J. Contractor **shall** provide a portal accessible by EBD that provides details of all claim adjudication data, provider participation, facility participation, value-based programs, and Recipient eligibility as reflected. This data **must** contain multiple methods of searching this data such as by Recipient name, Recipient plan ID, by rendering provider, claim status, etc.
- K. Annual Reports
1. The Contractor **shall** provide a detailed annual report to EBD on June 1st of each year. Should June 1st fall on a day that is not a business day, the Contractor **shall** provide a detailed annual report to EBD on the first business day following June 1st.
 2. The account manager, whom the Contractor has assigned to the EBD account, **shall** present the annual report via a Power Point presentation format to EBD's management staff.
 3. The account manager **shall** make the presentation in person at a location determined by EBD. The specific details regarding location and time will be published on the ARBenefits website. In the event that the published information is altered, the EBD Administrative staff will supply the Account Manager, via email, the updated information, at least two (2) weeks prior of the presentation date.
 4. At a minimum, the Contractor **shall** include the following information in the annual report:
 - a. Utilization activity of the Programs.
 - b. Summary of the Contractor's operations.
 - c. Contractor's performance and administration of the Programs.
 - d. Any failure of the Contractor to comply with the Performance Standards and the applicable damages assessed. In addition, if requested by EBD, the Contractor **shall** provide the data supporting the

Performance Standards reported.

- e. Any penalties, and/or interest assessed by the IRS and/or Arkansas Department of Finance and Administration.

L. Quarterly Reports

1. The Contractor **shall** provide detailed, quarterly reports to EBD no later than forty-five (45) calendar days after the end of the quarter.
 - a. The Contractor **shall** provide a quarterly report. That includes but is not limited to the following information:
 - i. Summaries of the performance of the Programs.
 - ii. Satisfaction of the Recipients as determined by the total number of complaints received by the Contractor from Recipients or any surveys administered during each quarter.
 - iii. Utilization activity of the Programs.
 - iv. Other information determined relevant by EBD.
 - b. The Dedicated Account Manager, whom the Contractor has assigned to the EBD account, **shall** present the Quarterly Report via a Power Point presentation to EBD's management staff.
 - c. The Dedicated Account Manager **shall** make the presentation in person, if requested to do so by EBD, at a location determined by EBD.
 - d. The specific details regarding the location and time will be published on the ARBenefits website. In the event the published information is altered, the EBD Administrative staff will update the Dedicated Account Manager at least two (2) weeks prior, if in-person attendance is required.
2. The Contractor **shall** acknowledge receipt and provide the answer, or the timeline for answers, to all requests from EBD for additional information within one (1) business day via the appropriate communication method approved by EBD.

M. Monthly Reports

1. The Contractor **shall** provide detailed monthly reports, meeting a format defined by EBD after award of the contract, no later than fifteen (15) calendar days after the end of the month. **Should the 15th calendar day fall on a day that is not a business day, the Contractor shall provide detailed monthly reports to EBD on the first following business day.** The type of data and type of reports required will be determined during Implementation with EBD having final approval of content. At any time during the content duration EBD has the right to adjust the content and/or types of report, and the Contractor **shall** comply with these requests.
2. The Contractor **shall** provide month-to-month comparison reports beginning in year two (2) of administration services, meeting a format defined by EBD after award of the contract.

N. Weekly Reports

1. The Contractor **shall** provide a weekly Participant-level Small Dollar Claims report (cumulative claims greater than or equal to \$25,000) meeting a format defined by EBD after award of the contract.
2. The Contractor **shall** provide a weekly Participant-level High Dollar Claims report (cumulative claims greater than or equal to \$50,000) meeting a format defined by EBD after award of the contract.

O. Daily Reports

1. The Contractor **shall** provide a daily Recipient-level facility utilization report meeting a format defined by EBD after award of the contract.
 - a. This report **must** include emergency room visits, hospital admissions, observation admissions, hospital discharges and 30-day re-admission data.

P. Ad-hoc Reports

1. The Contractor **shall** provide ad-hoc reports as required by EBD. Ad-hoc reporting requirements will be established based on the needs of EBD and may vary from year-to-year according to the requirements placed on EBD by various State or Legislative entities.
2. Deadlines for the provision for ad-hoc reports will be negotiated, with EBD having final determination of the timeline for critical issues.
3. Ad-hoc reporting is not included in the overall administration cost. A table has been provided on the *Official Bid Price Sheets #1 and #2* to submit the hourly cost for ad-hoc reporting. EBD has final determination of what constitutes an ad-hoc report.

Q. On-demand Analytical Report Tool

1. The Contractor **shall** provide an on-line analytical reporting tool. During Implementation, the Contractor **shall** provide a demonstration of the functionality as well as provide an instructional manual which includes data mapping.
 - Data mapping is a special type of a data dictionary that shows how data from one information system maps to another. Data mapping allows the User to analyze, on a field by field basis, how to move data from one system to another.
2. The Contractor **shall** maintain the on-line analytical reporting tool to reflect current industry data requirements (i.e., migrating from ICD-9 to ICD-10).

- R. Contractor **shall** negotiate with EBD to develop mutually agreeable reporting formats and deadlines. Contractor **shall** provide all reporting in a format and frequency determined by EBD. Reporting data **must** be auditable and verifiable and, at a minimum, able to cross reference to invoice payment requests received by EBD.

NOTE: Reporting requirements for this section (3.7) apply to the overall provision of the Programs included in this Bundled Health Services RFP. See Sections 4, 5, 6, and 7 as each Program may have specialized reporting requirements.

3.8 DATA SHARING

- A. As defined by EBD, the Contractor **shall** utilize the following:

- Secure email service (task system)
- Secure file transfer protocol (SFTP)

- B. Within 120 days of the end of the contract, the Contractor **shall** ensure a complete data transfer to the new Contractor. During this 120-day transition period, the current Contractor **shall** be available to EBD and to the new Contractor as needed per EBD's determination.

3.9 AUDIT REQUIREMENTS

- A. Contractor **shall** allow audits conducted by EBD or their designated auditor and/or legislative audit.
- B. Contractor **shall** make available within three (3) business days of request to EBD, EBD's chosen representatives, and/or the Arkansas Division of Legislative Audit all records applicable to the administration and management of the Bundled Health Services as specified within this RFP. The Contractor **shall** have the

applicable records available electronically and **shall** provide applicable records via the secure email task system.

1. If the records data is too large to be sent via the secure email task system, the Contractor **shall** transport the information via a SFTP site to be determined by EBD.
- C. Contractor **shall** grant EBD, their chosen representative, and/or the Arkansas Division of Legislative Audit the right to reasonable inspection of facilities, equipment, and system support operations to ensure the continued ability of the Contractor to support the Programs and provide the Services required by this RFP.
- D. Contractor **shall** allow EBD, EBD's chosen representatives, and/or the Arkansas Division of Legislative Audit to conduct audits of all records relative to any contract maintained by the Contractor's subcontractor(s), if any.
- E. On an annual basis, the Contractor **shall** conduct an IT audit of the Contractor's system used to provide the services and provide a summary report of the results as required by this RFP.
- F. Contractor **shall** respond within thirty (30) calendar days to any initial findings from an inspection and/or audit.
- G. Contractor **shall** annually provide a SOC -2 Level II Report and any other applicable audits and certifications requested by EBD.
- H. Contractor **shall** complete a Standards for Attestation Engagements (SSAE) No. 18 audit annually.
- I. Audits will be required during the testing periods as well as the end of each of the fully deployed phase(s) as determined by EBD.
- J. The audit covering the final twelve month contracted period will be performed by an Arkansas Licensed Certified Public Accounting firm. This close-out audit will be performed to determine that all provisions of the contract have been fulfilled. The audit **must** also establish the validity of all balances as of the end of the contract period. The resulting report **must** be delivered to the EBD not later than six (6) months after the termination of the contract.
- K. Claims auditing: Quarterly, Contractor **shall** provide an electronic copy of the entire list of all paid claims to be delivered by the 10th business day of the new quarter. The list will be separated into:
1. Inpatient/Outpatient (UB92 or equivalent)
 2. Physician Services (HCFA 1500 or equivalent)
1. Via secure email task system, EBD will notify the Contractor of EBD's receipt of an audit request.
 2. EBD will notify the Contractor of the specific claims to be audited.
 3. Within ten (10) business days of the audit request, the Contractor **shall** provide EBD with all documentation associated with the requested claims.
 4. EBD will provide the Contractor an error report on completion of the audit, requiring the Contractor to research the identified errors with response of their findings and supporting documentation of the disputed errors. This response **must** be provided to EBD within 15 business days.
 5. Claims identified via the audit process as being paid inappropriately **must** be refunded back to EBD and/or the Member(s), including at any-time after the term of the contract.
- L. Contractor **shall** respond to any finding from EBD during an inspection and/or audit in the form of a corrective action plan (CAP). The CAP **must** be submitted to EBD within 20 calendar days of EBD's notification of the finding to the Contractor.
- M. Audit results will become public knowledge.

3.10 TRANSITION REQUIREMENTS

- A. Transition from outgoing contractors to successful Contractor resulting from this RFP:
1. The successful Contractor **shall** work with the outgoing contractors to transition Services in a manner that will not negatively impact the care of the Recipients.
- B. Transition at the termination of the contract resulting from this RFP:
1. The Contractor **shall** be responsible for executing the transition of all Services, **including run-out claims**, to the new contractor within 120 days of contract termination. EBD's main role will be supervisory to ensure that all services are successfully transitioned.
 2. All actions necessary to perform the transition **must** be coordinated with EBD and the new contractor. EBD will have final approval regarding all actions taken to transition these Services.
 3. Final payment to outgoing Contractor will not be processed until EBD approves the successful completion of the transition to the new contractor.

3.11 NETWORK DEVELOPMENT, RENTAL, AND MANAGEMENT

- A. Contractor **shall** maintain and manage an existing Any Willing Provider compliant provider network that will be provided for the use in managing the Bundled Health Services as described within this RFP.
- B. Contractor **shall** assist with developing a proprietary network, if EBD so chooses.
- C. Contractor **shall** be responsible for maintaining all provider contracts, terms and conditions, and **shall** make such contracts available to EBD upon request.
- D. Contractor **shall** handle all provider quality of care issues, providing documentation on related issues to EBD within five (5) business days from request of this information.

3.12 PERFORMANCE STANDARDS

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided that a Contractor **must** meet in order to avoid assessment of damages.
- B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration. The Performance Standards (Attachment B through F), identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards.
- C. The State has the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the Contractor so as to establish standards that are reasonably achievable.
- D. All changes made to the Performance Standards will become an official part of the contract.
- E. Performance Standards will continue throughout the aggregate term of the contract.
- F. Failure to meet the minimum Performance Standards as specified will result in the assessment of damages. Prompt resolution of problems or issues, to the satisfaction of EBD, is expected, but will not reduce or eliminate any damages imposed due to failure to meet the Performance Standards.
- G. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. The State has the right to waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services. In these instances, the State has final determination of the performance acceptability.
- H. Should any compensation be owed to the State agency due to the assessment of damages, Contractor **shall** follow the direction of the State agency regarding the required compensation process.

- I. Damages for all Performance Standards (Attachment B through F) will be invoiced and payment will be paid off of the invoice. Payment for damages are due no later than the last business day of the month following the date of the invoice.

SECTION 4 – HEALTH INSURANCE REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

4.1 CLAIMS ADJUDICATION PROCESS

- A. The Contractor **shall** provide comprehensive claims adjudication processing, payment services for the Services listed within this RFP.
- B. Contractor **shall** electronically provide a complete list of Contractor fee schedules/allowed amounts on a semi-annual basis for Contractor's Provider Network, National Network, and Transplant Network for audit purposes in a format to be determined by EBD. This is not claims specific, but will be used to validate billed and allowed charges on the individual claims to be provided to EBD. All non-participating claims **must** reflect the fee schedule/UCR allowable (i.e. PPO network).
- C. Contractor **shall** provide any additional data that alters allowed amounts of adjudicated claims, including but not limited to, capitation arrangements, value based payment initiatives, and innovative payment initiatives.
- D. Contractor **shall** apply industry standards for bundling/unbundling coding logic (i.e. multiple and bi-lateral surgery logic, bundled lab panels and etc.) for the claim adjudication processing and payment, where applicable.
- E. Contractor **shall** convert all paper claims received to an electronic record that **must** be transmitted in the same ANSI X12 HIPAA-compliant electronic format as electronic claims. Paper claim images **must** be provided to EBD as requested.
- F. Contractor **shall** provide EBD with provider and facility information weekly, in a format determined by EBD, to populate EBD's systems.
- G. Contractor **shall** aggressively pursue the collection of overpayments to Members, providers, and facilities. The Contractor **shall** actively pursue the overpaid amounts in writing from the Members, providers, and facilities and **shall** continue collection efforts on behalf of the Employee Benefits Division until collected, unenforceable, or instructed by EBD to discontinue collection efforts.
- H. Contractor **shall** provide Explanation of Benefits (EOB) for all claims (medical/health/wellness) to Members and **shall** also provide an electronic report to EBD of EOB activity. The frequency and format will be defined by EBD and will be consistent with federal mandates (ANSI 5010 - 835, PDF). All EOB's **must** contain all information required under Federal Regulations in the required timeframes and formats.
- I. Contractor **shall** work cooperatively with any of EBD's contracted Contractor's (i.e. pharmacy benefits manager).
- J. EBD retains the authority to require pre-authorization for any Service at any time. Contractor **shall** agree to implement the necessary requirements of ACT 815.
- K. All claims adjudication/payments processes **must** be made in accordance with applicable State or federal law, to include but not be limited to, processing clean claims and related timelines.
- L. Medicare as Primary Coverage (i.e. Retiree Population)
 1. Claims payment **must** be coordinated as if Medicare Part A and Part B are both in force at the time of service. If the member is eligible for Medicare Part B but does not elect coverage, the Plans **must** pay as though the member does have Medicare Part B, and the member will have full financial responsibility for incurred claims.
 2. The Contractor **shall** adjudicate Medicare Part A, B and Part C claims for pricing requirements when services are considered non-covered by Medicare.

3. The Plans **must** cover services for Medicare Primary members the same as for active and non-Medicare members. If Medicare does not cover a particular service but it is described in the Summary Plan Description (SPD) as being covered for active and non-Medicare members, then the Plans **must** provide coverage.

Links to the Summary Plan Description for ASE and PSE	
ASE	https://www.dfa.arkansas.gov/employee-benefits-division/arbenefts/plan-documents/summary-plan-description
PSE	https://www.dfa.arkansas.gov/employee-benefits-division/arbenefts/plan-documents/summary-plan-description

4. Contractor **shall** download the Summary Plan Description from <https://www.dfa.arkansas.gov/employee-benefits-division/arbenefts> to determine benefit limitations. These are subject to changes implemented by the Board or State Legislature.
 5. All physician, hospital, out-patient facilities and medical services offered to Medicare Primary retirees on the Schedule of Benefits **must** be subject to the provisions of that schedule. All services allowed by Medicare **must not** be allowed by the Plans (for example, the Plans will not pay the twenty percent for gastric bypass surgery).
- M. The Contractor **shall** provide confirmation, back to the submitter, of the receipt of claims submitted on-line within 24 hours. All eligible, qualified, clean claims **must** be routed for adjudication within three (3) business days of receipt by the Contractor.
- N. The Contractor **shall** notify the Member of receipt of any ineligible, suspended, or pending claim that is unprocessed and **shall** notify the Member via the Member's preferred method of communication which may include telephone, fax, mail, web portal, mobile app, or email.
1. The Contractor **shall** include the following information in the notification to the Member:
 - a. Provider of Service
 - b. Claim Amount
 - c. Date of Service
 - d. Reason for Payment Denial
- O. The Contractor **shall** process and correctly pay all claims in accordance with the State of Arkansas and EBD established policies, procedures, and practices as it relates to the claims adjudication process.
1. EBD's policies procedures and practices can be accessed by visiting the ARBenefits website at <https://www.dfa.arkansas.gov/employee-benefits-division/arbenefts>.
 2. EBD has the right to adjust one or more of its policies, procedures, or practices. Should EBD make any of the aforementioned changes, the Contractor **shall** process and pay all claims in accordance with any adjusted and/or updated policy, procedure, and/or practice as defined by EBD.
- P. The Contractor **shall** process pending claims. The act of processing pending claims **must** include, but not be limited to, following-up with appropriate parties (i.e. provider, Member, facility) in order to obtain information applicable to the correct processing of pending claims.
- Q. The Contractor **shall** screen all claims to prevent payment duplication and **shall** maintain procedures that provide consistency of claims payments in accordance with the Program requirements.

4.2 HEALTH INSURANCE REPORTING REQUIREMENTS

- A. EBD requires reporting based on the divisions as defined by EBD (i.e. ASE/PSE, group numbers, etc.) in formats approved by EBD.
- B. Contractor **shall** negotiate with EBD to develop mutually agreeable reporting formats and deadlines. EBD reserves the right to establish formats and deadlines, if negotiations fail.
- C. Contractor **shall** understand that all reports specifically mentioned in this RFP will be created at no additional charge.
- D. Contractor **shall** negotiate with EBD, mutually agreeable quality performance reporting criteria, for Population Health/Custom Care targets.
- E. Reporting data **must** be auditable and verifiable and, at a minimum, able to cross reference to invoice payment requests received by EBD.

4.3 HEALTH INSURANCE PERFORMANCE STANDARDS

See Attachment C for Health Insurance Performance Standards.

SECTION 5 – ACTUARIAL REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

5.1 ACTUARIAL REQUIREMENTS

A. EBD is specifically requesting the following:

- Primary Actuary
- Primary Healthcare Consultant
- Secondary Actuary
- Secondary Healthcare Consultant

B. The Primary Actuary and the Primary Healthcare Consultant may be the same person.

C. The Secondary Actuary and the Secondary Healthcare Consultant may be the same person.

D. The Contractor **shall** provide at a minimum, two dedicated professionals to provide the Actuarial and Healthcare Consultant services outlined in this RFP.

E. EBD anticipates a large portion of the required services outlined in this RFP may be accomplished off-site in the months of January through August, with the exception of setting rates.

F. The Contractor **shall** be present in-person for meetings and expert testimony as required in this RFP, or any other time when EBD determines that in-person attendance is necessary in order to provide quality services to EBD or as required in this RFP.

G. All travel and travel related expenses **must** be borne by the Contractor.

5.2 ACTUARIAL QUALIFICATIONS

A. The Contractor **shall** be a professional actuarial services firm having provided actuarial valuations and healthcare consulting services for healthcare Program for a minimum of five (5) years.

B. Primary Actuary Qualifications

1. The Primary Actuary **shall** be a fellow of the Society of Actuaries.
2. The Primary Actuary **shall** have a minimum of ten (10) years' of experience as an actuary, including five (5) years' of actuarial experience with active and retiree health Plans. This experience may include public or private sector plans.
3. The Primary Actuary **shall** have a minimum of one (1) year experience as an actuary with public plans having membership totals of at least 100,000.

C. Primary Healthcare Consultant Qualifications

1. The Primary Healthcare Consultant **shall** have a minimum of five (5) years' actuarial experience.
2. The Primary Healthcare Consultant **shall** have a minimum of ten (10) years' of general health consulting experience dealing with public plans having membership totals of at least 100,000.
3. The Primary Healthcare Consultant **shall** have experience in testifying to State legislative and other administrative bodies regarding healthcare issues.

D. Secondary Actuary Qualifications

1. The Secondary Actuary **shall** serve as the replacement for the Primary Actuary when the Primary Actuary is unavailable.

2. The Secondary Actuary **shall** be a fellow of the Society of Actuaries or working toward that accomplishment.
3. The Secondary Actuary **shall** have a minimum of five (5) years' experience as an actuary including three (3) years' of actuarial experience with active and retiree health plans, preferably with government plans having membership total of at least 50,000.

E. Secondary Healthcare Consultant Qualifications

1. The Secondary Healthcare Consultant **shall** have a minimum of five (5) years' actuarial experience.
2. The Secondary Healthcare Consultant **shall** have a minimum of three (3) years' of general health consulting experience, or experience with public plans management with membership totals of at least 50,000.
3. The Secondary Healthcare Consultant **shall** serve as the replacement for the Primary Healthcare Consultant when the Primary Healthcare Consultant is unavailable.

5.3 ACTUARIAL ONGOING SERVICE REQUIREMENTS

- A. The Actuary **shall** provide consultation and advisory services related to the administration of the Program.
- B. Upon request, the Actuary **shall** provide analysis and recommendations concerning the Program benefits.
- C. The Actuary **shall** conduct a monthly review of the overall effectiveness of the Program and provide the review to EBD admin staff and to the State and Public School Life and Health Insurance Board.
- D. The Actuary **shall** provide consultation, guidance, and support for any new or updated State or federal mandate such as the following:
 1. Providing Governmental Accounting Standards Board (GASB) actuarial valuations, and any other State or federal required analysis.
 2. Reviewing new or updated State or federal mandates, healthcare related mandates, and providing analysis services to identify gaps between the Program and the mandates.
 3. Providing on-site actuarial, accounting, administrative, and/or technical services as applicable to mitigate non-compliance identified in the gap analysis.
- E. The Actuary **shall** analyze claims experience for utilization trends, which will be used to guide decisions in cost containment, coverage benefits, and policy decisions for each of the Plans.
- F. The Actuary **shall** maintain detailed models, including a database of historical and current healthcare data, and **shall** update the models on a monthly basis.
- G. EBD **shall** provide detailed claims and eligibility information to be used in constructing the models.
- H. The models **must** project medical and prescription drug claims utilizing data based on the most recent twelve (12) months.
- I. The Actuary **shall** model, analyze and make written recommendations for pricing Program design and premiums.
- J. The Actuary **shall** perform financial analysis and projections as it pertains to each of the Plans.
- K. The Actuary **shall** provide rate projections based on various funding possibilities (for example, the impact of an additional \$20 million dollars through legislative mandate).
- L. The Actuary **shall** monitor and analyze network pricing.
- M. The Actuary **shall** perform trend analysis quarterly and at year-end.

- N. The Actuary **shall** provide support to EBD staff during audit request by providing actuarial documentation, and/or technical information, as needed.
- O. The Actuary **shall** produce, update, and/or provide guidance on reports as required by each of the Plans such as benefit coordinator generated lag reports.
- P. The Actuary **shall** monitor and compare administrative and operational policies, claims utilization trends, marketplace trends, and any industry activities and/or developments.
- Q. The Actuary **shall** facilitate the provision of **regulatory guidance**/legal opinions, as requested by EBD, based on proposed Program changes such as covered services, exclusions, limitations, and eligibility.
- R. Upon request, the Actuary **shall** provide expert testimony concerning the Program to the Arkansas Legislature. The Primary Actuary or the Primary Healthcare Consultant (which may be the same person) **shall** provide any presentations and/or testimony required, unless otherwise specifically approved by EBD on a case by case basis.
- S. The Actuary **shall** be actively involved in the evaluation of employee benefits Contractors, therefore it is critical the Actuary selected be independent and objective in fact and in appearance. The Actuary **shall** sign a confidentiality statement in the event the Actuary selected should also contract for services with one of the present benefit Contractors.
- T. The Actuary **shall** be readily available to the EBD Director, or his/her designee, or the Chairman of the State and Public School Life and Health Insurance Board of Directors by telephone within four (4) hours of contact, 24 hours per day, seven (7) days per week.
- U. The Actuary **shall** attend, in person, various EBD Benefit Subcommittee meetings, State and Public School Life and Health Insurance Board of Director's meetings, or other meetings as required by EBD, approximately 15-20 times per year (combined). Such meetings are normally held at EBD offices in Little Rock, Arkansas or the Arkansas State Capitol.
 - 1. EBD publishes a schedule of regular meetings on the website and via email.
 - 2. Additional meetings called by EBD follow the Freedom of Information Act (FOIA) notification requirements.
 - 3. The Actuary **must** be prepared to attend such meetings within two (2) business days' notice, or within one (1) business days' notice during a regular or called session of the Arkansas Legislature.
- V. The Actuary **shall** provide all labor, travel expenses, facilities, equipment, supplies, support staff, and other goods and/or services necessary to achieve quality services for the State of Arkansas as required by this RFP.
- W. The Actuary **shall** assist with strategic planning for each of the Plans.
- X. The Actuary **shall** prepare and/or fulfill ad hoc data requested by the State, such as data regarding funding, claims expense, or utilization trends, including EBD requests to assist with responses to the Arkansas Legislature, Legislative Audit, or other State governing bodies. These vary in complexity and typically require extremely quick turnaround time.
- Y. The Actuary **shall** perform other relative duties or activities specified by EBD, the Arkansas State and Public School Health Insurance Board, or other State governing bodies.

5.4 ACTUARIAL ADMINISTRATION REQUIREMENTS

- A. The Actuary **shall** utilize the ARBenefits secure email task system for protected health information.
- B. The Actuary **shall** utilize the State's secure file transfer protocol (SFTP).
- C. All data, records, files, and other information relating to the Plan **must** belong to the State and **must** be subject to release to the State if the contract is terminated or expires. Information **must** be made available in electronic format, and **must** include images of paper documentation and data extract.

- D. The Actuary **shall** implement procedures to ensure adherence to, and appropriate reporting for, Performance Standards as specified in this RFP.
- E. The State **shall** have the right to request any member of the Actuary staff with direct access to the Program data be removed from the State's account. If this occurs, the Actuary **shall** be replaced with another Actuary staff member with equal or greater qualification, and without disruption to daily operation.
- F. During the length of the contract, the Actuary **shall not** undertake a major conversion for, or related to, the system used to deliver services to the Program without specific written notice and approval from the State. This does not apply to any program fixes, modifications, or enhancements.
- G. The Actuary **shall** notify the State of any changes in Contractor representatives, management, or ownership.
- H. As referenced in the Technical Proposal Packet, the Actuary **shall** disclose in their proposal, or at any time during the contract award period, any current negotiations that may significantly impact the ownership of the Actuary.
- I. As referenced in the Technical Proposal Packet, the Actuary **shall** disclose in their proposal, or at any time during the contract award period, any pending litigation, either criminal or civil, and any petitions for bankruptcy.
- J. The Actuary **shall** comply with HIPAA and other federal and/or State mandates to include privacy, security, and electronic data transfer requirements.
- K. The Actuary **shall** work within constraints of end-of-fiscal-year procedures as provided by the State.
- L. As required by law, or at EBD's direction, EBD has the right to add or remove any actuarial services offered by the Contractor under the scope of this contract. These services may be existing optional services as offered in the Contractor's proposal, or they may be newly created services based on improving technology, or Federal or State mandates, and fall under the scope of work.
 - 1. Pricing for services offered at submission will reflect the cost on the *Official Bid Price Sheets*.
 - 2. Pricing for new services **must** be negotiated if and when the services are added, but **must** be consistent with current pricing for similar services and **must** be agreed upon in writing between EBD and the Contractor prior to implementation of the service.

5.5 ACTUARIAL REPORTS

- A. The Actuary **shall** submit written reports to EBD detailing the projections for monthly fund balances for each of the Plans on or before the 15th of each month.
- B. The Actuary **shall** submit written reports to EBD containing detailed results and recommendations resulting from the comparison of administrative and operational policies, claims utilization trends, marketplace trends, and any industry activities and/or developments within 30 days of updated mandate publication or industry developments.
- C. The Actuary **shall** prepare the actuarial attestation for Medicare Part D, annually. The schedule will be determined by CMS/RDS.
- D. The Actuary **shall** submit written summaries and/or graphs of the monthly medical and prescription projection models maintained by the Actuary. The summaries and/or graphs submitted **must** be from the previous month's models and **must** be submitted to EBD by the 15th of each month.
- E. The Actuary **shall** provide EBD with the State of Arkansas Fiscal Year end accounting information by June 30th of each year and **shall** including the following:
 - 1. Letters stating the Incurred But Not Reported (IBNR) as of June 30th for the Plans including the evaluation of estimated unpaid claim liabilities.
 - 2. Letters stating methodology and procedures for rate calculation for the Plans.

3. A two (2) year and/or other applicable trending analysis for the Plans.
 4. Full Other Post-Employment Benefits (OPEB) liability report for State employees, biannually. During the off year, the Actuary **shall** submit answers to questions received from the Arkansas Office of Accounting for the Comprehensive Annual Financial Report (CAFR).
 5. Other information as required by EBD.
- F. The Actuary **shall** submit Annual Performance Reports to EBD on or before May 15th of each year. The Actuary **shall** include any failure to comply with Performance Standards outlined in this RFP, and **shall** indicate applicable damages assessed. The Actuary **shall** summarize the following information in the Annual Performance Reports:
1. Administration of the Program by the Contractor
 2. Operations of the Contractor
 3. Performance of the Plans by the Contractor
- G. The Actuary **shall** submit Quarterly Performance Reports to EBD no later than 45 days after the end of the quarter. The Quarterly Performance Reports **must** summarize the financial performance of the Program, the satisfaction of the membership, and any information determined relevant by the State.
- H. The Actuary **shall** provide Annualized Reporting regarding the Program to the State and Public School Life and Health Insurance Board.
- I. The Actuary **shall** provide EBD with a monthly, written report summarizing the overall effectiveness of the Program, as well as a Power Point presentation for viewing by the State and Public School Life and Health Insurance Board, and any sub-committee members. The report and/or presentation **must** provide EBD with consultation and recommendations regarding Program design and/or administrative adjustments, if needed and **must** be submitted to EBD on or before the end of each month.
- J. The Actuary **shall** prepare an actuarial valuation in accordance with GASB requirements, or any other subsequent standard issued in the future, by July 31st of each year, or as directed by EBD. The Fiscal Year for the State of Arkansas is July 1 to June 30.
- K. Unless otherwise stated above, all reports **must** be provided in a manner and format as directed or approved by EBD. Data **must** be auditable and verifiable and, at a minimum, able to cross reference to invoice payment requests received by EBD.
- L. Actuary Reporting
1. Contractor **shall** provide a monthly Accounting Report of Claims based on division defined by EBD.
 2. Contractor **shall** provide a yearly summary report for date of service by Plan by year.
 3. Contractor **shall** provide a monthly claims lag report separately by Plan for ASE and PSE.
 4. Contractor **shall** provide a year-end report at the appropriate Plan-year end.

5.6 ACTUARIAL TRANSITION SERVICES REQUIREMENTS

A. Transition Upon Termination or Expiration

1. For a period of twenty-four (24) months, the Contractor **shall** provide/share the necessary information needed for a Legislative Audit.

5.7 ACTUARIAL PERFORMANCE STANDARDS

See Attachment D for Actuarial Performance Standards.

SECTION 6 – MEDICAL MANAGEMENT REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

6.1 MEDICAL MANAGEMENT BACKGROUND

- A. Medical Management is generally defined as the technical field of endeavor which utilizes a variety of individual, organizational and cultural interventions to help improve the morbidity patterns and the behavioral health of populations by using a single point of contact and coordination.
- B. Medical Management is designed to lower the overall cost trend of a defined population through the use of such tools as Evidenced-Based Medicine (EBM), Predictive Modeling across multiple clinical conditions, Personal Health Management techniques, and intensive Case Management (CM) that is individually customized for Participants who may be either at the highest level of risk or those who are presenting symptoms of one or multiple conditions.
- C. At a minimum, Contractor **shall** provide the following key components of Medical Management:
 1. Case Management (CM) for Medical Health Management (MH) and Behavioral Health Management (BH) – assessment, planning, facilitation, evaluation and advocacy by a clinical case manager to meet an individual's and family's health needs and to promote quality, cost-effective outcomes.
 2. Disease or Condition Management (DM) – provides nurse coaching to assist Participants in the management of chronic conditions through education.
 3. Utilization Management (UM) – the evaluation of the medical necessity, appropriateness, and efficiency of the use of health care services, procedures, and facilities under the provisions of the applicable health benefits plan, sometimes called "utilization review."
 4. Maternity Management Services (MMS) - provides nurse coaching to pregnant Participants. Educational information and support are provided to the Participants as well as identification of high risk pregnancy and referral to case managers to assist the Participants in achieving a healthy pregnancy. This is an opt-in program and an incentive is associated with the program. **Contractor shall manage the program and provide reporting used to determine associated incentive.**
 5. Predictive Modeling through the use of Advanced Claims Analytics Software – the use of medical claims for analysis to assist in identification of Participants with certain conditions to predict probabilities and trends to assist in lowering over-all cost to the Plans.
 6. Wellness Program – a comprehensive program aimed at encouraging employees to take preventative measures to control disease/unhealthy behaviors as well as incorporating any requirements set by the Board.
- D. Currently, 151,500 Members for the ASE and PSE Plans participate in the Medical Management. There are approximately 16,000 Medicare primary Members included in the covered population which are currently not included in Case Management.

6.2 GENERAL REQUIREMENTS

- A. Contractor **shall not** outsource to any entities, either subcontractors or wholly-owned subsidiaries of Contractor, that are located outside the continental United States for any services which include, but are not limited to, Customer Service and/or Data Storage.
- B. Contractor **shall** submit all general communications to Participants through the EBD Communications Manager for prior review and approval.
- C. Communication materials relating to a specific Participant are subject to HIPAA and therefore do not need to be approved by EBD.

- D. The Contractor **shall** operate and maintain processes and/or systems to support the collection, maintenance, and submission of required information, data, and reports. These functions may encompass both automated and manual processes required to provide standard information, data, and reporting.
- E. Contractor **shall** allow certain EBD staff access to **all** Participant information at a minimum of view only access in the Contractor's system. Staff who are allowed access **shall** be at the determination of EBD.
- F. Contractor **shall** require continuing education for all licensed professionals that provide services under this contract.
- G. The Medical Management program **must** be offered as a Service to Participants covered on the Program.
- H. As required by law, or at EBD's direction, EBD has the right to add or remove any Medical Management services offered by the Contractor under the scope of this contract (see Evaluation Information **Section 5 in the** Technical Proposal Packet & Price Sheets #1 and #2, Tab 3). These services may be existing optional services as offered in the Contractor's proposal, or they may be newly created services based on improving technology, or Federal or State mandates, and fall under the scope of work.
 - 1. Pricing for services offered at submission will reflect the cost on the *Official Bid Price Sheets*.
 - 2. Pricing for new services **must** be negotiated if and when the services are added, but **must** be consistent with current pricing for similar services and **must** be agreed upon in writing between EBD and the Contractor prior to implementation of the service.
- I. Contractor **shall** use Evidence-Based Medical Criteria in the evaluation and treatment strategies of the Participants.
- J. If requested by Participant through EBD, Contractor **shall** provide coordination and management of independent, external review in accordance with the Patient Protection and Affordable Care Act (PPACA).
 - 1. Historically, provisions of this service have been on average of one (1) occurrence per year.
 - 2. The cost for these services **must** be paid per case.
 - 3. Contractor **shall** include cost for referral only on the appropriate table in the *Official Bid Price Sheets*.
- K. Contractor **shall** pass through the Independent Review Organizations (IROs) resulting costs/fees to EBD.
- L. Contractor **shall** provide Services throughout the State of Arkansas.
- M. Contractor **shall** have a working knowledge and history of working with Arkansas facilities and providers.

6.3 PARTICIPANT ELIGIBILITY REQUIREMENTS

- A. Eligible Participants **shall** be those actives and eligible retirees and their dependents as defined in the laws of the State of Arkansas and EBD's policies. EBD is the sole source in determining eligibility.
- B. Participant ID Numbers: Contractor **shall** utilize the unique Participant ID's as provided from the EBD eligibility system. This number **must** be capable of utilizing alpha-numeric combinations with no character limit. The last two (2) digits represent the order of enrollment within a contract.
- C. Contractor **shall** convert any data (for example, address formatting) to meet their system requirements. Issues caused by this conversion **must** be reported to EBD by Friday of the week following the transmission, from EBD.

6.4 CASE MANAGEMENT REQUIREMENTS

- A. Medical Management services **must** include all levels of Case Management with potential assessments, as well as general telephonic Case Management for approximately 151,500 Arkansas State Employees (ASE) and Public School Employees (PSE), retirees, and dependents representing approximately 96,000 primary subscriber contracts. Geographically, services are required throughout the State of Arkansas, and case managers should be familiar with the State and providers (hospitals, doctors, associations, etc.) within the State.

- B. Medicare primary members will not receive Case Management services, unless determined necessary by EBD, but enrolled non-Medicare dependents of Medicare primary subscribers **shall** receive these services.
- C. Contractor **shall** utilize a five (5) component case management model consisting of assessment, planning, implementation, evaluation and interaction. These components **must** include:
1. Assessment
 - a. Assess and document the Participant's health and psychosocial status, which includes past and present physical health, past and present problems, and needs of family members.
 - b. Assess the Participant's level of case management need based on the level of functioning and/or needs using an acuity scale, as appropriate.
 - c. In collaboration with the client and those involved in the client's care, develop a case service plan that includes setting objectives and monitoring those objectives.
 2. Planning
 - a. Identify service availability and secure Participant eligibility.
 - b. Identify and mitigate barriers Participant may encounter.
 3. Implementation
 - a. Clarify service needs.
 - b. Orient Participant and family.
 - c. Identify and contact services that match needs.
 - d. Confirm that Participant received services.
 4. Evaluation
 - a. Maintain consistent contact with Participant's to determine whether primary care and support services are still appropriate, being completed, and still needed.
 - b. Periodically re-evaluate Participant's services, plans, and objectives.
 - c. Periodically re-evaluate level of case management need (e.g., high, moderate, or low) to determine if Participant can function more independently.
 - d. Assess health and functional status through periodic Participant and/or provider administered quality of life surveys **created by the Contractor and acceptable to EBD**.
 5. Interaction
 - a. Maintain a positive, engaged relationship with Participant to ensure a continuous treatment process.
- D. Contractor **shall** manage the Participants based on a Small and Large Case Management Trigger List.
- E. Contractor **shall** manage the bariatric surgery program as mandated by the State. Requirements for the bariatric surgery program can be found at: www.arbenefits.org.
- F. Contractor **shall** provide appropriate level of care based on national criteria/standards.
- G. Contractor **shall** manage, set up or schedule administration of IV therapy.
- H. Contractor **shall** evaluate facilities for appropriate level of care of Participant and network status.
- I. Contractor **shall** manage claims resolution with carriers.
- J. Contractor **shall** monitor compliance protocols for specific disease states as determined by EBD (for example, compliance with Hepatitis B protocols).
- K. Contractor **shall** negotiate out of network provider payment, as applicable.
- L. Contractor **shall** research and recommend alternative resources and funding sources, as applicable.
- M. Contractor **shall** provide services using nurse case managers licensed in the State of Arkansas.

- N. Contractor **shall** possess knowledge and experience in compensation practices and methodologies and be able to provide technical advice to other professionals in a formal atmosphere.
- O. Contractor **shall** provide Medical Case Management based on appropriate national criteria/standards for medical/behavioral health/pharmaceutical Care Coordination, and **shall** develop a Participant case plan that includes setting objectives and monitoring those objectives. The developed plan **must** be shared with EBD.
- P. Contractor **shall** facilitate realistic health recovery time frames and, as applicable, rehabilitative services.
- Q. Contractor **shall** provide clinical and/or medical information, up to and including medical/ethical, to include basic medical social services consulting. Contractor **shall** provide all labor, equipment, facilities, supplies, and other services to include case management related consulting services as needed.
- R. Contractor **shall** enhance communications between all parties involved with a case to include multi-point conferences. EBD encourages the use of video conferencing technologies.
- S. Contractor **shall** coordinate medical, pharmacy, and Behavioral Health Services.
- T. Contractor **shall** negotiate pricing and evaluate the ability to perform a medical service for out-of-network services as necessary and appropriate within the constraints of the plan documents.
- U. Contractor **shall** coordinate efforts with EBD's Health Services Liaison.
- V. Contractor **shall** provide a trigger list recommendation to be submitted to EBD at the beginning of the Implementation period. Attachment I and J **are examples of suggested Trigger Lists. See Technical Proposal Packet item number 5.B.1.**
- W. EBD **shall** have final determination of the trigger lists and its contents and **shall** have the right to change the trigger lists on an as needed basis.
- X. EBD **shall** work with the Contractor to establish a time frame for the implementation of any changes to the trigger lists.

6.5 SMALL AND LARGE CASE MANAGEMENT

- A. Contractor **shall** manage the Participant's based on a Small or Large Case Management Trigger List which **must** include Participants with any or all of the following:
 - 1. Small Dollar Claim Threshold
 - 2. High Dollar Claim Threshold
 - 3. Chronic or progressive disease states
 - 4. Co-morbidities (i.e. multiple diagnoses)
 - 5. Acute and catastrophic diagnoses
 - 6. Frequent hospitalizations/Emergency Room visits
 - 7. High usage of healthcare services
- B. Contractor **shall** make contact with Participants for the initial evaluation of the Participant's needs within two (2) days of receiving the referral, subject to initial clinical evaluation, or as directed by EBD.
- C. Contractor **shall** participate in discharge planning and team conferences for cognitive and physical rehabilitation.

6.6 DURABLE MEDICARE EQUIPMENT (DME) MANAGEMENT

Contractor **shall** provide services related to Durable Medical Equipment reviews as well as any related prior-authorization needs.

6.7 DISEASE MANAGEMENT REQUIREMENTS

- A. Contractor **shall** provide options of telephonic or online coaching, and may include face-to-face coaching, by registered nurses for chronic diseases.
- B. Contractor **shall** encourage Participants' in the independent management of chronic diseases through education provided by the nurse coaches.

- C. Contractor **shall** connect the Participants with community resources, such as materials or staff, to assist with education necessary for an effective knowledge base to support the management of Participants' chronic diseases.
- D. Contractor **shall** coordinate Disease Management activities with all other Medical Management services to ensure continuity of care.
- E. Contractor **shall** coordinate with Participants' providers to ensure disease monitoring and medication compliance.

6.8 UTILIZATION MANAGEMENT & REVIEW REQUIREMENTS

- A. The Contractor **shall** perform pre-certification review, continued stay review, and retrospective review based on medical necessity, appropriateness of care, and appropriate level of care for:
 - Inpatient hospital admissions
 - Sub-acute admissions
 - Inpatient rehabilitation
 - Skilled nurse facility
 - Residential treatment
 - Transplants
 - Cognitive rehabilitation
 - Limited out-patient hospital surgical procedures
 - Physical therapy, occupational therapy, speech therapy
 - Radiology
 - Prior approval for home infusion therapy, skilled nursing service
 - Enteral feeds
 - Mastopexy
 - Behavioral Health Utilization Review Services
 - ABA therapy
 - Intensive Outpatient Program (IOP)
 - Partial Hospitalization
 - Cognitive Rehabilitation
 - Partial Out-patient Hospitalization
- B. Contractor **shall** coordinate Utilization Management activities with all other Medical Management services to ensure continuity of care.

6.9 MATERNITY MANAGEMENT SERVICES REQUIREMENTS

- A. Contractor **shall** provide options of telephonic or online coaching, and may include face-to-face coaching, by registered nurses for Maternity Management Services (MMS) Participants.
- B. Contractor **shall** identify high risk pregnancies in Maternity Management Services Participants.
- C. Contractor **shall** provide an enrollment listing of Participants completing the Maternity Management Services to EBD on a monthly basis via secure task system or secure file transfer protocol (SFTP) site.
- D. Contractor **shall** enroll Maternity Management Services Participants into the secure task system for purposes of reporting.

6.10 WELLNESS PROGRAM REQUIREMENTS

- A. Contractor **shall** administer the Wellness Program requirements as outlined by the Board. These requirements include, but are not limited to the following:
 - Reviewing biometric data of the Recipients.
 - Provide recommendations for appropriate disease management programs based on results received from the biometric screening.
 - Communicate with the Recipient throughout the year (i.e. through participation with a Disease Management program).

- B. Contractor **shall** connect the Recipient with community resources, such as materials or staff, to assist with education necessary for an effective knowledge base to support the management of Recipients' overall health.
- C. Contractor **shall** coordinate Wellness Program activities with all other Medical Management services to ensure continuity of care.

6.11 **WELLNESS PROGRAM REPORTING REQUIREMENTS**

Contractor **shall** provide the following reporting for Wellness Program Services based on the divisions defined by EBD (e.g., ASE/PSE, Group Numbers, etc.), in formats approved by EBD, subject to deadlines determined by EBD.

- A monthly accounting for Recipient participation in the Wellness Program
- A yearly summary report for Recipient participation in the Wellness Program
- A yearly summary of referrals for Medical Management-Diseases
- A year-end report of savings to the Program based on Recipient participation

6.12 **NURSE LINE SERVICE**

- A. Contractor **shall** provide a toll-free Nurse Line service which Recipients can contact with medical-related questions and concerns.
- B. These services **must** be accessible on a 24/7/365 schedule.
- C. Staff assigned to handle the Nurse Line **must** be registered nurses and **must** be fluent in English.
- D. All calls **must** be answered live by a registered nurse.
- E. The Nurse Line services and phone number **must** be separate and independent from any Customer Service requirement stated in Section 3 of this RFP.
- F. Contractor **shall** provide the following Nurse Line Service reports in a method and format determined during Implementation and approved by EBD:
 - 1. Recipients advised to report to an Emergency Room
 - 2. Summary of Categories utilized by the Recipients
 - 3. Recipients who utilized the Nurse Line Service

6.13 **MEDICAL MANAGEMENT REPORTING REQUIREMENTS**

- A. Contractor **shall** provide reports, including but not limited to, initial evaluation, progress, closing, and aggregate at the frequency shown below.
 - 1. Quarterly
 - a. Participation reports of the services provided to Participants which accurately reflect the activity of the Program.
 - b. Analysis report for repeated in-patient admissions, excessive length of stay, or frequent treatments of Participants for comparison of cause and resolution. EBD has a right to request this report more frequently than on a quarterly basis.
 - c. Reports **must** be provided no later than 45-days after the end of the previous quarter.

2. Monthly

- a. High Dollar Claim cost cases
- b. Small Dollar Claim cost cases
- c. 30-day re-admissions in acute facilities
- d. Emergency Room utilization
- e. Follow-up report for Participants with continuous on-going activity
- f. Overall cost savings report of the Medical Management Program with data as determined by EBD

3. Cost savings reports on all Participants enrolled in the Medical Management Program at the time a case is closed or upon request by EBD.

- B. Reporting data **must** be auditable and verifiable and, at a minimum, able to cross reference to invoice payment requests received by EBD.

6.14 **MEDICAL MANAGEMENT PERFORMANCE STANDARDS**

See Attachment E Medical Management Performance Standards.

SECTION 7 – EMPLOYEE ASSISTANCE PROGRAM REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

7.1 EAP OVERVIEW

The EAP is a comprehensive program that can be customized to offer our AR Employees the tools and resources needed to manage their overall well-being, improve and/or manage their general health and the health of their family, as well as to develop personal growth in the workplace and provide tools to handle various workplace environments.

7.2 ELIGIBLE FOR COVERAGE

The Program **must** be available for all AR Employees.

7.3 PROSPECTIVE CONTRACTOR QUALIFICATIONS

A. Prospective Contractor **shall** have demonstrable experience in using innovative models when providing support to EAP AR Employees.

B. Prospective Contractor **must** propose programs which have been established for five (5) years or greater coordinating the development, implementation, management and promotion of a public employer's EAP. Some examples of resources for our AR Employees include, but are not limited to, the following:

- Personal Health Dashboard
- Online Wellness Coaching
- Online/Tele-medicine Health Coaching
- Resources to help navigate:
 - Relationships:
 - Domestic Issues
 - Caregiver Issues
 - Parenting
 - Marriage
 - Divorce
 - Personal Development
- Financial Issues
 - Debt Management
 - Insurance
 - Tax
 - Estate Planning
 - Personal Finance

C. See Technical Proposal Packet, Information for Evaluation, Section 6.A, for guidance regarding EAP services.

7.4 GENERAL REQUIREMENTS

A. Contractor **shall** notify EBD of any changes to the Statewide Network coverage within one (1) business day of the change.

B. The Contractor **shall** provide the following Program requirements:

1. Evaluation and referral services for AR Employees.
 - a. A maximum of eight (8) face-to-face or tele-medicine counseling sessions (meeting the State of AR requirements) per event for the purpose of assessment, short-term counseling, and referral.
2. A toll-free EAP help line **must** be a resource that promotes a healthy, safe work environment as well as providing confidential assistance to AR Employees when needed.

- a. These services **must** be accessible on a 24/7/365 schedule.
 - b. Staff assigned to handle the EAP help line **must** be live, trained professional EAP counselors fluent in English.
 - c. The EAP help line and phone number **must** be separate and independent from any Customer Service or Nurse Line requirements stated in other sections of this RFP.
 - d. Help line **must** include TDD/TTY services for the hearing impaired and all applicable ADA requirements.
 - e. First priority **must** be given to crisis intervention – same day response.
 - f. A counseling session **must** be scheduled as a face-to-face, or tele-medicine session as agreed upon between the AR Employee and EAP counselor, for the purpose of discussing and identifying areas of concern and problem-solving.
 - g. Tele-medicine sessions **must not** be the usual or routine method of providing counseling.
 - h. The counselor **shall** make a minimum of 45 minutes per session available to the AR Employee.
 - i. An AR Employee in extreme crisis (harmful to self or others) **must** be seen on an emergency basis.
 - j. Counseling session appointment **must** be scheduled with the AR Employee within two (2) calendar days of the AR Employee's first contact with the EAP help line.
 - k. Unlimited access to web and online portal for services and information for AR Employees.
 - l. Contractor **shall** provide crisis intervention as requested by EBD when necessary (i.e. methods used to offer immediate, short term help to individuals who experience an event that produces emotional, physical, and/or behavioral distress).
 - m. Contractor **shall** provide crisis intervention as requested by EBD when necessary (i.e. traumatic/unexpected death of co-worker/student, workplace violence event).
- C. An EAP representative **shall** be readily available to the EBD Administrative team, or designee, by telephone, 24 hours per day, seven (7) days per week.
- D. Contractor **shall** maintain a website outlining available services. The following are examples of services:
1. Wellness Coaching
 2. Health Coaching
 3. Resources to help navigate relationships
- E. Contractor **shall** maintain a secure website outlining available services available to our AR Employees. At a minimum, the following criteria should be available:
1. Create a secure, single-sign-on (SSO) with the ARBenefits.org secure membership portal, in a format to be established by EBD.
 2. Sample of online services:
 - Custom Wellness assessments
 - Custom performance metrics
 - Personal Health Dashboard

7.5 EMPLOYEE ASSISTANCE PROGRAM REPORTING REQUIREMENTS

A. Contractor **shall** provide on a schedule and in a format approved by EBD:

1. Quarterly

a. Participation reports of the services provided to AR Employees which accurately reflect the activity of the Program.

b. Reports **must** be provided no later than 45 days after the end of the previous quarter.

B. Reporting data **must** be auditable and verifiable and, at a minimum, able to cross reference to invoice payment requests received by EBD.

7.6 EMPLOYEE ASSISTANCE PROGRAM PERFORMANCE STANDARDS

See Attachment F Employee Assistance Program Performance Standards.

SECTION 8 – OPERATIONS, SYSTEMS AND SECURITY REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

8.1 ELIGIBILITY CONFIGURATION

- A. Contractor **shall** accept and provide electronic data feeds in a HIPAA compliant format on a schedule determined by EBD.
- B. Contractor **shall** accept the membership eligibility structure as defined by EBD.
- C. Contractor **shall** be responsible for converting any data (for example, address formatting, Member identifier) to meet their system requirements. Issues caused by this conversion **must** be reported to EBD immediately to be considered for exemption from the performance damage, and exemptions will be at EBD's discretion. Contractor **shall** bear all costs related to these changes throughout the duration of the contract.
- D. Contractor **shall** agree to the EBD-defined Eligibility Periods for Recipients. Any eligible employee and their dependents will be eligible for coverage. Eligibility will be defined by federal, State, and Board mandates.
- E. Contractor **shall** correctly process enrollment and demographic additions, changes, and deletions within three (3) calendar days of the creation date of the file provided by EBD.
 1. Additions, changes, and deletions sent correctly by EBD but not processed correctly by the Contractor will be retroactively corrected back to the original date even if correction occurs more than 60 days following the date of the event.
 2. This correction process **must** occur at no charge to EBD.
 3. The Contractor **shall** notify EBD within one (1) calendar day to be exempted from performance damage(s).
 4. Incomplete or unreadable information received by the Contractor from EBD **must** be reported to EBD within one (1) calendar day to be considered exempt from performance damage(s).
- F. Contractor **shall** provide an eligibility reconciliation file that provides basic demographic and Plan selection information on a schedule determined by EBD using a file layout provided by EBD.
- G. EBD will provide a monthly full eligibility file to Contractor in a HIPAA-compliant format on a date agreed to by both parties.
 1. The Contractor **shall** compare files and provide an enrollment mismatch report to EBD within fourteen (14) calendar days of the creation date of the full file.
 2. EBD will work with the Contractor to provide information or make any necessary corrections in EBD's eligibility system.
 3. The Contractor **shall** make needed corrections within fourteen (14) calendar days of receipt of the necessary information.

8.2 SYSTEM REQUIREMENTS

- A. Contractor **shall** have a comprehensive and technical administration system(s) capable of full-service administration and management of the Major Service Components described in this RFP.
- B. Contractor **shall** submit advance written notice to EBD regarding any major conversion for, or related to, the Contractor's system(s) used to deliver the Services required in this RFP. Contractor **shall not** undertake any major conversion for, or related to, the system(s) used to deliver services to the Program without specific written notice to, and approval by, EBD. This does not apply to any program fixes, modification, or enhancements. EBD reserves the right to reject any proposed conversion.
- C. Contractor **shall** facilitate, at their own expense, a single sign-on (SSO) trusted link between any secure on-line Contractor application and the ARBenefits.org secure membership portal. Limited programming and

administrative support can be provided by EBD staff.

- D. Contractor **shall** have a, secure website/portal and sign-on for a Recipient participating in multiple Programs and for the communication of health related information for a Recipient participating in multiple Programs. Contractor **shall** develop a trusted link between the ARBenefits.org/Member Page and the Contractor's website for use by Recipients.
- E. Contractor **shall** provide website(s)/portal(s) as specified in each Program section within this RFP.
- F. Contractor **shall** provide website maintenance only between the hours of 12 a.m. and 6 a.m. CST.

8.3 COMPLIANCE PRIVACY AND SECURITY

- A. The Contractor and all subcontractors **shall** be compliant with the Business Associate Agreement during the entire duration of the contract.
- B. Contractor's employees and representatives **shall** complete and sign the System Confidentiality Agreement at EBD's request which may be prior to the start of the Implementation Period, prior to performing work on any contract resulting from this RFP, or prior to accessing any Recipient information. A sample System Confidentiality Agreement is posted as Attachment K to this RFP.
- C. Contractor **shall** comply with HIPAA and other State and/or federal mandates to include privacy, security, HITECH and electronic data transfer requirements as defined by EBD.
- D. The data systems utilized by the Contractor or the Contractor's subcontractor(s) to transmit and/or warehouse any Recipient information **must** be SOC -2 Level II and SSAE-18 compliant. This **must** be submitted to EBD per this requirement at any time throughout the duration of the contract.
- E. Contractor **shall** use the Recipient identification number as provided from the EBD eligibility system.
- F. Contractor **shall not** use, sell, or otherwise disclose any employee, Recipient, Program or Service information to any outside party unless specifically provided in order to comply with the requirements and operations of the Program as specified in this RFP. The Contractor **shall** obtain written approval from EBD compliance officer prior to any disclosure of any employee, Recipient, Program or Service information.
- G. Contractor **shall** notify EBD as required in the Business Associate Agreement (BAA) of any suspected security breaches, disclosures or breaches.
- H. Contractor **shall** provide HIPAA training to all of the Contractor's workforce as defined by HIPAA prior to the workforce member(s) performing any work or accessing Recipient and/or Program records. Contractor **shall** provide a HIPAA refresher course annually to the workforce member(s).
- I. Contractor **shall** provide information regarding any HIPAA, Internal Revenue Code Sections, American Disability Act (ADA) and/or other regulatory training provided to the Contractor's staff if requested by EBD. The information provided, at a minimum **must** include the following:
 - 1. Staff's qualifications
 - 2. Training
 - 3. Certifications
 - 4. Any other relative and/or new requirements determined necessary by EBD
- J. The Contractor **shall** have a continuity plan that provides for the recovery of all electronic data and data processing equipment, and which assures the data processing system will be operational within three (3) business days of a natural disaster, or any other business interruption, whether natural or otherwise.

SECTION 9 – PRICING SUBMISSION REQUIREMENTS

- **Do not provide responses to items in this section.**

9.1 COST SUBMISSION

- A. The cost submission for this RFP consists of two components:
1. Administrative Cost
 2. Network Cost

9.2 ADMINISTRATIVE COST PRICE SHEETS

- A. There are two separate price sheets:
1. Price Sheet #1: Official Bid Price Sheet for Bundled Services
 - The Grand Total on this price sheet will be used in awarding cost points in the event of awarding the contract to one Contractor for all bundled services.
 2. Price Sheet #2: Official Bid Price Sheet for Unbundled Costs
 - The total for each unbundled Program will not be considered in awarding cost points unless EBD determines to award one or more of the Programs as a separate contract.

9.3 ADMINISTRATIVE COST SUBMISSION REQUIREMENTS FOR BOTH PRICE SHEETS #1 AND #2

- A. The price sheets each contain six (6) tabs. The bundled Administrative Cost is specifically the Total Three-Year Estimated Cost as automatically calculated on Tab 5 of Price Sheet #1.
- B. Each service item **must** be individually priced and **must not** be blended with other services or pricing.
- C. All required cost cells **must** have a cost figure entered. For any services that are provided at no cost, enter a “0” in that cost cell.
- D. For all tables provided for related services available but not required in the RFP, EBD will have the right to select from the individual services listed per each spreadsheet, but is not obligated to accept any or all service items offered for each service.
- E. The Prospective Contractor **shall** submit reports as specified on Tab 6.
1. The reports **must** be submitted in a spreadsheet format on CD or flash drive, and each report **must** be labeled clearly and appropriately.
 2. An actuary will apply various methodologies in the evaluation of the report information to validate the submitted pricing and ensure consistency in each Prospective Contractor’s measurement of discounts in the Administrative Cost.
 3. Should the actuary find that the pricing is inconsistent and/or cannot be validated by the reports, the Prospective Contractor will be scored a “0” in the Administrative Cost portion of the actuarial cost evaluation.
- F. Prospective Contractors **shall** follow the below requirements when completing both Price Sheets #1 and #2:
1. Tab 1: Health Insurance
 - Table A:
 - Will be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells.
 - For section titled “ITEMS NOT SPECIFIED ON THIS PRICE SHEET BUT NECESSARY TO FULFILL THE REQUIREMENTS OF THE PROGRAM”, services and costs **must** be filled in to reflect complete pricing of the required services. Lines can be added to this section as necessary.

- Table B:
 - Will not be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells.
- Table C:
 - Will not be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells.
- Table D:
 - Will not be used for low cost determination in awarding cost points.
 - All Health Insurance-related services which are proposed or offered in a Prospective Contractor's proposal but which are not required in the RFP **must** be listed on this table and **must** have a price entered for each service.
 - Lines can be added to this table as necessary

2. Tab 2: Actuarial Services

- Table A:
 - Will be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells, following the option as stated in the Primary Consultant and Secondary Consultant cells.
- Table B:
 - Will not be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells and **shall** list all staff positions which will be utilized for the contracted services. An hourly rate **must** be entered for all staff positions listed.
 - Lines can be added to this Staff Positions section as necessary.
 - The monthly invoice to EBD **must** be itemized by the staff positions shown on this spreadsheet, along with the corresponding total hourly cost for each.

3. Tab 3: Medical Management Services

- Table A:
 - Will be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells.
 - For section titled "ITEMS NOT SPECIFIED ON THIS PRICE SHEET BUT NECESSARY TO FULFILL THE REQUIREMENTS OF THE PROGRAM", services and costs **must** be filled in to reflect complete pricing of the required services. Lines can be added to this section as necessary.
- Table B:
 - Will not be used for low cost determination in awarding cost points.
 - All Medical Management-related services which are proposed or offered in a Prospective Contractor's proposal but which are not required in the RFP **must** be listed on this table and **must** have a price entered for each service.
 - Lines can be added to this table as necessary

4. Tab 4: Employee Assistance Services

- Table A:
 - Will be used for low cost determination in awarding cost points.
 - The Prospective Contractor **shall** enter costs for all yellow-shaded cells.
- Table B:
 - Will not be used for low cost determination in awarding cost points
 - All EAP-related services which are proposed or offered in a Prospective Contractor's proposal but which are not required in the RFP **must** be listed on this table and **must** have a price entered for each service.
 - Lines can be added to this table as necessary

5. Tab 5: Grand Total Estimated 3-Year Cost

Prospective Contractors **shall not** enter any information or costs on this tab.

6. Tab 6: Pricing Reports

Prospective Contractors **shall** submit all reports as specified in this tab.

9.4 NETWORK COST/COVERAGE SUBMISSION

- A. A data file has been made available (see E below). See also Attachment N for a sample of the data layout. Prospective Contractor's **shall** follow directives as provided in Attachment N. The Prospective Contractor **shall** provide pricing for the entire data file. Failure to provide pricing for the entire data file will result in disqualification of a Prospective Contractor's proposal. This data claims sampling consists of approximately one year of claims.
- B. Contractor **shall** provide a completed Attachment L – Network Coverage with the pricing submission. An Actuary will review Network Coverage. Insufficient coverage may result in disqualification of a Prospective Contractor's proposal.
- C. The Contractor **shall** provide their network pricing for each claim on the data file (referenced in A above). The pricing **must** be submitted on a separate CD or flash drive in the spreadsheet format shown in Attachment M: Network Pricing Submission Format Sample, with each claim pricing as a single horizontal row on the spreadsheet.
- D. Pricing **must** include the billed amount and allowed amount for that specific provider in the given location on or about the given date. Responses **must** be provided in a comma-delimited text file format.
- E. The claims sampling will be available by download at a URL provided by the State, or on a flash drive.
- F. To obtain the URL address and password, contact the OSP Buyer listed on page 1 of this **Final** RFP.
- G. To obtain a copy of the flash drive containing the claims data, a request **must** be made in writing to the OSP Buyer listed on page 1 of this **Final** RFP.
 1. Email or mail deliveries of requests are acceptable.
 - a. By email: Tamara.DeBord@dfa.arkansas.gov
 - b. By mail: Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222
Attn: Tamara DeBord
 2. In your request, state if you will pick up the flash drive in person at the OSP office (8:30 a.m.- 4:00 p.m. CST), or provide:

- a. Company name and address where flash drive is to be shipped
- b. Contact name, address, email, and phone number
- c. Desired method of shipment: USPS, FedEx, or UPS. Standard shipping will be through the U.S. Postal Service. For shipments through UPS or Fed Ex, a pre-paid account number/label **must** be provided to cover costs for these deliveries. For FedEx or UPS:
 - i. State desired shipping time (standard, 2-day, overnight, etc.)
 - ii. Provide pre-paid account number (FedEx) or email a pick-up label (UPS) to cover cost of shipping
 - iii. Provide physical shipping address (not PO Box)
- H. Upon receipt of the request at OSP, the Prospective Contractor will be notified by email within one (1) business day that a copy of the flash drive is being shipped or is ready for pick up at the OSP office.

NOTE: The *Official Bid Price Sheets*, the CD/flash drive containing the reports associated with the Administrative Pricing, and the CD/flash drive containing the Network Pricing spreadsheet and the original flash drive sent from OSP, must be sealed together in a separate package from the rest of the proposal and clearly marked as "Pricing". Pricing information must not be included in the technical response.

SECTION 10 - CRITERIA FOR SELECTION

- **Do not provide responses to items in this section.**

TECHNICAL PROPOSAL SCORE

- A. OSP will review each *Technical Proposal Packet* to verify submission Requirements have been met. *Technical Proposals Packets* that do not meet submission Requirements will be disqualified and will not be evaluated.
- B. An agency-appointed Evaluation Committee will evaluate and score qualifying Technical Proposals. Evaluation will be based on Prospective Contractor's response to the *Information for Evaluation* section included in the *Technical Proposal Packet*.
 1. Members of the Evaluation Committee will individually review and evaluate proposals and complete an Individual Score Worksheet for each proposal. Individual scoring for each Evaluation Criteria will be based on the following Scoring Description.

Quality Rating	Quality of Response	Description	Confidence in Proposed Approach
5	Excellent	When considered in relation to the RFP evaluation factor, the proposal squarely meets the requirement and exhibits outstanding knowledge, creativity, ability or other exceptional characteristics. Extremely good.	Very High
4	Good	When considered in the relation to the RFP evaluation factor, the proposal squarely meets the requirement and is better than merely acceptable.	High
3	Acceptable	When considered in relation to the RFP evaluation factor, the proposal is of acceptable quality.	Moderate
2	Marginal	When considered in relation to the RFP evaluation factor, the proposal's acceptability is doubtful.	Low
1	Poor	When considered in relation to the RFP evaluation factor, the proposal is inferior.	Very Low
0	Unacceptable	When considered in relation to the RFP evaluation factor, the proposal clearly does not meet the requirement, either because it was left blank or because the proposal is unresponsive.	No Confidence

2. After initial individual evaluations are complete, the Evaluation Committee members will meet to discuss their individual ratings. At this consensus scoring meeting, each member will be afforded an opportunity to discuss his or her rating for each evaluation criteria.
3. After committee members have had an opportunity to discuss their individual scores with the committee, the individual committee members will be given the opportunity to change their initial individual scores, if they feel that is appropriate.
4. The final individual scores of the evaluators will be recorded on the Consensus Score Sheets and averaged to determine the group or consensus score for each proposal.

5. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.

C. The Information for Evaluation section has been divided into sub-sections.

1. In each sub-section, items/questions have each been assigned a maximum point value of five (5) points. The total point value for each sub-section is reflected in the table below as the Maximum Raw Score Possible.
2. The agency has assigned Weighted Percentages to each sub-section according to its significance.

Information for Evaluation Sub-Sections	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
1 – Prospective Contractor Experience	50	10%	70
2 – General Administration	185	20%	140
3 – Health Insurance	440	20%	140
4 – Actuarial Services	115	5%	35
5 – Medical Management (MM)	470	20%	140
6 – Employee Assistance Program (EAP)	155	5%	35
7 – Operations and Systems	60	10%	70
8 - Implementation	35	10%	70
Total Technical Score	1510	100%	700

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

D. The proposal's weighted score for each sub-section will be determined using the following formula:

$$(A/B)*C = D$$

A = Actual Raw Points received for sub-section in evaluation

B = Maximum Raw Points possible for sub-section

C = Maximum Weighted Score possible for sub-section

D = Weighted Score received for sub-section

E. The proposal's weighted scores for sub-sections will be added to determine the Total Technical Score for the Proposal.

10.2 DEMONSTRATION SCORE

- A. The Prospective Contractors with the top three Technical proposal scores after the completion of the technical proposal evaluation will be contacted to schedule a demonstration. An outline of the demonstration content will be provided at that time.
- B. The buyer will create a second set of score sheets by copying the Excel workbook (including the scores entered) and titling each of the score sheets in that workbook as the "Post-Demonstration" score sheets.
- C. After each demonstration is complete, the Evaluation Committee members will have the opportunity to discuss the demonstration and revise their individual scores on the Post-Demonstration Consensus Score Sheet based on the information in the demonstration.
- D. The final individual scores of the evaluators on the Post-Demonstration Consensus Score Sheets will be averaged to determine the final Technical score for each demonstrated proposal.

10.3 **COST SCORE**

- A. The entire Cost portion of the evaluation will be analyzed and scored by an actuary. The score for Cost will be based on the Total Net Cost which will be a combination of the Administrative Cost and the Network Cost.

COST	Possible Points
Lowest Total Net Cost (Administrative Cost + Network Cost)	300

B. **Cost Evaluation**

1. The actuary will complete the cost evaluation of the Administrative Cost submitted on the Official Bid Price Sheets and of the Network Cost submitted on CD/flash drive to arrive at the Net Cost for each proposal. The total cost points for each Prospective Contractor's pricing submission will be processed in the following way:
 - a. The maximum amount of points for cost (300) will be awarded to the Prospective Contractor with the Lowest Total Net Cost (Administrative + Network Pricing).
 - b. The amount of points awarded to the remaining Prospective Contractors for the Cost category will be allocated by using the following formula:

$$(A/B)*C = D$$

A = Lowest Total Net Cost
 B = Second (third, fourth, etc.) Lowest Total Net Cost
 C = Maximum points for Lowest Total Net Cost (300)
 D = Number of Cost points scored for that proposal

10.3 **GRAND TOTAL SCORE**

The Technical Proposal score and Net Cost score will be added together to determine the Grand Total Score for each proposal. The Prospective Contractor's proposal with the highest Grand Total Score will determine the apparent successful Contractor.

	Maximum Points Possible
Technical Proposal	700
Lowest Total Net Cost (Administrative Cost + Network Cost)	300
Grand Total Score	1,000

10.4 **PROSPECTIVE CONTRACTOR ACCEPTANCE OF EVALUATION TECHNIQUE**

- A. Prospective Contractor **shall** agree to all evaluation processes and procedures as defined in this solicitation.
- B. The submission of a *Technical Proposal Packet* signifies the Prospective Contractor's understanding and agreement that subjective judgments will be made during the evaluation and scoring of the Technical Proposals.

SECTION 11 – GENERAL CONTRACTUAL ITEMS

- **Do not provide responses to items in this section.**

11.1 PAYMENT AND INVOICE PROVISIONS

Forward invoices to:

Department of Finance and Administration
Employee Benefits Division
ATTN: Accounting
501 Woodlane, Suite 500
Little Rock, AR 72201

- A. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance goods and services by the agency.
- B. Do not invoice the State in advance of delivery and acceptance of any goods or services.
- C. Payment will be made only after the Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- D. The Contractor should invoice the agency by an itemized list of charges which should be on the Contractor's letterhead. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice as well as the following information:
 - 1. Name and contact information for the Contractor
 - 2. Payment instructions including bank routing number and account number
 - 3. Date of invoice billing period
- E. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.
- F. Selected Contractor **shall** be registered to receive payment and future *Bid Solicitation* notifications. Prospective Contractors may register on-line at <https://www.ark.org/Contractor/index.html>.
- G. The Contractor **shall** provide separate invoices for the ASE and PSE Plans on a monthly basis. The timeline and invoice format will be determined by EBD during the Implementation Period.

11.2 GENERAL INFORMATION

- A. The State will not:
 - 1. Lease any equipment or software for a period of time which continues past the end of a Fiscal Year unless the contract allows for cancellation by the State Procurement Official upon a 30 day written notice to the Contractor/lessor in the event funds are not appropriated.
 - 2. Contract with another party to indemnify and defend that party for any liability and damages.
 - 3. Pay damages, legal expenses or other costs and expenses of any other party.
 - 4. Continue a contract once any equipment has been repossessed.
 - 5. Agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
 - 6. Enter a contract which grants to another party any remedies other than the following:
 - i. The right to possession.
 - ii. The right to accrued payments.

- iii. The right to expenses of deinstallation.
 - iv. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
 - v. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.
- B. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
 - C. The laws of the State of Arkansas govern this contract.
 - D. A contract is not effective prior to award being made by a State Procurement Official.
 - E. In a contract with another party, the State will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when:
 - 1. The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss, and
 - 2. The contract has required the State to carry insurance for such risk.

11.3 **CONDITIONS OF CONTRACT**

- A. Observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.
- B. Indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the Contractor.

11.4 **SET-OFF**

The parties agree that the Department, in its sole discretion, **shall** have the right to set-off any money Contractor owes the EBD from the EBD's payment to Contractor under this contract.

11.5 **DISPUTES**

In the event of any dispute concerning any performance by the EBD under the contract, the Contractor **shall** notify the EBD Director in writing. The State Procurement Director or a designee, prior to commencement of an action in court or any other action provided by law, will attempt to negotiate a settlement of the dispute with the parties in accordance with A.C.A. § 19-11-246. If the claim or controversy is not resolved by mutual agreement, and after reasonable notice to the parties in accordance with A.C.A. § 19-11-246 (c) (1), the State Procurement Director or his designee **shall** promptly issue a decision in writing stating the reason for the actions taken and a copy of the decision **shall** be mailed or otherwise furnished to the Contractor. This decision will be final and conclusive. Pending final determination of any dispute hereunder, the Contractor **shall** proceed diligently with the performance of the contract and in accordance with the Division Director's instructions.

11.6 **COMPLIANCE WITH APPLICABLE LAW**

The Contractor agrees to deliver the services authorized by this contract in accordance with all applicable laws and regulations.

11.7 NOTICES

All demands, notices and communications hereunder **must** be in writing and **must** be deemed to have been duly given if sent to either party postage prepaid, via U.S. mail, certified and return receipt requested to the addresses below. Notices will be effective on the date of delivery indicated on the return receipt. Notices may also be given by courier or express mail service (e.g. Federal Express):

(address)

Attention: _____
(name of contractor contact person or such other name or address as
may hereafter be furnished to Department in writing by the Contractor)

Notices to the EBD should be mailed to:

EBD Director
Attention: Chris Howlett
501 Woodlane, Suite 500
Little Rock, AR 72201

11.8 STATEMENT OF LIABILITY

- A. Subject to Section 11.3, Contractor **shall** indemnify and hold the State free and harmless to the full extent permitted by law or in equity, for and from any and all losses, obligations, liabilities, damages, costs, expenses, claims, actions, judgments, attorneys' fees and attachments, joint or several, arising from or in connection with claims under this Agreement or any claim, matter or transaction related to Contractor's Services hereunder, but only to the extent the same **shall** be determined in a final judgment by a court of competent jurisdiction to have resulted from actions taken or omitted due to Consultant's willful misconduct, gross negligence or knowing violation of law.
- B. Indemnification: With respect to loss, expense, damage, liability, claims or demands, either at law or in equity, for actual or alleged personal injuries or property damage arising from the work performed under this agreement by the Contractor and its employees, agents, or subcontractors, and for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the EBD may sustain as a result of the Contractor's performance or lack of performance, Contractor agrees that it will cooperate with the EBD in the defense of any action or claim brought against the EBD seeking the foregoing damages or relief; it will in good faith cooperate with the EBD should the EBD present any claims of the foregoing nature against Contractor to the Claims Commission of the State of Arkansas; it will not take any action to frustrate or delay the prompt hearing on claims of the foregoing nature by the said Claims Commission and will make reasonable efforts to expedite said hearing; provided, however, Contractor reserves its right to assert in good faith all claims and defenses available to it in any proceeding in said Claims Commission or other appropriate forum. The foregoing indemnification clause **shall** take precedent over any conflicting indemnification clause in this contract. Contractor **shall** be solely responsible for all claims of any nature arising out of its wrongful acts, negligence, breach of statutory or regulatory requirements, or breach of contract with regards to unauthorized access or use of protected health information and Contractor **shall** hold harmless and indemnify the EBD for all such claims and all costs associated thereto including but not limited to all fees, fines, penalties, and reasonable attorney fees arising therefrom.
- C. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Contractor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The Contractor will retain total liability for Contractor's equipment, software and technical and business or operations literature. The State will not at any time be responsible for or accept liability for any Contractor-owned items.
- D. Language in these terms and conditions **shall not** be construed or deemed as the State's waiver of its right of sovereign immunity. The Contractor agrees that any claims against the State, whether sounding in tort or in

contract, will be brought before the Arkansas Claims Commission as provided by Arkansas law, and governed accordingly.

11.9 **RECORD RETENTION**

- A. The Contractor agrees to retain all records for five (5) years after final payment is made under this Contract or any related subcontract. In the event any audit, litigation or other action involving these records is initiated before the end of the five (5) year period, the Contractor agrees to retain these records until all issues arising out of the action are resolved or until the end of the five (5) year period, whichever is later. The Contractor agrees to retain all protected health information as defined by the Privacy Rule promulgated pursuant to HIPAA for six (6) years or as otherwise required by HIPAA.
- B. The Contractor will grant access to its records upon request by state or federal government entities or any of their duly authorized representatives. Access will be given to any books, documents, papers or records of the Contractor which are related to any services performed under the contract. The Contractor additionally consents that all subcontracts will contain adequate language to allow the same guaranteed access to the records of subcontractors.
- C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

11.10 **PRICE ESCALATION**

- A. Price increases will be considered at the time of contract renewal.
- B. The Contractor **must** provide to OSP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OSP has the right to require additional information pertaining to the requested increase.
- C. Increases will not be considered to increase profit or margins.
- D. OSP has the right to approve or deny the request.

11.11 **CONFIDENTIALITY**

- A. In connection with this contract, the Contractor will receive certain Confidential Information relating to EBD Recipients. For purposes of this contract, any information furnished or made available to the Contractor relating to EBD Recipients, the financial condition, results of operation, business, customers, properties, assets, liabilities or information relating to Recipients including but not limited to protected health information as defined by the Privacy Rule promulgated pursuant to the Health Insurance Portability and Accountability Act (HIPAA) of 1996, is collectively referred to as "Confidential Information". The Contractor **shall** comply with all EBD policies governing privacy and security of Confidential Information, including the EBD's designation of the Confidential Information as required by the Arkansas Data and System Security Classification Standards, and **shall** implement and maintain reasonable security procedures and practices appropriate to the nature of the Confidential Information as required by A.C.A. § 4-11-104, the Personal Information Protection Act ("the Act"). In addition, the Contractor **shall** comply with the Business Associate Agreement between the parties, incorporated herein by reference, and **shall** disclose any breaches of privacy or security by contacting the EBD Compliance Officer within one (1) business day of the breach by notification to the following e-mail address: Laura.Thompson@dfa.arkansas.gov.
- B. The Contractor **shall** treat all Confidential Information which is obtained by it through its performance under the contract as Confidential Information as required by State and federal law and **shall** not use any information so obtained in any manner except as necessary for the proper discharge of its obligations. The parties acknowledge that the disclosure of Confidential Information in contravention of the provisions hereof would damage the party to whom the information disclosed relates and such party has the right to seek all remedies at law or equity to minimize such damage and to obtain compensation therefore. The Contractor agrees to retain all protected health information as defined by the Privacy Rule promulgated pursuant to HIPAA for six (6) years or as otherwise required by HIPAA. The Contractor **shall** safeguard the use and disclosure of information concerning applicants for or recipients of Title XIX services in accordance with 42 CFR Part 431, Subpart F, and **shall** comply with 45 CFR Parts 160 and 164 and **shall** restrict access to and disclosure of such information in compliance with State and federal laws and regulations.
- C. Substantial, consistent, and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State has the right to cancel the contract on these grounds.

D. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

11.12 **CONTRACT INTERPRETATION**

Should the State and Contractor interpret specifications differently, either party may request clarification. However, if an agreement cannot be reached, the determination of the State is final and controlling.

11.13 **ORDER OF PRECEDENCE**

The Contract (if any) resulting from this solicitation consists of this RFP (including, without limitation, its conditions, terms, specifications, amendments, and its attachments, if any), mirror terms in the accepted proposal (if any proposal is accepted), any written amendments to the Contract signed by the parties, and any Purchase Orders issued pursuant to the Contract. All parts of the Contract are intended to be complementary and what is set forth in any one document is as binding as it set forth in each document. In the event of any conflict, discrepancy, error or omission among any parts of the Contract, either party may immediately notify the other and seek to reach a mutually acceptable amendment to address the issue by agreement. If the Parties cannot resolve any such conflict, discrepancy, error or omission by mutual agreement, the matter may be submitted for resolution as a dispute in accordance with 11.5 Disputes. Subject to the preceding three sentences, should there be a discrepancy between the RFP, accepted proposal, and any written amendments signed by the parties (the "Primary Contract") and a Purchase Order, the provisions of the Primary Contract control.

11.14 **CANCELLATION**

- A. **For Cause**. The State may cancel any contract resulting from this solicitation for cause when the Contractor fails to perform its obligations under it by giving the Contractor written notice of such cancellation at least thirty (30) days prior to the date of proposed cancellation. In any written notice of cancellation for cause, the State will advise the Contractor in writing of the reasons why the State is considering cancelling the contract and provide the Contractor with an opportunity to avoid cancellation for cause by curing any deficiencies identified in the notice of cancellation for cause prior to the date of proposed cancellation. To the extent permitted by law and at the discretion of the parties, the parties may agree to minor amendments to the contract and avoid the cancellation for cause upon mutual agreement.
- B. **For Convenience**. The State may cancel any contract resulting from the solicitation by giving the Contractor written notice of such cancellation sixty (60) days prior to the date of cancellation.
- C. If upon cancellation the Contractor has provided commodities or services which the State of Arkansas has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

11.15 **EXPIRATION OR TERMINATION OF RESULTING CONTRACT/TRANSITION**

- A. In the event the contract should be terminated, cancelled, or expired, the following applies:
 - 1. Contractor **shall** execute a successful and orderly transition of Services and data to the new Contractor to ensure the continuity of those Services in a manner that will not negatively impact the care of the Recipient(s).
 - 2. All data, records, files and other information relating to the Programs are the property of EBD and **must** be released to EBD in a format and timeframe determined by EBD.
 - 3. Contractor **shall** deliver to EBD or its designee all records, documentation, reports, data, recommendations, or printing elements, etc., which are produced under the terms of the resulting contract. This requirement does not refer to the Contractor's intellectual property.
 - 4. All information relating to membership information **must** be made available to EBD in both a secure electronic and/or printed format to be determined by EBD. Electronic format means both electronic images of paper documentation and data extract.
 - 5. Provision of the above items **must** be within seven (7) business days of EBD's request.
- B. Except for as specifically agreed to by EBD, EBD's main role in the transition **will** be supervisory to ensure that all of EBD's needs are sufficiently and successfully met.

- C. Contractor **shall** stop work under the contract on the date and to the extent specified on the Notice of Termination.
- D. Contractor **shall not** place further orders or enter in any additional subcontracts for services.
- E. Contractor **shall** terminate all orders and subcontractors to the extent that they relate to the performance of work terminated by the Notice of Termination.
 - 1. Contractor **shall** assign to the State, in the manner and to the extent directed by the contract administration, all of the right, title, and interest of the Contractor in the orders or subcontracts so terminated. The State has the right, in its discretion, to settle or pay any and all claims arising out of the termination of such orders and subcontracts.
- F. With the approval or ratification of the State, Contractor **shall** settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable, in whole or part, in accordance with the provisions of this contract.
- G. Contractor **shall** transfer title to the State and deliver in the manner, at the time, and extent directed by the State all files, data, information, manuals, or other documentation or property, in any form whatsoever, that relate to the work terminated by the Notice of Termination.
- H. Contractor **shall** complete the performance of any outstanding items that have not been completed by the termination date noted on the Notice of Termination. EBD will have final determination of the completion of all outstanding items.
- I. Contractor **shall** take such action as may be necessary, or as the State 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 the State has or may acquire an interest.
- J. Contractor **shall** submit all billing invoices within sixty (60) days of the expiration of the contract. Any billings for services rendered during a particular State Fiscal Year which are not submitted within ninety (90) days of the end of the Fiscal Year will not be paid.
- K. The State will proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of any item or reimbursable price under this clause.

11.16 ASSIGNMENT RESTRICTIONS

Except as expressly provided in this Agreement, neither Party may assign, or otherwise transfer, its rights or delegate its obligations under this Agreement without prior written consent of the other Party.

11.17 RELINQUISHMENT

The failure of the EBD to insist upon the performance of any of the conditions in any one or more instances **shall not** be construed as a waiver or relinquishment of the future benefit of said condition.

11.18 ENTIRE CONTRACT

The parties acknowledge that each have read this RFP, understand it, and agree to be bound by its terms and conditions. The parties further agree that the Contract is the complete and exclusive statement of the agreement of the parties with respect to its subject matter and that it supersedes all prior proposals, representations, arrangements, understandings, and agreements, whether oral or written, between the parties with respect to its subject matter.

This Contract may not be modified, amended, or in any way altered except by a written agreement duly executed by the parties and approved in accordance with the laws and established procedures of the State of Arkansas.

11.19 SURVIVAL OF RIGHTS AND OBLIGATIONS

The Contract (if any) resulting from this solicitation **shall** be binding upon and inure to the benefit of the parties thereto and on their respective permitted successors, heirs, and assigns.

SECTION 12 – STANDARD TERMS AND CONDITIONS

1. **GENERAL:** Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION:** The State **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
3. **BID SUBMISSION:** Original Proposal Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Proposal Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Multiple proposals **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
5. **QUANTITIES:** Quantities stated in a *Bid Solicitation* for term contracts are estimates only, and are not guaranteed. Contractor **must** bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
6. **BRAND NAME REFERENCES:** Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
7. **GUARANTY:** All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The Contractor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the Contractor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor's expense.
9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the Contractor.
10. **AMENDMENTS:** Contractor's proposals cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS:** Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD:** Term Contract: A contract award will be issued to the successful Contractor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful Contractor.
13. **DELIVERY ON FIRM CONTRACTS:** This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost **shall** be borne by the Contractor.
14. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.

- 15. STORAGE:** The ordering agency is responsible for storage if the Contractor delivers within the time required and the agency cannot accept delivery.
- 16. DEFAULT:** All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting Contractor. The Contractor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the Contractors list or suspension of eligibility for award.
- 17. VARIATION IN QUANTITY:** The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
- 18. INVOICING:** The Contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
- 19. STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the Contractor hereunder or in contemplation hereof or developed by the Contractor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the Contractor's expense to the F.O.B. point provided by the agency or by OSP. Contractor **shall** properly identify items being returned.
- 20. PATENTS OR COPYRIGHTS:** The Contractor **must** agree to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
- 21. ASSIGNMENT:** Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
- 22. CLAIMS:** Any claims the Contractor may assert under this Agreement **shall** be brought before the Arkansas State Claims Commission ("Commission"), which **shall** have exclusive jurisdiction over any and all claims that the Contractor may have arising from or in connection with this Agreement. Unless the Contractor's obligations to perform are terminated by the State, the Contractor **shall** continue to provide the Services under this Agreement even in the event that the Contractor has a claim pending before the Commission.
- 23. CANCELLATION:** In the event, the State no longer needs the commodities or services specified for any reason, (e.g., program changes; changes in laws, rules or regulations; relocation of offices; lack of appropriated funding, etc.), the State **shall** have the right to cancel the contract or purchase order by giving the Contractor written notice of such cancellation thirty (30) days prior to the date of cancellation.
- Any delivered but unpaid for goods will be returned in normal condition to the Contractor by the State. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation the Contractor has provided services which the State has accepted, the Contractor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF THE STATE'S RIGHT TO SOVEREIGN IMMUNITY.**
- 24. DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the Contractor agrees that: (a) the Contractor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the Contractor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.
- 25. CONTINGENT FEE:** The Contractor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the Contractor for the purpose of securing business.
- 26. ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Proposal Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
- 27. DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any Contractor,

whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.