



ALABAMA MEDICAID AGENCY REQUEST FOR PROPOSALS

RFP Number: 2012-AAS-01	RFP Title: Actuarial Services
RFP Due Date and Time: June 29, 2012 by 5:00 p.m., CT	Number of Pages: 36

PROCUREMENT INFORMATION

Project Director: Paul Brannan	Issue Date: June 6, 2012 Amended: June 22, 2012
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Phone: (334) 242-5017 E-mail Address: Paul.Brannan@medicaid.alabama.gov Website: http://www.medicicaid.alabama.gov	Issuing Division: Finance Division
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INSTRUCTIONS TO VENDORS

Return Proposal to: Paul Brannan Alabama Medicaid Agency Lurleen B. Wallace Building 501 Dexter Avenue PO Box 5624 Montgomery, AL 36103-5624	Mark Face of Envelope/Package: RFP Number: 2012-AAS-01 RFP Due Date: June 29, 2012 5 p.m., CT
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VENDOR INFORMATION

(Vendor must complete the following and return with RFP response)

Vendor Name/Address:	Authorized Vendor Signatory: (Please print name and sign in ink)
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Vendor Phone Number:	Vendor FAX Number:
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Vendor Federal I.D. Number:	Vendor E-mail Address:
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1 INTRODUCTION

1.1 *Background*

The Alabama Medicaid Agency, hereinafter called Medicaid, an Agency of the State of Alabama, hereby solicits proposals for the provision of necessary statistical and actuarial services in support of Medicaid program administration and management activities. Through a contractual relationship for these services, Medicaid strives to provide all necessary and appropriate statistical support services essential to ensure the continuing effective administration and oversight of medically necessary health care and related activities. The successful respondent, (hereinafter call Contractor), will be reimbursed at an hourly rate for , Statistical/Actuarial Services which Medicaid may identify subsequent to the initial execution of this RFP. The Contractor will be responsible for furnishing indicated statistical/actuarial support and related services that are in compliance with relevant federal, state, and Medicaid standards. The Contractor to whom the RFP is awarded shall be responsible for the performance of all duties contained within this RFP at the fixed hourly rate quoted in Contractor's bid to this RFP. All proposals must state a firm and fixed hourly rate for the services described.

1.2 *Purpose*

This RFP will provide Medicaid with statistical and actuarial services in support of development, implementation, and evaluation of various projects; including, but not limited to, a Medicaid actuarial model, and other health related policies and issues that might be identified. These services could include, but will not be limited to, financial and actuarial evaluation of programs and benefits; ongoing program operational design; program evaluation; cost projections relating to Medicaid and private insurance alternatives; analysis of and assistance with meeting data/information system needs; and performance of claims, medical necessity, and eligibility, as directed by Medicaid. Other examples of services that could be requested under this proposal include, but are not limited to: physicians' payment reconciliation services, Patient 1st shared savings calculations, Maternity Care shared savings validation services, actuarial certification of Managed Care rates, Provider Care Networks of Alabama (PCNA) cost effectiveness (per member per month), evaluation of PCNA utilization rates such as ER and hospital utilization, asthma and diabetes maintenance, evaluations of rehabilitation services payments methods (fee per service vs. costs reimbursement), and evaluation of new program offerings such as genetics testing. All of these services will be referred to collectively as actuarial services in this contract.

1.3 *Contract Duration*

Medicaid intends to enter into a contract with an effective period of September 1, 2012, through August 31, 2014. Additionally, Medicaid has the option of unilaterally extending the contract for the periods September 1, 2014 through August 31, 2016, and September 1, 2016 through August 31, 2017.

1.4 *Questions and Answers*

Questions and comments on the RFP can be submitted to the RFP Coordinator at any time prior to **5:00 PM CDT June 15, 2012**. Questions and comments **must** be submitted via email. A listing of these questions and/or comments and corresponding answers will be posted to Medicaid's website.

1.5 *Proposal Deadline*

Proposals must be submitted no later than 5:00 PM CDT June 29, 2012. Proposers shall respond to the RFP including any exhibits, attachments, or amendments. A Proposer's failure to submit a proposal as required before the deadline shall cause the proposal to be disqualified.

Proposers assume the risk of the method of dispatch chosen. Medicaid assumes no responsibility for delays caused by any delivery service. Postmarking by the due date shall not substitute for actual proposal receipt by Medicaid. Late proposals will not be accepted nor shall additional time be granted to any potential Proposer. Proposals may not be delivered orally, by facsimile transmission, or by other telecommunication or electronic means.

1.6 Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in Medicaid's contracted programs or activities on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal or Alabama State Constitutional or statutory law; nor shall they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with Medicaid or in the employment practices of Medicaid's contractors. Accordingly, all vendors entering into contracts with Medicaid shall, upon request, be required to show proof of such nondiscrimination and to post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

2 RFP SCHEDULE OF EVENTS

The following RFP Schedule of Events represents Medicaid’s best estimate of the schedule that shall be followed. Unless otherwise specified, the time of day for the following events shall be between 8:00 a.m. and 5:00 p.m., Central Daylight Time.

Medicaid reserves the right, at its sole discretion, to adjust this schedule as it deems necessary. Notification of any adjustment to the Schedule of Events shall be by posting a notice on the Medicaid website.

	EVENT	DATE	
1	Medicaid: Sends Interest Letters to appropriate State Vendors’ List	06/6/12	
2	Medicaid: Issues RFP by posting on Medicaid website	06/6/12	
3	Vendors: Deadline for submission of Questions and Comments	06/15/12	
4	Medicaid: Questions, comments, and answers posted daily to website through date indicated	06/22/12	
5	Vendor: Deadline for Submitting a Proposal	06/29/12	
6	Medicaid: Completes Evaluations	07/06/12	
7	Vendor negotiations completed	07/13/12	
8	Winning Contractor Selected	07/17/12	
9	Vendor: Signs Contract	07/19/12	
10	Medicaid: Legislative Oversight Committee Submission	07/23/12	
11	Contract Award/Start Work	09/01/12	

* *By State law, this contract must be reviewed by the Legislative Contract Review Oversight Committee. The Committee meets monthly and can, at its discretion, hold a contract for up to forty-five (45) days. The “Vendor Begins Work” date above may be impacted by the timing of the contract submission to the Committee for review and/or by action of the Committee itself.

3 GENERAL REQUIREMENTS AND INFORMATION

3.1 RFP Coordinator

The main point of contact for this RFP shall be Paul Brannan, who shall hereinafter be referred to as the RFP Coordinator. His email address is paul.brannan@medicaid.alabama.gov, and is located at:

Alabama Medicaid Agency
Attn: Paul Brannan
501 Dexter Ave
Montgomery, AL 36103

3.2 RFP for Actuarial Services

Medicaid has assigned the following RFP identification name—**Request for Proposals for Actuarial Services**, which should be referenced in all communications regarding the RFP.

3.3 Communications Regarding the RFP

3.3.1 Upon release of this RFP, all vendor communications concerning this procurement must be directed to the RFP Coordinator. Unauthorized contact regarding the RFP with other Medicaid employees may result in disqualification.

3.3.2 All communications should be via e-mail to the RFP Coordinator at the e-mail address noted in Section 3.1. Any oral communications shall be considered unofficial and non-binding on Medicaid. Submitted comments, including questions and requests for clarification, must cite the RFP name, **RFP for Actuarial Services**. The RFP Coordinator must receive any questions or requests via e-mail by the deadline specified in the RFP Schedule of Events.

3.3.3 Medicaid shall post its written responses to written questions/comments on its website (www.medicaid.alabama.gov)

3.4 Required Review and Waiver of Objections by Proposers

Proposers should carefully review this RFP and all attachments, including but not limited to the *pro forma* contract, for comments, questions, defects, objections, or any other matter requiring clarification or correction (collectively called “comments”). Comments concerning RFP must be made via e-mail and received by the RFP Coordinator no later than **5:00 PM CDT June 15, 2012**. This will allow issuance of any necessary amendments and help prevent the opening of defective proposals upon which contract award could not be made.

Protests based on any objection shall be considered waived and invalid if these faults have not been brought to the attention of Medicaid, in writing, by this deadline.

3.5 Proposal Submittal

One (1) original and three (3) copies of the Technical/Management document and one (1) original and two (2) copies of the Cost/Price document shall be submitted to Medicaid in two separate envelopes. These envelopes should be clearly marked “Technical/Management Response to RFP for Actuarial Services—DO NOT OPEN” and “Cost/Price Response to RFP for Actuarial Services—DO NOT OPEN”

Please ensure that the Proposer’s company name appears on the exterior of all sealed packages and containers.

All proposals must be submitted to the RFP Coordinator at:

Alabama Medicaid Agency
Attn: Paul Brannan
501 Dexter Ave
Montgomery, AL 36104

Proposals must be received by 5:00 PM CDT June 29, 2012. Submissions not meeting this deadline will not be considered.

3.6 Proposal Preparation Costs

Medicaid shall not be responsible for any costs associated with the preparation, submittal, or presentation of any proposal.

3.7 Proposal Withdrawal

Vendors may withdraw a submitted proposal at any time prior to the deadline for submitting proposals. To withdraw a proposal, the vendor must submit a written request, signed by an authorized representative, to the RFP Coordinator. After withdrawing a previously submitted proposal, the vendor may submit another proposal at any time up to the deadline for submitting proposals.

3.8 Proposal Amendment

Medicaid shall not accept any amendments, revisions, or alterations to proposals after the deadline for proposal submittal unless such is formally requested, in writing, by Medicaid.

3.9 Proposal Errors

Proposers are liable for all errors or omissions contained in their proposals. Proposers shall not be allowed to alter proposal documents after the deadline for submitting a proposal.

3.10 Incorrect Proposal Information

If Medicaid determines that a Proposer has provided, for consideration in the evaluation process or contract negotiations, incorrect information which the Proposer knew or should have known was materially incorrect, that proposal shall be determined non-responsive, and the proposal will be rejected.

3.11 Prohibition of Proposer Terms and Conditions

A Proposer may not submit the Proposer's own contract terms and conditions in a response to this RFP. If a proposal contains such terms and conditions, Medicaid, at its sole discretion, may determine the proposal to be a non-responsive counteroffer, and the proposal may be rejected.

3.12 Assignment and Subcontracting

3.12.1 The Contractor may not transfer or assign any portion of the contract without prior, written approval from Medicaid.

3.12.2 The Contractor may not use subcontractors without prior, written approval from Medicaid.

3.13 Right to Refuse Personnel

Medicaid reserves the right to refuse, at its sole discretion, any personnel provided by the contractor.
Proposal of Alternate Services

Proposals of alternate services (*i.e.*, proposals that offer something different from that requested by the RFP) shall be considered non-responsive and rejected.

3.14 Disqualification of Proposals

- 3.14.1 A proposal shall be disqualified and rejected by Medicaid if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Proposer, a Medicaid employee, or any competitor.
- 3.14.2 The Proposer is prohibited from submitting more than one proposal. Submittal of more than one proposal shall result in the disqualification of the Proposer.
- 3.14.3 Should any such prohibited action stated above (see 3.15.1 and 3.15.2) be detected any time during the term of the contract, such action shall be considered a material breach and grounds for contract termination.

3.15 Insurance

The apparent successful Proposer shall provide proof of adequate worker's compensation and professional malpractice liability or other forms of insurance as required by law. Failure to provide evidence of such insurance coverage is a material breach and grounds for termination of the contract negotiations. Any insurance required by Medicaid shall be in form and substance acceptable to Medicaid.

3.16 Licensure

Before a contract pursuant to this RFP is signed, the Contractor must hold all necessary, applicable business and professional licenses. Medicaid may require any or all Proposers to submit evidence of proper licensure.

3.17 Conflict of Interest and Proposal Restrictions

- 3.17.1 By submitting a proposal, the Proposer certifies that no amount shall be paid directly or indirectly to an employee or official of the State of Alabama as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP. Act 2001-955 requires an Alabama Disclosure Statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000. See Attachment 9.2 to locate the required Disclosure Statement information.

Notwithstanding this restriction, nothing in this RFP shall be construed to prohibit a State agency or other governmental entity from making a proposal, being considered for award, or being awarded a contract under this RFP.
- 3.17.2 State agencies shall not contract with an individual who is a state employee or an individual who within the past two years has been a state employee in a position of authority. A position of authority is defined as position with control or significant influence over hiring, firing, budgets, and/or contracts. An individual shall be deemed a State employee until such time as all salary, termination pay, and compensations representing annual or compensatory leave have been paid by the State. A contract with a company in which a controlling interest is held by a State employee shall be considered to be a contract with said individual and shall be prohibited.

3.18 RFP Amendment and Cancellation

Medicaid reserves the unilateral right to amend this RFP in writing at any time. Medicaid also reserves the right to cancel or reissue the RFP at its sole discretion. If an amendment is issued, it shall be posted on the Medicaid website. Proposers shall respond to the final written RFP and any exhibits, attachments, and amendments.

3.19 Right of Rejection

- 3.19.1 Medicaid reserves the right, at its sole discretion, to reject any and all proposals or to cancel this RFP in its entirety.

- 3.19.2 Any proposal received which does not meet the requirements of this RFP may be considered to be non-responsive, and the proposal may be rejected. Proposers must comply with all of the terms of this RFP and all applicable State laws and regulations. Medicaid may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP.
- 3.19.3 Proposers may not restrict the rights of Medicaid or otherwise qualify their proposals. If a Proposer does so, Medicaid may determine the proposal to be a non-responsive counteroffer, and the proposal may be rejected.
- 3.19.4 Medicaid reserves the right, at its sole discretion, to waive variances in a Proposer's Response, provided such action is in the best interest of Medicaid. Where Medicaid waives minor variances in proposals, such waiver does not modify the RFP requirements or excuse the Proposer from full compliance with the RFP. Notwithstanding any minor variance, Medicaid may hold any Proposer to strict compliance with the RFP.

3.20 Disclosure of Proposal Contents

All proposals and other materials submitted in response to this RFP procurement process become the property of Medicaid. Selection or rejection of a proposal does not affect this right.

3.21 Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and, the rights and obligations of Medicaid and Proposers shall be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4 SPECIAL REQUIREMENTS

4.1 *Location and Work Space*

The work required under the RFP will have to be accomplished primarily at the Contractor's facility. Medicaid will not provide permanent, long term working space or amenities to Contractor personnel.

4.2 *Minimum Qualifications*

Contractor must have a minimum of two years service, within the past five years, providing actuarial services to a state Medicaid or health insurance program. These qualifications will be outlined in Sections 5.2.2 and 5.2.3.

4.3 *Specific Work to be Performed*

Medicaid will make specific work requests to the Contractor through Medicaid's designated contact(s). The Contractor will review the work request and provide a written proposal for the number of hours of each staff classification as defined in section 5.2.2.2 that will be required to complete the request. No reimbursement will be made to the Contractor for proposal development. Medicaid will review the proposal and make a determination whether to approve Contractor work on the request. No work is to be done until the Contractor receives approval from Medicaid's designated contact(s).

5 PROPOSAL FORMAT AND CONTENT

5.1 General Proposal Requirements

- 5.1.1 Medicaid discourages lengthy and costly proposals. Proposals should be prepared simply and economically and provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content.
- 5.1.2 Proposers must follow all formats and address all portions of the RFP set forth herein, providing all information requested. Proposers may retype or duplicate any portion of this RFP for use in responding to the RFP, provided that the proposal clearly addresses all of Medicaid's information requirements.
- 5.1.3 Proposers shall divide their responses to this RFP into a Technical/Management document and a Cost/Pricing document and submit them in accordance with this Section of the RFP by the deadline for submitting a proposal in the RFP Schedule of Events.
- 5.1.4 Proposers must respond to every subsection below. Proposers must label each response to RFP requirements with the section and subsection numbers associated with the subject requirement in this RFP (*e.g.*, the response to the third requirement of the Proposal Transmittal Letter would be labeled 5.2.1.3).
- Failure to follow the specified format, to label the responses correctly, or to address all of the subsections may, at Medicaid's sole discretion, result in the rejection of the Proposal.
- Proposals must not contain extraneous information. All information presented in a Proposal must be relevant in response to a requirement of this RFP, must be clearly labeled, and, if not incorporated into the body of the Proposal itself, must be referenced to and from the appropriate place within the body of the Proposal. Any information not meeting these criteria shall be deemed extraneous and shall in no way contribute to the evaluation process.
- 5.1.5 Proposals shall be prepared on standard 8 ½" x 11" paper. Foldouts containing charts, spread sheets, and oversize exhibits are permissible. All responses, as well as any reference material presented, must be written in English. All proposal pages must be numbered.
- 5.1.6 Cost document and pricing information shall not be included in the Technical/Management document. Inclusion of Cost in the Technical/Management document may make the proposal non-responsive and the proposal may be rejected.

5.2 Technical/Management Document

The Technical/Management document shall be divided into the following:

- I. Transmittal Letter
- II. Actuarial Services
 - A. Corporate Experience/Past Performance
 - B. Qualifications of Proposed Personnel

If a proposal fails to detail and address each of the requirements detailed herein, Medicaid may determine the proposal to be non-responsive and reject it.

- 5.2.1 **Proposal Transmittal Letter** – This section consists of a written transmittal and offer of the proposal in the form of a standard business letter. The Proposal Transmittal Letter shall reference and respond to the subparagraphs 5.2.1.1 through 5.2.1.8 in sequence, and required corresponding documentation should be attached. The requirements of the Proposal Transmittal Letter section of the proposal are mandatory. Any

proposal which does not meet the requirements and provide all required documentation shall be considered non-responsive, and the proposal may be rejected.

- 5.2.1.1 The letter shall provide the complete name, Social Security Number or EIN number of the individual, the legal entity name and Vendor Tax Identification Number of the firm making the proposal. .
- 5.2.1.2 The letter shall provide the name, mailing address, e-mail address, and telephone number of the person Medicaid should contact regarding the proposal.
- 5.2.1.3 The letter shall state whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (*e.g.*, employment by the State of Alabama) and, if so, the nature of that conflict. Medicaid reserves the right to cancel an award if any interest disclosed from any source could give either the appearance of a conflict of interest or cause speculation as to the objectivity of the proposer. Such determination regarding any questions of conflict of interest shall be solely within the discretion of Medicaid. A Disclosure Form shall be attached (Attachment 9.1).
- 5.2.1.4 The letter shall provide written confirmation that the Proposer shall comply with all of the provisions in this RFP and shall accept all terms and conditions set out in the *pro forma* contract in Section 8 of this RFP. (Note: If the Proposal fails to provide said confirmation without exception or qualification, Medicaid, at its sole discretion, shall determine the proposal to be a non-responsive counteroffer, and the proposal will be rejected.)
- 5.2.1.5 The letter shall state that the proposal remains valid for at least 90 days subsequent to the date of the Proposal Submission deadline and thereafter in accordance with any resulting contract between the Proposer and Medicaid.
- 5.2.1.6 The letter shall be signed by a company officer empowered to bind the proposing vendor to the provisions of this RFP and any contract awarded pursuant to it.
- 5.2.1.7 Using Attachment 9.2 (Certification of Compliance), the letter shall provide written certification and assurance of the Proposer's compliance with:
- the laws of the State of Alabama;
 - Title VI of the federal Civil Rights Act of 1964;
 - the Equal Employment Opportunity Act and the regulations issued therewith by the federal government;
 - the Americans with Disabilities Act of 1990 and the regulations issued therewith by the federal government;
 - the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
 - the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Alabama as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.
- 5.2.1.8 The Proposal Transmittal Letter and all attachments shall not exceed ten (10) pages.

5.2.2 Actuarial Services

5.2.2.1 Corporate Experience/Past Performance – The proposal shall provide the following information (referencing the subsections in sequence) to evidence the Proposer's qualifications to deliver actuarial services required by this RFP. Any proposal which does not provide all required documentation may be considered non-responsive, and the proposal may be rejected. The proposal shall provide the following information (referencing the subsections in sequence):

5.2.2.1.1 A brief, descriptive statement indicating the Proposer's credentials to deliver, actuarial services for Medicaid. Said statement shall include the following:

- 5.2.2.1.1.1 A brief description of the Proposer's background and organizational history,
- 5.2.2.1.1.2 Years in business,
- 5.2.2.1.1.3 A brief statement of how long the Proposer has been performing actuarial services,
- 5.2.2.1.1.4 Location of offices,
- 5.2.2.1.1.5 An organizational profile including: number of employees, longevity of employees and client base, and
- 5.2.2.1.1.6 Form of business (i.e., individual, sole proprietor, corporation, non-profit corporation, limited liability company, et cetera).
- 5.2.2.1.2 Proposer Experience – The Proposer shall address the following areas detailing the corporate experience which the vendor intends to provide Medicaid if chosen for contract award. This section should be written in narrative form and address all points as outlined below.
 - 5.2.2.1.2.1 The Proposer shall provide a detailed statement cataloging previous experience with actuarial services especially for state Medicaid agencies. Specifically, this statement should describe any previous contractual arrangements with state Medicaid agencies and other organizations, and list contacts that are able to verify the caliber of the previous work.
 - 5.2.2.1.2.2 The Proposer should outline and explain their knowledge of current technical infrastructure related to actuarial services.
 - 5.2.2.1.2.3 The Proposer shall outline and explain their knowledge of and experience with the business rules related to actuarial services.
 - 5.2.2.1.2.4 Three references of government agencies or companies for which consulting projects similar to this one have been successfully accomplished within the last five years. Each reference should include specifics relative to what was done and a point of contact with telephone number or email address.
- 5.2.2.1.3 Corporate Experience/Past Performance shall not exceed twenty (20) pages, including attachments.

5.2.2.2 Required Personnel

- 5.2.2.2.1 Medicaid expects to utilize the following classifications of personnel under this contract.
 - a. **General and Pharmacy Analysts**- individuals able to perform basic analytical, statistical, and financial services with supervision by a senior level individual.
 - b. **Actuarial, Statistical, and Data Analysts**- individuals able to perform analytical, actuarial, statistical, financial, data management, and/or clinical services with supervisions by a senior level individual.
 - c. **General and Actuarial Consultants**-individuals able to perform project management, clinical, and policy consultation in addition to analytical, actuarial, statistical and financial services.
 - d. **Senior Advisors and Project Managers**-individuals experienced in project management for detailed and complex program consultation.

- e. **Senior Clinical Consultants-** individuals with clinical expertise and experience in project management for detailed and complex program consultation.
- f. **Senior Consultants and Senior Actuaries** –highly skilled and experienced individuals able to perform analytical, actuarial, financial, and policy consultation.

Any actuarial services must comply with the Qualification Standards of the *Code of Professional Conduct* of the American Academy of Actuaries. Actuaries will be required to issue statements of Actuarial Opinion and must possess experience in the actuarial practice area of health and have experience with rendering actuarial opinions for a state Medicaid or health insurance program.

5.3 COST/PRICE DOCUMENT

- 5.3.1 The proposer should propose the costs for personnel by using the Cost/Pricing Sheet in attachment 9.5. The classifications to be proposed should be for consulting professionals. The hours per consultant classification should be multiplied by the loaded labor rate per consultant classification and summed to get a total. For the purposes of this solicitation, general (non-technical) management and administrative (secretarial support) are assumed to be part of the loaded labor rates of the consulting professionals. Said proposed price shall incorporate all direct and indirect cost and a reasonable profit for the proposed scope of services for the contract year. The proposer should explain in detail how the loaded labor rates are built up and the rationale for the profit component. This explanation should be attached to the cost/pricing sheet.
- 5.3.2 Proposers should not propose an amount for travel and per diem. Travel and per diem are assumed to be part of the loaded labor rates.
- 5.3.3 The Cost/Pricing sheet should only reflect the contract period September 1, 2012, through August 31, 2014.

6. EVALUATION AND VENDOR SELECTION

6.1. Proposal Evaluation Categories

The criteria that shall be considered in the evaluation of proposals are Technical/Management and Cost/Price, as delineated in Section 5 of this RFP. The Technical/Management proposal will be used to determine that the purposed vendor is fully qualified to perform the work described. Only proposers deemed fully qualified will have their Price/Cost Proposal evaluated.

Failure by a Proposer to provide information, to demonstrate sufficient qualifications in each area, or consistent patterns of negative performance in any area will disqualify the Proposer.

6.2. Proposal Evaluation Process

- 6.2.1. The evaluation process is designed to award the procurement to the Proposer with the best combination of attributes based upon the evaluation criteria, including but not limited to, cost.
- 6.2.2. The RFP Coordinator shall manage the proposal evaluation process and maintain proposal evaluation records. The Proposal Evaluation Team comprised of State employees shall be responsible for evaluating proposals.
- 6.2.3. All proposals shall be reviewed by the RFP Coordinator to determine compliance with proposal administrative requirements as specified in this RFP (See Attachment 9.3, Proposal Compliance Checklist.) The Proposal Evaluation Team shall review each proposal to determine:
 - 1) if it meets requirements;
 - 2) if Medicaid shall request clarification(s) or correction(s); or
 - 3) if Medicaid shall determine the proposal non-responsive and reject it.
- 6.2.4. The Proposal Evaluation Team shall evaluate responsive proposals. At least three team members shall score each proposal. The evaluation scoring shall use the pre-established evaluation criteria set out in Section 6.1 of this RFP.
- 6.2.5. Medicaid reserves the right, at its sole discretion, to request clarifications of Proposer Qualifications or to conduct discussions for the purpose of clarification with any or all Proposers. The purpose of any such discussions shall be to ensure full understanding of the proposal. Discussions shall be limited to specific sections of the proposal identified by the Proposal Evaluation Team. If held, the discussion shall be after initial evaluation of Proposer Qualifications. If clarifications are made as a result of such discussion, the Proposer shall put such clarifications in writing.
- 6.2.6. Evaluation of the Cost/Price portion of the proposal will be to assess the total amount relative to what is proposed in the Technical/Management document, and compare total amounts among proposers. The Proposer with the lowest total price as indicated in the Cost/Pricing sheet (Attachment 9.5) will be recommended to the Commissioner for award.

6.3. Contract Award Process

- 6.3.1. The Proposal Evaluation Team shall forward results from the proposal evaluation process to the Medicaid Commissioner, who will make the final selection of the winning vendor. The Commissioner may use verifiable information elsewhere obtained to assist in the source selection decision.
- 6.3.2. Medicaid reserves the right to make an award without further discussion of any proposal submitted. There may not be any best and final offer procedure. Therefore, each proposal should be initially submitted on the most favorable terms the vendor can offer. If substantive negotiations (more than clarifications) are conducted with any proposer, they will be conducted with all proposers in the competitive range.
- 6.3.3. After the evaluation of proposals and final consideration of all pertinent information available, Medicaid post notice of the apparent best-evaluated Proposer on its website. The notice shall not create rights, interests, or claims of entitlement in the apparent best-evaluated Proposer or any vendor.
- 6.3.4. The apparent best evaluated Proposer shall be prepared to enter into a contract with Medicaid, which shall be substantially the same as the *pro forma* contract included in Section 8 of this RFP. Notwithstanding,

Medicaid reserves the right to add terms and conditions, deemed to be in the best interest of Medicaid, during final contract negotiations. Any such terms and conditions shall be within the scope of the RFP and shall not affect the basis of proposal evaluations.

- 6.3.5 Contractor Registration — Proposers need not be registered with the state to make a proposal. However, the service provider to whom Medicaid makes a contract award must be registered as required by the Department of Finance prior to Contract Award.

If a Proposer fails to register with the State as a service provider as required by the Department of Finance within five (5) calendar days of final contract negotiations, Medicaid shall determine, at its sole discretion, that the Proposer is non-responsive to the terms of this RFP.

- 6.3.6 If a Proposer fails to sign and return the contract drawn pursuant to this RFP and final contract negotiations within five (5) calendar days of its delivery to the Proposer, Medicaid shall determine, at its sole discretion, that the Proposer is non-responsive to the terms of this RFP, reject the proposal, and open final contract negotiations with the next best evaluated Proposer.

- 6.3.7 Contract award shall be subject to the contract approval of all appropriate State officials in accordance with applicable State laws and regulations.

7 STANDARD CONTRACT INFORMATION

7.1 Contract Approval

The RFP and the contractor selection processes do **not** obligate Medicaid and do **not** create rights, interests, or claims of entitlement in the apparent best-evaluated Proposers or any vendor. Contract award and Medicaid obligations pursuant thereto shall commence **only** after the contract is signed by the Commissioner and all other State officials as required by State laws and regulations to establish a legally binding contract, **and** the Contractor.

7.2 Contract Payments

Contract payments shall be made in accordance with the Payment Terms and Conditions Section of the final contract.

No payment shall be made until the contract is approved as required by state laws and regulations. Under no conditions shall Medicaid be liable for payment of any type associated with the contract or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the contract start date specified by the contract **or** before contract approval by State officials as required by applicable statutes and rules of the State of Alabama.

7.3 RFP and Proposal Incorporated into Final Contract

This RFP and the successful proposal shall be incorporated into the final contract. In the event there is a conflict between the language in the RFP, the successful proposal and the contract, the language of the contract controls.

7.4 Contract Monitoring

The Contractor shall be responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and acceptance by Medicaid. Medicaid may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract.

8 PRO FORMA CONTRACT

The *pro forma* contract (provided in the following pages) contains capitalized, bracketed and underlined items that shall be replaced with appropriate information in the final contract.

**CONTRACT BETWEEN
THE ALABAMA MEDICAID AGENCY
AND
[VENDOR NAME]**

This Contract entered into by and between the Alabama Medicaid Agency, hereinafter referred to as Medicaid, and [vendor], hereinafter referred to as Contractor, is effective for the time period September 1, 2012, through August 31, 2014. Medicaid has the unilateral options of renewing the contract for the time periods September 1, 2014, through August 31, 2016 and September 1, 2016 through August 31, 2017, by giving written notice to Contractor at least 30 days before the expiration of the current contract period.

WHEREAS, the Contractor is a professional consulting company and is extensively experienced in actuarial services, including but not limited to, assistance with financial and actuarial evaluation of a state Medicaid agency or any health insurance program and benefits; ongoing program operational design; program evaluation; cost projections relating to Medicaid, or private insurance alternatives; and analysis of and assistance with meeting data/information systems needs, and

WHEREAS, Medicaid is desirous of procuring the professional services of a firm with the necessary skills to assist Medicaid in said services, and

WHEREAS, this Contract is entered into in compliance with Code of Ala.1975 §§ 41-16-70, et seq. and following a competitive process.

NOW THEREFORE, in consideration of the mutual covenants herein below specified and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree to the following:

1. CONTRACTOR TASKS –

Contractor will provide Medicaid with statistical and actuarial services in support of development, implementation, and evaluation of various projects; including, but not limited to, a Medicaid actuarial model, and other health related policies and issues that might be identified. These services could include, but will not be limited to, financial and actuarial evaluation of programs and benefits; ongoing program operational design; program evaluation; cost projections relating to Medicaid and private insurance alternatives; analysis of and assistance with meeting data/information system needs; and performance of claims, medical necessity, and eligibility, as directed by Medicaid. All of these services will be referred to collectively as actuarial services in this contract.

2. CONTRACTOR DELIVERABLES -

- A. Scheduled status reports on on-going technical consulting activities; and
- B. Reports relative to Contractor Tasks.

3. PERSONNEL - The Contractor shall provide the skilled personnel as proposed in the RFP response. Medicaid will approve the personnel assigned initially and replacement personnel if necessary.

4. PAYMENTS –Contractor shall submit monthly invoices to Medicaid for reimbursement. Invoices shall include detailed supporting documentation for all services billed.

A. Loaded Labor Rates - As payment for the services stated above, the Contractor shall receive the proposed loaded rate per hour for each hour worked by each consulting professional.

B. Contractor shall be compensated on a monthly basis and shall receive payment from Medicaid. Fees will be based upon hours of service each month and will not be paid unless services are provided. Final claims for payment of services under this contract must be made within forty-five calendar day of completion of the contract.

C. Unauthorized Work – The Contractor acknowledges and understands that this contract is not effective until it has received all requisite state government approvals and the Contractor shall not begin performing work under this contract until notified to do so by Medicaid. The Contractor is entitled to no compensation for work performed prior to the effective date of this contract.

D. Sales Taxes – Pursuant to the Code of Alabama, 1975, Title 40-23-4 (A) (11), the State of Alabama is exempt from paying sales taxes.

5. MANDATORY CLAUSES

ORDER OF PRECEDENCE CLAUSE

The terms and conditions of this contract shall include the following:

1. The RFP and any amendments thereto, copies of which are attached hereto as Attachment A
2. Contractor’s Proposal, a copy of which is attached hereto as Attachment B
3. This contract document.

Where there is an apparent conflict among the contract documents which cannot be resolved by interpretation, this document controls.

MAXIMUM AMOUNT CLAUSE Under no circumstances shall the maximum amount payable under this contract exceed \$_____ annually.

AMENDMENT CLAUSE This contract may be amended only by mutual Agreement in writing, signed by Medicaid and Contractor, and processed through and approved by all necessary authorities.

STANDARD OF PRACTICE CLAUSE Contractor agrees to observe and comply at all times with all Federal and State laws and rules in effect during the term of this contract which in any manner affect performance under this contract. Contractor agrees to perform services consistent with customary standard of practice and ethics in the profession.

ASSIGNMENT CLAUSE The rights, duties, and obligations arising under the terms of this contract shall not be assigned by any of the parties hereto without the written consent, sent certified mail, of all other parties.

ENTIRE AGREEMENT CLAUSE This contract contains the entire agreement of the parties and there are no other agreements, verbal or written, affecting this agreement that have not been incorporated herein or attached hereto. The terms and conditions of this contract shall include the following:

1. The RFP and any amendments thereto, copies of which are attached hereto as Attachment A
2. Contractor's Proposal, a copy of which is attached hereto as Attachment B
3. This contract document.

Where there is an apparent conflict among the contract documents which cannot be resolved by interpretation, this document controls.

SEVERABILITY CLAUSE Each provision of this contract is intended to be severable. If any term or provision of this contract is illegal or invalid for any reason whatsoever, said illegality or invalidity shall not affect the legality or validity of the remainder of this contract.

HEADINGS CLAUSE Headings in this contract are for convenient reference only and shall not be used to interpret or construe the provisions of this contract.

DISCRIMINATION CLAUSE Contractor will comply with Titles IV, VI, and VII of the Civil Rights Act of 1964, the Federal Age Discrimination in Employment Act, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and all applicable federal and state laws, rules and regulations implementing the foregoing statutes with respect to nondiscrimination on the basis of race, creed, color, religion, national origin, age, sex or disability, as defined in the above laws and regulations. Contractor shall not discriminate against any otherwise qualified disabled applicant for, or recipient of aid, benefits, or services or any employee or person on the basis of physical or mental disability in accordance with the Rehabilitation Act of 1973 or the Americans With Disabilities Act of 1990.

GOVERNOR'S PRORATION CLAUSE It is agreed that Medicaid may terminate this contract by giving 30 days written notice to Contractor should the Governor of Alabama declare proration of the fund from which payment under this contract is to be made. This termination for cause is supplemental to other rights Medicaid may have under this contract or otherwise to terminate such contract

TERMINATION CLAUSE This contract may be terminated by either party by giving 30 days written notice to the other party.

DO NOT WORK CLAUSE Contractor acknowledges and understands that this contract is not effective until it has received all requisite state government approvals and Contractor shall not begin performing work under this contract until notified to do so by the contracting state department. Contractor is entitled to no compensation for work performed prior to the effective date of this contract

EMERGENCY CANCELLATION CLAUSE Notwithstanding any other provision of this contract, upon the issuance of a Declaration of Financial Necessity by the Medicaid Commissioner, this contract may be canceled immediately upon notice of such cancellation being given to the contractor in writing. Notwithstanding such cancellation, the contractor shall be recompensed for work and labor done and completed prior to the issuance of such notice on principles of quantum meruit.

FINANCIAL NECESSITY CLAUSE All terms and conditions of this contract notwithstanding, the parties agree that upon the issuance of a Declaration of Financial Necessity by the Medicaid Commissioner, the maximum amount payable under this contract may be unilaterally reduced by Medicaid to an appropriate amount to be determined by Medicaid upon notice of such being given to the contractor in writing. Notwithstanding such reduction, the contractor shall be recompensed for work and labor done and completed prior to the issuance of such notice on principles of quantum meruit.

DEBT OF STATE CLAUSE It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama of 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this contract shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this contract, be enacted, then that conflicting provision in the contract shall be deemed null and void. The Contractor's sole remedy for the settlement of any and all disputes arising under the terms of this contract shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama.

DISPUTES For any and all disputes arising under the terms of this contract, the parties hereto agree, in compliance with the recommendations of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternative dispute resolution including private mediators.

MERIT SYSTEM CLAUSE Contractor shall not be entitled to receive any benefits under this contract that merit system employees receive by virtue of their status or employment, nor may Contractor nor any of its officers, agents, servants or employees be employed as a merit system employee during the term of this contract. Any such employment automatically voids this contract

HOLD HARMLESS CLAUSE Contractor hereby holds harmless the State of Alabama and Medicaid and their officers, agents, servants and employees from any and all claims arising out of acts or omissions committed by the Contractor or any agent, servant or employee of Contractor while in performance hereunder.

LOBBYING CLAUSE The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

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

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

RECORD RETENTION The Contractor is aware that it must retain all records pertinent to expenditure incurred under this contract for a period of three years after the termination of all activities funded under this contract. Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained until completion of the actions and resolutions of all issues, or the expiration of the three-year period, whichever occurs later. See 45 CFR § 92.42(b).

AVAILABILITY OF FINANCIAL STATEMENTS All records and financial statements, to include a copy of the independent audit report, shall be made available to authorized personnel from the State or Federal Program Office, the Examiners of Public Accounts or their representatives, for audit and inspection purposes.

HIPAA CLAUSE. Contractor agrees to the Alabama Medicaid Agency's Business Associate Addendum which was included in the RFP as Attachment 9.6

INTELLECTUAL PROPERTY CLAUSE

This clause applies to intellectual property and any derivative or iteration thereof, developed based upon funding from Medicaid whether such funding has as its source the United States Government or any Department or agency thereof. Except as otherwise provided, Contractor may copyright, without prior approval, any work that is subject to copyright and was developed under such funding subject to the following conditions and except as limited herein below.

(a) Contractor grants to Medicaid a royalty-free, nonexclusive and irrevocable license or right to reproduce, publish, translate, disseminate, dispose of or otherwise use the work for State purposes, and to authorize others to do so.

(b) Contractor recognizes the rights of the Government of the United States and any Department or agency thereof to reserve a royalty-free, nonexclusive and irrevocable right or license to reproduce, publish, translate, disseminate, dispose of or otherwise use the work for Federal Government purposes, and to authorize others to do so, if the original source of the funding to Medicaid was a federal grant.

(c) Copyrights: Contractor may establish claim to copyright subsisting in any data containing intellectual property first produced in the performance of this contract. When claim is made to copyright, the funding recipient shall affix the applicable copyright notice of 17 U.S.C. Sections 401 or 402 and acknowledgment of Medicaid sponsorship to the data when and if the data are delivered to Medicaid, are published, or are deposited for registration as a published work in the U.S. Copyright Office. The Contractor hereby grants to Medicaid, and others acting on its behalf, a paid up, nonexclusive, irrevocable, worldwide license for all such data to reproduce,

prepare derivative works, perform publicly and display publicly, and for data other than computer software to distribute to the public by or on behalf of the State.

(d) Publication: Contractor shall inform Medicaid at least 30 days prior to submission for publication of any data containing intellectual property funded through this contract. Medicaid shall have the right to object to such publication if such publication is not in the best interests of the State of Alabama. However, Medicaid's objection rights shall not be unreasonably exercised. The funding by Medicaid shall be attributed in any publication of such data.

(e) Publication of research results: The decision on whether or not to publish research results will be made jointly by Medicaid and the Contractor, agreement to which shall not be unreasonably withheld. The funding by Medicaid shall be attributed in any publication of such data.

COMPUTER SOFTWARE CLAUSE

This clause applies to computer software and any derivative or iteration thereof developed under funding by Medicaid.

(a) The Contractor possesses ownership rights in computer software or modifications or derivatives or iterations thereof and associated documentation designed, developed or installed with funding supplied by Medicaid whether the source of such funding to Medicaid was a grant by the United States Government or any department or agency thereof subject to the exceptions herein below stated.

(b) Medicaid reserves a royalty-free, nonexclusive, and irrevocable license to modify, enhance, reproduce, publish, or otherwise use and to authorize others to so use for State purposes, such software, modifications, enhancements, reproductions or derivatives or iterations thereof and all associated documentation.

(c) Medicaid reserves the right to grant to the Government of the United States or any department or agency thereof, a right equal to that of Medicaid to use for Federal purposes, such software, modifications, enhancements, reproductions or derivatives or iterations thereof and all associated documentation to the extent that funding to Medicaid was derived from Federal sources.

(d) Any use by the Contractor outside of this contract shall be attributed to funding provided by Medicaid.

(e) This clause applies only to software and documentation that is specifically identified and for which delivery dates, places, medium (paper, electronic, magnetic), approval requirements, and specifications are clearly stated in the contract.

FUND APPROPRIATION CLAUSE

It is agreed that Medicaid may terminate this contract by giving 30 days written notice to Contractor should the Legislature of Alabama fail to appropriate funds for the continued payment of this contract. This termination for cause is supplemental to any other rights Medicaid may have under this contract or otherwise to terminate such contract.

IMMIGRATION CLAUSE

By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.

9 ATTACHMENTS

ATTACHMENT 9.1 - DISCLOSURE STATEMENT

Act 2001-955 requires the disclosure Statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000. Please go to the site below to download a copy of the Alabama Disclosure Statement.

[HTTP://WWW.AGO.STATE.AL.US/AG_ITEMS.CFM?ITEM=70](http://www.ago.state.al.us/ag_items.cfm?item=70)

ATTACHMENT 9.2 - CERTIFICATION OF COMPLIANCE

Proposer Name

Date

By indication of the authorized signature below, the Proposer does hereby make certification and assurance of the Proposer's compliance with:

1. the laws of the State of Alabama;
2. Title VI of the Civil Rights Act of 1964;
3. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
4. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
5. the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and
6. the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Alabama as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

Signature of individual authorized to act on behalf of Proposer

ATTACHMENT 9.3 -PROPOSAL COMPLIANCE CHECKLIST

NOTICE TO PROPOSER: It is highly encouraged that the following checklist be used to verify completeness of Proposal content. It does not need to be submitted with the Proposal.

Proposer Name _____

RFP Coordinator _____ Review Date _____

Proposals for which **ALL** applicable items are marked by the RFP Coordinator are determined to be compliant for responsive proposals. The Proposal Evaluation Team must review any applicable items that are **not** marked to determine if:

- the proposal sufficiently meets basic requirements;
- Medicaid shall request clarification(s) or correction(s); or,
- Medicaid shall deem the proposal non-responsive and reject it.

The Proposal Evaluation Team must attach a written determination for each applicable item that is **NOT** marked.

<input checked="" type="checkbox"/> IF CORRECT	BASIC PROPOSAL REQUIREMENTS
<input type="checkbox"/>	1. Physical Format and Section Content conforms to Requirements
<input type="checkbox"/>	2. Proposer Response received on time at correct location.
<input type="checkbox"/>	3. Required number of Proposer Response copies received.
<input type="checkbox"/>	4. Proposal written in English.
<input type="checkbox"/>	5. The Proposal Transmittal Letter with the proposal offer is signed by a company officer empowered to bind the Proposer to the provisions of the RFP and any contract awarded therewith.
<input type="checkbox"/>	6. The Proposal Transmittal Letter confirms that the proposal shall remain valid for the required number of days subsequent to the proposal opening date.
<input type="checkbox"/>	7. The Proposal Transmittal Letter details the complete name of the individual or legal entity name of the firm making the proposal (with SSN or Tax ID Number)
<input type="checkbox"/>	8. The Proposal Transmittal Letter details the complete name of the individual, mailing address, email address, and telephone number of the Proposer's contact staff member.
<input type="checkbox"/>	9. The Proposal Transmittal Letter states whether the firm or any individuals who shall work under the contract has a possible conflict of interest.
<input type="checkbox"/>	10. The Proposal includes written confirmation that the Proposer shall comply with all of the provisions of the RFP and accept all terms and conditions of the RFP and the <i>pro forma</i> contract.
<input type="checkbox"/>	11. The Proposal includes completed Attachments 9.1, 9.2, 9.5 and 9.6.
<input type="checkbox"/>	12. The Proposal includes 3 client references, reference contact information, brief description of services provided, and number of staff deployed.

NOTE: In addition to the items on the checklist, the Proposal Evaluation Team will also evaluate compliance with other proposal requirements including, but not limited to:

- alternate proposal submissions (only 1 proposal is allowed from each Proposer) ;
- proposals shall NOT restrict the rights of Medicaid or other qualification of the proposal; and,
- NO inappropriate conflicts of interest regarding the proposal or the subject procurement; as well as, response to and documentation as required by all other Proposal requirements.

ATTACHMENT 9.4 - RESERVED

ATTACHMENT 9.5 - COST/PRICING SHEET FOR PERIOD 9/1/12 TO 8/31/14

Note: hours listed are for evaluation purposes only

- a. **General and Pharmacy Analysts** Rate per hour \$_____ X 1000 hrs = \$_____
- b. **Actuarial, Statistical, and Data Analysts** Rate per hour \$_____ X 1200 hrs = \$_____
- c. **General and Actuarial Consultants** Rate per hour \$_____ X 750 hrs = \$_____
- d. **Senior Advisors and Project Managers** Rate per hour \$_____ X 400 hrs = \$_____
- e. **Clinical Consultants** Rate per hour \$_____ X 160 hrs = \$_____
- f. **Senior Consultants and Senior Actuaries** Rate per hour \$_____ X 240 hrs = \$_____

Total Evaluated Price (Sum of the rows above) \$_____

As owner, president, or other responsible employee of this organization with the authority to decide such matters, I agree to provide personnel and services as described in this proposal at the rates indicated.

Signature of Owner or Employee _____

Name of Owner or Employee _____

Telephone Number of Owner or Employee _____

Email Address of Owner or Employee _____

Name and Address of Company or Organization:

Date Signed _____

ATTACHMENT 9.6 - ALABAMA MEDICAID AGENCY BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum (this "Agreement") is made effective the _____ day of _____, 20____, by and between the Alabama Medicaid Agency ("Covered Entity"), an agency of the State of Alabama, and _____ ("Business Associate") (collectively the "Parties").

1. BACKGROUND

- a. Covered Entity and Business Associate are parties to a contract entitled _____ (the "Contract"), whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a "business associate" within the meaning of the HIPAA Privacy Rule (as defined below).
- c. The Parties enter into this Business Associate Addendum to the Contract with the intention of complying with the HIPAA Privacy Rule provision that a covered entity may disclose protected health information to a business associate, and may allow a business associate to create or receive protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS

Unless otherwise clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. "Breach" shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information.
- b. "Electronic Health Record" shall mean an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- c. "Electronic Protected Health Information" means Protected Health Information that is transmitted by Electronic Media (as defined in the Security and Privacy Rule) or maintained in Electronic Media.
- d. "HIPAA" means the Administrative Simplification Provisions, Sections 261 through 264, of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

- f. “Personal Health Record” shall mean an electronic record of identifiable health information on an individual that can be drawn from multiple sources and that is managed, shared and controlled by or primarily for the individual.
- g. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- h. “Protected Health Information” (PHI) shall have the same meaning as the term “protected health information” in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- i. “Required By Law” shall have the same meaning as the term “required by law” in 45 CFR 164.501.
- j. “Secretary” shall mean the Secretary of the United States Department of Health and Human Services or his designee.
- k. “Security Incident” shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- l. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Parts 160 and 162, and Parts 164, Subparts A and C. The application of Security provisions Sections 164.308; 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations shall apply to a business associate of a covered entity in the same manner that such sections apply to the covered entity.
- m. Unless otherwise defined in this Agreement, capitalized terms used herein shall have the same meaning as those terms have in the Privacy Rule.
- n. “Unsecured Protected Health Information” is information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals by mean of technology or methodology specified by the Secretary of Health and Human Services in the guidance issued under section 13402(h)(2) of Public Law 111–5.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Use and Disclosure of PHI. Business Associate agrees to not use or disclose PHI other than as permitted or required by this Agreement or as Required By Law.
- b. Appropriate Safeguards. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. The Business Associate agrees to take steps to safeguard, implement and maintain PHI in accordance with the HIPAA Privacy Rule.
- c. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- d. Report Unauthorized Use or Disclosure. Business Associate agrees to promptly report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware.
- e. Applicability to Business Associate’s Agents. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by the Business Associate on behalf of, Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. The Business Associate agrees to have HIPAA-compliant Business Associate

Agreements or equivalent contractual agreements with agents to whom the Business Associate discloses Covered Entity PHI.

- f. Access. Upon receipt of a written request from Covered Entity, Business Associate agrees to provide Covered Entity, in order to allow Covered Entity to meet its requirements under 45 CFR 164.524, access to PHI maintained by Business Associate in a Designated Record Set within thirty (30) business days.
- g. Amendments to PHI. Business Associate agrees to make any amendment(s) to PHI maintained by Business Associate in a Designated Record Set that Covered Entity directs or agrees to, pursuant to 45 CFR 164.526 at the request of Covered Entity, within thirty (30) calendar days after receiving a written request for amendment from Covered Entity.
- h. Availability of Documents. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of, Covered Entity, available to Covered Entity or to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the Privacy and Security Rules, within five business days' after receipt of written notice.
- i. Documentation of PHI Disclosures. Business Associate agrees to keep records of disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
- j. Accounting of Disclosures. The Business Associate agrees to provide to Covered Entity, within 30 days of receipt of a written request from Covered Entity, information collected in accordance with the documentation of PHI disclosure of this Agreement, to permit Covered Entity to respond to a request by an Individual or an authorized representative for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
- k. The Business Associate shall maintain a comprehensive security program appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities as defined in the Security Rule.
- l. The Business Associate shall notify the Covered Entity immediately following the discovery of a breach of Protected Health Information (PHI).
- m. The Business Associate shall provide the Covered Entity the following information when a breach of unsecured protected health information is discovered:
 - 1. The number of recipient records involved in the breach.
 - 2. A description of what happened, including the date of the breach and the date of the discovery of the breach if known.
 - 3. A description of the types of unsecure protected health information that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other type information were involved).
 - 4. Any steps the individuals should take to protect themselves from potential harm resulting from the breach.
 - 5. A description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals and to protect against any further breaches.
 - 6. Contact procedures for individuals to ask questions or learn additional information, which shall include the Business Associate's toll-free number, email address, Web site, or postal address.
 - 7. A proposed media release developed by the Business Associate.

- n. The Business Associate shall obtain Covered Entity approval prior to reporting any breach required by 45 CFR Part 164, Subpart D.
- o. The Business Associate shall, after receiving Covered Entity approval, provide the necessary notices to the recipient, prominent media outlet, or the Secretary of Health and Human Services (HHS) to report Business Associate breaches as required by 45 CFR Part 164, Subpart D.
- p. Covered Entity will coordinate with the Business Associate in the determination of additional specific actions that will be required of the Business Associate for mitigation of the breach.
- q. If the Business Associate is a vendor of personal health records, notification of the breach will need to be made with the Federal Trade Commission.
- r. The Business Associate shall be responsible for any and all costs associated with the notification and mitigation of a breach that has occurred because of the negligence of the Business Associate.
- s. The Business Associate shall pay all fines or penalties imposed by HHS under 45 CFR Part 160 HIPAA Administrative Simplification: Enforcement rule for breaches made by any employee, officer, or agent of the Business Associate.
- t. The Business Associate shall be subject to prosecution by the Department of Justice for criminal violations of HIPAA if the Business Associate obtains or discloses individually identifiable health information without authorization, and shall be responsible for any and all costs associated with prosecution.

4. PERMITTED USES AND DISCLOSURES

Except as otherwise limited in this Agreement, if the Contract permits, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity;

- a. Except as otherwise limited in this Agreement, if the Contract permits, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- b. Except as otherwise limited in this Agreement, if the Contract permits, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that:
 - 1. disclosures are Required By Law; or
 - 2. Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- c. Except as otherwise limited in this Agreement, if the Contract permits, Business Associate may use PHI to provide data aggregation services to Covered Entity as permitted by 42 CFR 164.504(e)(2)(i)(B).
- d. Notwithstanding the foregoing provisions, Business Associate may not use or disclose PHI if the use or disclosure would violate any term of the Contract.

5. REPORTING IMPROPER USE OR DISCLOSURE

- a. The Business Associate shall report to the Covered Entity any use or disclosure of PHI not provided for by this agreement immediately from the time the Business Associate becomes aware of the use or disclosure.
- b. The Business Associate shall report to the Covered Entity any Security Incident and/or breach immediately from the time the Business Associate becomes aware of the use or disclosure.

6. OBLIGATIONS OF COVERED ENTITY

- a. Covered Entity shall notify the Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 CFR 164.520, to the extent that such limitation may affect Alabama Medicaid's use or disclosure of PHI.
- b. Covered Entity shall notify the Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect the Business Associate's use or disclosure of PHI.
- c. Covered Entity shall notify the Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- d. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.
- e. Covered Entity shall provide Business Associate with only that PHI which is minimally necessary for Business Associate to provide the services.

7. TERM AND TERMINATION

- a. **Term.** The Term of this Agreement shall be effective as of the effective date stated above and shall terminate when the Contract terminates.
- b. **Termination for Cause.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:
 1. Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 2. Immediately terminate this Agreement; or
 3. If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy Rule.
- c. **Effect of Termination.**
 1. Except as provided in paragraph (2) of this section or in the Contract, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 2. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

8. GENERAL TERMS AND CONDITIONS

- a. This Agreement amends and is part of the Contract.
- b. Except as provided in this Agreement, all terms and conditions of the Contract shall remain in force and shall apply to this Agreement as if set forth fully herein.
- c. In the event of a conflict in terms between this Agreement and the Contract, the interpretation that is in accordance with the Privacy Rule shall prevail. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.
- d. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the Contract for cause.
- e. The Parties agree to take such action as is necessary to amend this Agreement from time to time for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

IN WITNESS WHEREOF, Covered Entity and Business Associate have executed this Agreement effective on the date as stated above.

ALABAMA MEDICAID AGENCY

Signature: _____

Printed Name: Clay Gaddis

Title: Privacy Officer

Date: _____

BUSINESS ASSOCIATE

Signature: _____

Printed Name: _____

Title: _____

Date: _____