



ALABAMA MEDICAID AGENCY REQUEST FOR PROPOSALS

RFP Number: 2010-PCNA-01	RFP Title: Patient Care Networks of Alabama
RFP Due Date and Time: See schedule of events	Number of Pages: 69
PROCUREMENT INFORMATION	
Project Director: Kathy Hall	Issue Date: December 1, 2010
Phone: (334) 242-5007 E-mail Address: Kathy.hall@medicaid.alabama.gov Website: http://www.medicaid.alabama.gov	Issuing Division: Health Systems
INSTRUCTIONS TO ENTITY	
Return Proposal to: Kathy Hall Alabama Medicaid Agency Lurleen B. Wallace Building 501 Dexter Avenue PO Box 5624 Montgomery, AL 36103-5624	Mark Face of Envelope/Package: RFP Number: 2010-PCNA-01
	Firm and Fixed Price Established monthly care management fee for the enrollees participating in the Entity's network. The established Per Member Per Month fee is \$5.00 for Aged Blind and Disabled clients and \$3.00 for all other Patient 1 st clients.
ENTITY INFORMATION <i>(Entity must complete the following and return with RFP response)</i>	
Entity Name/Address:	Authorized Entity Signatory: (Please print name and sign in ink)
Entity Phone Number:	Entity FAX Number:
Entity Federal I.D. Number:	Entity E-mail Address:

Section A. RFP Checklist

1. _____ **Read the *entire* document.** Note critical items such as: mandatory requirements; supplies/services required; submittal dates; number of copies required for submittal; licensing requirements; contract requirements (i.e., contract performance security, insurance requirements, performance and/or reporting requirements, etc.).
2. _____ **Note the project director's name, address, phone numbers and e-mail address.** This is the only person you are allowed to communicate with regarding the RFP and is an excellent source of information for any questions you may have.
3. _____ **Take advantage of the "question and answer" period.** Submit your questions to the project director by the due date(s) listed in the Schedule of Events and view the answers as posted on the website. All addenda issued for an RFP are posted on the State's website and will include all questions asked and answered concerning the RFP.
4. _____ **Use the forms provided,** i.e., cover page, disclosure form, etc.
5. _____ **Check the State's website for RFP addenda.** It is the Entity's responsibility to check the State's website at www.medicaid.alabama.gov for any addenda issued for this RFP, no further notification will be provided. Entities must submit a signed cover sheet for each addendum issued along with your RFP response.
6. _____ **Review and read the RFP document again** to make sure that you have addressed all requirements. Your original response and the requested copies must be identical and be complete. The copies are provided to the evaluation committee members and will be used to score your response.
7. _____ **Submit your response on time.** Note all the dates and times listed in the Schedule of Events and within the document, and be sure to submit all required items on time. Late proposal responses are *never* accepted.

This checklist is provided for assistance only and should not be submitted with Entity's Response.

Section B. Schedule of Events

The following RFP Schedule of Events represents the State's best estimate of the schedule that shall be followed. Except for the deadlines associated with the Entity question and answer periods and the proposal due date, the other dates provided in the schedule are estimates and will be impacted by the number of proposals received. The State 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 posted on the RFP website at www.medicaid.alabama.gov.

EVENT	DATE
RFP Issued	December 1, 2010
Answers to Questions Posted	As available
Mandatory Vendor Conference	January 10, 2011
Final Posting of Questions and Answers	January 14, 2011
Proposals for Area 1 Due by 5 pm CT	January 31, 2011
Contract Award Notification for Area 1	February 8, 2011
Contract Effective Date Area 1	March 1, 2011
Begin Work in Area 1**	May 2, 2011
Proposals for Areas 2 and 3 Due by 5 pm CT	February 25, 2011
Contract Award Notification for Areas 2 and 3	March 4, 2011
Contract Effective Date Areas 2 and 3	April 1, 2011
Begin Work in Areas 2 and 3**	June 1, 2011

* **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 "Entity 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.

Table of Contents

Section A. RFP Checklist.....	2
Section B. Schedule of Events.....	3
I. Background.....	6
II. Scope of Work	9
III. Pricing.....	19
IV. General Medicaid Information	19
V. General.....	19
VI. Entity Qualifications and References.....	20
VII. Submission Requirements.....	21
A. Authority	21
B. Format of Response.....	21
C. Transmittal Letter.....	21
D. Single Point of Contact	23
E. RFP Documentation	23
F. Questions Regarding the RFP and Mandatory Vendor Conference.....	23
I. Order of Precedence	24
J. Entity’s Signature	24
J. Offer in Effect for 150 Days.....	24
K. State Not Responsible for Preparation Costs	24
L. State’s Rights Reserved.....	24
M. Price.....	25
N. Submission of Proposals	25
O. Copies Required.....	25
P. Late Proposals.....	25
Q. Performance Guarantee.....	25
VIII. Evaluation and Selection Process	26
A. Initial Classification of Proposals as Responsive or Non-responsive.....	26
B. Determination of Responsibility	26
C. Opportunity for Additional Information	26
D. Scoring	27
IX. General Terms and Conditions.....	27
A. General.....	27
B. Compliance with State and Federal Regulations.....	27

C. Term of Contract	28
D. Contract Amendments.....	28
E. Confidentiality	28
F. Security and Release of Information	29
G. Federal Nondisclosure Requirements	29
H. Contract a Public Record	29
I. Termination for Bankruptcy	30
J. Termination for Default.....	30
K. Termination for Unavailability of Funds	30
L. Termination for Convenience.....	30
M. Force Majeure.....	30
N. Nondiscriminatory Compliance	31
O. Small and Minority Business Enterprise Utilization.....	31
P. Worker’s Compensation	31
Q. Employment of State Staff.....	31
R. Share of Contract.....	31
S. Waivers.....	31
T. Warranties Against Broker’s Fees.....	31
U. Novation.....	31
V. Employment Basis	32
W. Disputes and Litigation	32
X. Records Retention and Storage	32
Y. Inspection of Records.....	33
Z. Use of Federal Cost Principles	33
AA. Payment.....	33
BB. Notice to Parties.....	33
CC. Disclosure Statement	34
DD. Debarment	34
EE. Not to Constitute a Debt of the State	34
FF. Liquidated Damages.....	34
GG. Choice of Law	35
Appendix A: Proposal Compliance Checklist	36
Appendix B Definitions.....	37
Appendix C Sample PMP Contract.....	39
Appendix D Statistics.....	45
Appendix E PCNA Care Management Protocol.....	46
Appendix F: Contract and Attachments.....	54

I. Background

Alabama operates a statewide Primary Care Case Management (PCCM) managed care program for the state's Medicaid citizens. The Patient 1st Program has been operational since January 1, 1997. The overarching goal of Patient 1st is to provide Alabama Medicaid recipients a medical home. Within the Patient 1st Program, patients are assigned to a primary medical provider (PMP). The PMP is responsible for providing directly or through referral, necessary medical care. PMPs are paid a varying case management fee depending on how they choose to meet contract requirements. Alabama's physician report card, the Profiler, helps the PMP understand the medical and cost utilization of his panel as compared to his peers. The Profiler illustrates the performance measures that will enable the PMP to share in program savings.

Through Patient 1st, providers have access to two patient management tools: in-home monitoring and an electronic health record, QTool, which was developed via a Medicaid transformation grant. The in-home monitoring program allows a patient to record certain vital signs and/or test results at home and transmit the data to a central repository that allows a PMP to monitor a patient's condition on an on-going basis.

Traditional case management for the PCCM program is provided through a contract with the Alabama Department of Public Health (ADPH). ADPH has licensed and trained case managers available throughout the State. Services provided are traditional case management services and include; assistance with understanding program requirements, help with transportation needs, assessment of the home environment and factors that may prevent the patient from being compliant with medical care protocols; mental health issues and child health issues such as understanding the need for preventive care, i.e. immunizations, etc.

Each patient that is referred into the case management system receives a risk assessment. Areas assessed include social supports, community supports, shelter/ nutrition/ communication resources, economic status, education/ language needs, physical health, mental health, parenting history and children's issues. From the risk assessment, a plan of action is developed in conjunction with the patient. Follow-up from the assessment and/or plan of action is provided back to the person making the referral into the system. ADPH is paid per time spent with the patient.

The State also has the ability to make direct referrals into the case management system for issues such as excessive emergency room use, patient dismissal and patient education. In that State staff has contact with the patient, oftentimes issues are identified that may be preventing the patient from optimizing their medical home. Common reasons include lack of program understanding, transportation needs, and medical compliance.

Beginning in May 2011, Alabama will implement an enhanced PCCM program, building upon the existing infrastructure by establishing regional networks within local systems of care designed to achieve long-term quality, cost, access, and utilization objectives in the management of care for Medicaid recipients. Alabama will continue to operate the original PCCM program;

however, primary care providers in select areas of the state will have the opportunity to become members of a regional network. Initially the regional networks will be in pilot counties covering approximately 60,000 patients. Each network will have an administrative Entity to contract with the state. Both the networks and the primary care providers are paid a Per Member/Per Month (PM/PM) fee.

The Alabama Medicaid Agency is seeking proposals to establish pilot regional networks in each of the following areas:

Area 1 Tuscaloosa, Fayette, Pickens, Greene, Hale, Bibb

Area 2 Lee, Chambers, Tallapoosa, Macon

Area 3 Limestone and Madison

The Alabama Medicaid Agency seeks to improve the quality of care and health outcomes for its recipients. This includes improved clinical and functional status, enhanced quality of life, improved client safety, client autonomy, adherence to treatment plans, and control of fiscal growth/cost savings. Through, the Patient Care Networks of Alabama (PCNA) Care Management Program the State will address the following concerns:

- Treatment regimens for chronic illnesses should better conform to evidence-based guidelines.
- PCNA providers should be more aware of and incorporate knowledge of functional assessments, behavioral changes, motivational interviewing techniques, self-care strategies, and methods of addressing emotional and social distress as part of comprehensive patient care. Care should be less fragmented and more holistic (i.e., in addressing physical and behavioral health care needs and in considering both medical as well as social needs), and there should be more communication across settings and providers.
- Consumers should have greater involvement in their care. The PCNA Care Management Program must have measurable outcomes related to changes in recipient care including but not limited to service utilization, costs, and improvements in Performance Measures (PMs). The services will initially be limited to recipients within the PCNA specific service area in order to effectively test the impact of the program.

Medicaid encourages a wide range of different types of care management approaches to apply, including:

- a. Standard “disease management” programs aimed at treating a specific disease state.
- b. Claims data analysis to identify a broad spectrum of aberrant care patterns, followed by interventions with selected providers/patients.
- c. Use of community health workers/health advisors.

- d. Use of licensed Social (LBSW, LGSW, LCSW) and Nursing (BSN, MSN) care managers.
- e. Other innovative efforts developed to address specific improvements in care delivery and management.

The objectives of the PCNA Care Management Program are to:

1. Develop and implement patient centered holistic plans of care;
2. Improve quality of care and quality of life;
3. Improve health literacy, health outcomes and self management;
4. Improve utilization of Information Technology resources by participants and providers in PCNA as available;
5. Promote effective use of the healthcare system and community resources;
6. Reduce the potential for risks of catastrophic or severe illness;
7. Prevent disease exacerbations and complications;
8. Integrate use of evidence-based clinical practice guidelines into PCNA practices to ensure the “right care at the right time”; and
9. Reduce inappropriate utilization and costs associated with Emergency Department, and hospital inpatient services.

The networks will provide population health management by:

- systematic data analysis to target recipients and providers for outreach, education, and intervention,
- monitoring system access to care, services, and treatment including linkage to a medical home,
- monitoring and building provider capacity,
- monitoring quality and effectiveness of interventions to the population,
- supporting the medical home through education and outreach to recipients and providers,
- and facilitating quality improvement activities that educate, support, and monitor providers regarding evidence based care for best practice/National Standards of Care.

Networks provide care management by:

- advocating for high risk, high acuity recipients to ensure that recipients receive appropriate evidence based care
- and educating recipients about disease states and self management.

Population management, disease management and medical coordination of treatment and prevention will be provided to recipients enrolled with a network provider.

II. Scope of Work

Proposals should present the respondent's (hereinafter referred to as Entity) ability to meet the following requirements:

2.1 Operate as a 501(c)(3) non-profit entity with an office location in the pilot area.

2.2 Maintain a Board with membership that represents the spectrum of network participants including physicians. At least one-half of the board membership must be Patient 1st primary care physicians (pediatricians, family physicians, general internists, and/or general practitioners) and no more than one of which can be employed by another Entity represented on the board. Board membership should include at least one representative from each of the following: a Federally Qualified Health Center, a hospital, the health department, a Regional Public Mental Health Authority and a community pharmacist. Other board membership may include partnering agencies present in the community.

At a minimum, officers should include a President, Vice President, Secretary, and Treasurer. The expectations for operation include:

- Establish and maintain personnel policies and oversight of employees
- Establish and maintain financial management policies
- Assure Entity's operations comply with federal, state, and local laws and regulations
- Approve and monitor annual budget
- Evaluate and monitor Entity's performance, including program and financial operations.

2.3 Support the Patient 1st providers and Target Population in the entity's management area.

2.4 Designate, in writing, individuals who will serve the following functions for the Entity:

- Network Director, Executive Director, or individual with a similar title to serve as primary administrative liaison between the Entity and the Alabama Medicaid Patient 1st Office. This individual must possess a BS or BA degree from an accredited college or university or a minimum of three years of management experience in managed health care and experience working with low-income populations. The Director must have the authority to make decisions and implement program policy. Any changes in this position must be approved by Medicaid. This individual must maintain a full-time office in the network region.
- Network Clinical Director who is a PMP physician who practices in the applicable network region and who has opted to participate in the Network and agreed to serve as the Entity's medical director responsible for maintaining contact with local providers, represent the Entity in person at select program-wide meetings to be held quarterly in a central location of the state, and address local issues at the community level;

- Network/Clinical Pharmacist to provide direction and management of pharmacy projects for the networks. Preferably this person would reside within the region, but some regions may choose to share a pharmacist to perform these functions;
- Chronic Care Clinical Champion to work with practices and community providers in the implementation of the chronic care program. This individual should possess at a minimum a BSN degree and preferably reside within the region.

2.5 Maintain a Medical Management Committee chaired by the Clinical Director and composed of Network providers who meet at least every two months to implement and supervise program initiatives and to review utilization data with providers as needed to help achieve network goals.

2.6 Establish contracts with Patient 1st PMPs that assure a commitment to care manage clinical care pursuant to the Patient Care Networks of Alabama Program and this Contract. Copies of signed provider contracts must be sent to the Alabama Medicaid Patient 1st Office by the 15th of the month to enroll the provider in the Network effective for the following month and qualify the PMP for monthly enhanced care management fee. See appendix C.

2.7 Notify the Medicaid Patient 1st Office within fifteen (15) days of any change within the Entity's organizational structure.

2.8 Develop a policy and maintain a process to document and address complaints forwarded from the Medicaid Patient 1st Office to the Entity.

2.9 Create an infrastructure to manage and support the Target Populations by:

- Ensuring Entity's staff includes one or more: of the individuals described in Section 2.4.
- Establish an ongoing process with community providers and agencies to coordinate the planning and provision of care management and support services for the target population.
- Support mental health integration by managing individuals with co-morbidities that include behavioral health conditions. Guidance will be provided by the Agency.

2.10 Establish processes to support the care management of those in the region that are at the highest risk and cost along with other areas of focus as chosen by the network.

2.10.A. Currently existing ADPH care management staffing levels will continue in the pilot areas. The Entity and ADPH care managers will be charged with working closely together to meet network goals.

2.10.B. As a component of the monthly enhanced care management fee the Entity must hire or contract with other care managers as necessary to expand care management services to meet network goals. Care managers must demonstrate experience with a low income population in completing psychosocial assessments and care plans, coordination of services and provision of

referral and follow-up services. Care managers must meet the following minimum education requirements:

- 1) Possess a Bachelor of Arts or a Bachelor of Science degree in social work from a school accredited by the Council on Social Work Education, or a Master of Social Work degree from a school accredited by the Council on Social Work Education who is licensed or license-eligible to practice social work in the state of Alabama; **or**
- 2) Possess a Bachelor of Science degree in nursing or a Master of Science degree in Nursing and possess care management certification; **and**
- 3) Complete any certification training requested and approved by the Alabama Medicaid Agency.

In addition, the Care Managers must demonstrate an administrative capacity to ensure the quality of services provided in accordance with state and federal regulations, a financial management system that provides documentation of services and costs, a capacity to document and maintain individual care plans in accordance with state and federal requirements, and a demonstrated ability to assure a referral process consistent with Section 1902a (23), freedom of choice of provider.

The above requirements do not prevent the Entity from incorporating the utilization of Community Health Workers or Patient Health Advisors/Navigators as components of a network team. The CHWs must be certified by ADPH's Chronic Disease Self Management Program (CDSMP), the University of Alabama at Birmingham or by Morehouse University's ABCD program. Additional certification programs may be considered but must be approved by Medicaid prior to implementation.

Care managers must demonstrate an ability to effectively communicate with and complete care plans for individuals which includes but is not limited to:

- Work with individuals to identify the best forms of communication for that individual,
- Listen and respond to individuals' questions and concerns,
- Accurately access and update care plans and reports,
- Focus on the holistic needs of the patient including social, environmental, emotional and medical,
- Take appropriate action based on information obtained in review of medical records, patient assessments, provider instructions, etc.,
- Possess the knowledge and skills necessary to carry out required activities and achieve stated goals, and
- Work as a member of an integrated, cohesive network i.e. the Patient Care Network of Alabama (PCNA) to achieve the goals and objectives effectively providing feedback to team members which includes the physician, the network, the patient and the family.

The maximum care manager to patient ratio shall not exceed 1:50 for patients in “Active Care Management”. Patients managed in Intensity Levels “Heavy” and “Medium” as described in Appendix C must have documentation of establishment of the intensity level within 14 days of referral or identification for care management for 95% of all patients identified as falling in these two levels.

Failure for Entity to meet target goals above will require a Plan of Correction. The Entity shall have 30 calendar days to submit a Plan of Correction. Medicaid will review the Plan of Correction and determine if the Plan cures the default. In the event the Entity does not cure a default within an additional 30 days, the Agency will assess a liquidated damage penalty.

2.10.C Use proven guidelines/ procedures to identify eligibles, providing outreach and education on chronic care management and chronic illnesses, performing an initial assessment on participants in pilot counties, counseling and monitoring participant’s adherence to care plans, providing telephonic and face-to-face care management, and maintaining a toll-free call line for all program participants. The Entity shall monitor clinical health outcome measures and changes in health care expenditures for participants in the pilot. The PCNA Care Management Program should take a holistic approach by acknowledging cultural, educational, social, and economic issues that affect participants’ ability to manage chronic diseases.

The Entity must develop, implement, and maintain policies and procedures, related to the daily operations of the PCNA Care Management Program. The Entity must submit all policies, procedures, and materials to Medicaid for review and written approval prior to use. The Entity must review policies and procedures annually, or as needed, to conform to changes in the PCNA Care Management Program approaches, technologies, and changes in Federal or State law and policy.

2.10.D Meet the following objectives of the PCNA Care Management Program by:

- 1) Incorporating procedures to identify high-risk participants who may be eligible for the PCNA Care Management Program (See Appendix E, PCNA Care Management Protocol);
- 2) Implementing a plan of care (standardized PCNA Plan of Care to be developed by the Networks in collaboration with Medicaid) for each participant that includes coordination of care through collaboration with the member, family, primary care physicians, specialists, community resources, and pharmacists;
- 3) Instituting interventions designed to educate, motivate, and improve clinical outcomes and quality of life;
- 4) Emphasizing self care management, utilizing participant education, and empowerment strategies. Self management education can be provided in a group and/or individual setting;
- 5) Identify and foster relationships between participants and community resources through health education and improved health literacy;

- 6) Work to identify additional key resources and incorporate these into the strategies implemented such as partnerships with the American Heart Association, American Diabetes Association, Alabama Department of Public Health, etc;
- 7) Utilizing evidence-based clinical practice guidelines;
- 8) Supporting the delivery of evidence-based clinical practice guidelines;
- 9) By educating or promoting the Patient-Centered Medical Home through the education of participants on the importance of the Medical Home; and
- 10) Utilizing and promoting the use of Information Technology.

2.10.E Identify and verify eligibility for the PCNA Care Management Program utilizing the PCNA Care Management Protocol and any additional tools the Entity identifies. Medicaid must review, and approve in writing, within ten (10) business days upon receipt the process of identifying individuals who will be enrolled in the PCNA Care Management Program by the Contractor. The Entity must then screen, analyze, and assess the referrals to determine if the patient meets program requirements. The Entity shall work with the University of South Alabama and/or other Medicaid database contractor, for analysis of claims data.

The patient selection process shall:

- 1) Identify patterns of care that are likely to lead to higher (preventable) costs. These patterns of care must be mapped to specific interventions that would be expected to improve health outcomes and control costs. This includes:
 - a) Identifying individuals receiving inadequate care for chronic conditions, including medical, mental health, and substance abuse;
 - b) Identifying individuals receiving contra-indicated medications and patients in need of medication reconciliation;
 - c) Identifying individuals who use the Emergency Department with conditions that could be treated in primary care settings;
 - d) Identifying individuals who have been hospitalized with complications of medical conditions and the hospitalizations could have been avoided with proper care management; and
 - e) Identifying and prioritizing individuals whose conditions can be positively affected or better controlled by care management in contrast to those whose conditions cannot.

The Entity shall provide a description of the enrollment process, criteria, and risk scoring methodology by which its predictive methodology and other procedures, such as how the initial Health Screening/Risk Assessment is used to determine the need for High, Medium, or Low Intensity Care Management for each participant. Medicaid will work with the Entity in the identification or development of the process and methodology to be used.

The Entity shall provide the methods for the following:

- 1) Process to actively engage Enrollees;

- 2) Procedures for identifying those who Opt-out, or decline to participate, as “deferred”;
- 3) Procedures to maintain/achieve a designated enrollment target identified in collaboration with the Networks;
- 4) Documentation of compliance with PCNA Care Management Protocol. Minimum compliance goals will be established by Medicaid in collaboration with the Networks; and
- 5) Documentation of Care Manager to Population ratio.

2.10.F Provide Care plans developed by utilizing the initial Health Screening/ Assessment and any Risk Stratifications Models. Care plans must be developed using a team approach, shall be outcome driven, and shall identify problems, goals, and interventions specific to the participant. The care plans shall have the capacity to accommodate participants with multiple diseases and co-morbidities. The individualized care plan shall identify the participant, participant’s caregiver, participant’s Patient Care Network, specialists and other ancillary providers involved in the participant’s care.

Criteria and procedures must be developed using Contractor- supplied clinical and software tools to determine which participants can be managed telephonically, with use of the mail or the Internet e-mail, or ones requiring more intensive face-to-face chronic care management. The identification of participants for care management will be determined based on agreed upon predictive modeling/risk stratification tool and the criteria in the PCNA Care Management Protocol. (See Appendix E). The Entity shall determine a participant’s level of risk and the level of care management services to be provided using risk stratification model and level of care management agreed upon Medicaid. The Entity shall develop criteria and procedures for participant follow-up and assessment of compliance with adherence to the PCNA Plan of Care.

2.10.G Perform the following functions:

- 1) Limit redundancy in medical procedures;
- 2) Direct individuals to appropriate medical care and community resources;
- 3) Manage transition between various settings (e.g., institutional to community-based healthcare, hospital to home-base services, home to hospital, etc.); and
- 4) Coordinate with other initiatives or efforts, including (but not limited to) medication therapy management/medication reconciliation and pharmacy behavioral management programs.

2.10.H Develop a process for outreach and education of individuals who are appropriate candidates for the PCNA Care Management Program. All materials identified or developed for use shall be reviewed and approved by Medicaid including but not limited to letters, educational materials, programs, DVDs, etc.

2.10.I Provide and maintain a number allowing toll-free calls from PCNA providers, potential PCNA Care Management Program enrollees and current enrollees in the PCNA Care

Management Program. This is to provide health related support and access. The Call Center shall be available at least five (5) days per week, eight (8) hours a day. The Entity shall also have a process for handling emergency situations and calls received after provider hours of operation.

2.10.J Ensure that communication and language needs are addressed. All education materials shall be available in English and the prevalent non-English language in the particular service area. The Entity should participate in Medicaid's effort to promote the delivery of services in a culturally competent manner including those with limited English proficiency and with diverse cultural and ethnic backgrounds. The Entity must be capable of assisting clients with special needs such as hearing, sight or speech impairments. The Entity will also maintain a TDD/TTY toll-free number for the hearing impaired as well as language interpretation services, which are accessible without disconnection of the initial call. The Call Center shall provide professional, prompt, and courteous customer service at all times.

2.10.K Perform the following:

- Monitor and report on performance of care management system to Medicaid
- Facilitate participation of Network physicians with care management services
- Coordinate a proportionate distribution of care management case loads between care managers from ADPH and other care managers in the network (if an additional source is utilized).
- Evaluation of Care Managers: Every quarter provide reports to Medicaid on the number of cases being handled per care manager, the performances of required duties, complaints and resolution of said complaints to Medicaid. Additional performance metrics will be developed by the Agency in the future.
- Care management is a key service delivery of the Entity and will be crucial in meeting Network goals. Medicaid expects the volume of care management services will be maximized based on the budget available.

2.11 Develop a Transitional Care Program to support enrollees in the Target Population when discharged from the hospital to include, but not be limited to:

- Collaborating with hospital discharge planners;
- Ensuring appropriate home based support and services are available;
- Implementing medication reconciliation in concert with the PMP and clinical pharmacist to assure continuation of needed therapy following hospital discharge;
- Developing a Care Plan when there is a need for complex or high intensity care management;
- Ensuring appropriate follow-up appointments are made with the PMP and / or specialists;
- Promoting the ability and confidence in self management of chronic illnesses in the Target Population;
- Coordinating care management support until the recently discharged enrollee achieves stability in their home and community; and
- Embedding chronic care staff in practices with a large aged, blind, and disabled populations; and

- Embedding chronic care staff in the large hospitals to support the transitional process.

2.12 Employ or contract with a “Network Pharmacist” to implement the following:

- Coordinate and manage education of community pharmacists and medical providers on Patient 1st, the Patient Care Networks of Alabama Program and Medicaid pharmacy initiatives.
- Coordinate pharmacy activities that further the medical home and across the continuum of care including hospitals to assure safe, effective, appropriate, and economical use of medications to improve continuity of care and outcomes. Engage in, and / or manage staff to deploy programs that advance the medical home.
- Work with Entity management team to determine ways to support local pharmacists and prescribers with management of drug costs and policies. Create and manage programs that address new policies as Alabama Medicaid implements them.
- Attend and present at various local network and Agency meetings as requested, such as Steering Committee Meetings, Medical Management Meetings, Alabama Medicaid Pharmacy and Therapeutics (P&T) and Drug Utilization Review (DUR) meetings, and Patient Care Networks of Alabama Program Director’s Meetings.
- Serve as a resource to network physicians and care managers on general drug information and Medicaid pharmacy policy issues. Educate and train, or coordinate the education and training of staff on processes to be developed like medication reconciliation.
- Coordinate pharmacy activities that support the Network and statewide clinical initiatives.
- Coordinate efforts with the Alabama Medicaid Academic Detailing program on administrative detailing to network providers.
- Develop and coordinate e-prescribing efforts.
- Participate in regular status calls with the Medicaid Pharmacy Program staff.

2.13 Employ or contract with at least one “Clinical Pharmacist” with a minimum of Pharm. D. degree having either formal residency training or equivalent clinical experience to work in concert with Network leadership (including the Network Pharmacist) to implement the following:

- Pharmacy Management Programs for those receiving multiple medications.
- Coordinate and support pharmacy initiatives, such as dispensing of 90-day supply for maintenance medications, tablet splitting, short-term starter therapy, and pharmacist vaccine administration, as outlined by the Patient Care Networks of Alabama Program.
- Assist physicians in creating and managing drug regimens of patients with chronic disease states (e.g.: diabetes, asthma, CHF, etc.). This may include, but shall not be limited to, activities such as meeting with patients, adjusting medication dosages in concert with Primary Medical Provider, PMP peak flow monitoring, and performing other services within the professional area of expertise.

- Perform medicine reconciliation assessments as requested by Network physicians and/or care managers to optimize the patient’s drug regimen.
- Educate community pharmacists on Patient Care Networks of Alabama Program and/or Medicaid pharmacy initiatives.
- Serve as a resource to Network physicians and care managers on general drug information and Medicaid drug policy issues

Note: The role of the “Network Pharmacist” and the “Clinical Pharmacist” may be performed by the same person simultaneously if the Entity has only one employed/contracted pharmacist.

2.14 Implement clinical management initiatives identified as priorities by the Alabama Medicaid Agency, Network Clinical Directors and the Network Medical Management Committee. The mandatory quality improvement initiatives are:

- Asthma
- Diabetes
- High Cost Patients
- High Service Utilization
- High Pharmacy Utilization
- Other initiatives as identified and developed by the Program and Network. Examples include COPD, hypertension, heart failure, behavioral health conditions, etc.

2.15 Collaborate with the Alabama Medicaid Agency to facilitate provider participation in periodic external chart reviews to monitor the effectiveness of quality improvement initiatives.

2.16 Evaluate and compare performance with quality, access, cost, and utilization benchmarks established by the Clinical Directors and develop improvement strategies to achieve goals. Medicaid will provide for a data repository for the Patient Care Networks of Alabama Program and be available to assist Entity in this benchmark comparison and creation of performance reports and comparisons, which will assist in achieving the goals of standardization and uniformity.

2.17 Distribute and review reports in conjunction with medical management meetings to participating providers to assure provider comprehension and encourage collaboration in goal achievement.

2.18 Educate new providers about the Patient Care Networks of Alabama Program priority initiatives through orientation, training, and technical assistance.

2.19 Collaborate with Medicaid, or its designee, and other Networks in developing and refining:

- Program measures
- Utilization and management reports
- Innovative health care and utilization management strategies
- Quality improvement goals and measures

- Opportunity for shared program operations and support
- Initiatives aimed at containing cost and improving quality

2.20 Review annually and ensure compliance with the State of Alabama guidelines for non-profit organizations receiving state funds.

2.21 Prepare and submit an annual budget to the Medicaid Patient 1st Office for approval at least thirty (30) days prior to the start of each state fiscal year that specifies how the enhanced care management fees will be spent to develop and maintain Network activities.

- Provide, at minimum, the expenses and revenues specified in a sample budget provided by the Medicaid Patient 1st Office, including a breakdown of direct or contracted salary by the following categories:
 1. Clinical: medical, pharmacist(s), Quality Improvement
 2. Administrative / paraprofessionals that directly support clinical staff,
 3. Executive and other Administrative personnel such as Network Director,
 4. Others, such as Information Technology, Data Analyst and Human Resources
- Obtain written approval from the Medicaid Patient 1st Office prior to revising any budget line-item more than 10%.
- Maintain accurate records of expenditures in accordance with federal financial reporting and governmental accounting standards as defined by Generally Accepted Accounting Principles (GAAP)

2.22 Resources allocated for each enhanced service category must be spent in accordance with and support of the service areas of the contract and are subject to financial review.

2.23 Within six (6) months following the end of the Entity's budget year, submit to the Medicaid Patient 1st Office a copy of audited financial statements or the equivalent for a public institution, along with an actual vs. budgeted year-end reconciliation.

2.24 Carry over no more than two (2) months operating expenses at the close of the state fiscal year and obtain the prior written approval of the Medicaid Patient 1st Office to carry over any funds in excess of the two months reserve for uses other than those listed on Patient Care Networks of Alabama Program's Pre-Approved Reserve Fund list below:

- Heighten efforts to manage the Aid, Blind, and Disabled population through increased care management, education, and clinical monitoring.
- Pharmacist for additional support in medication reconciliation.
- Improved regional availability of regional services such as dietician services, and origination fees for telemedicine. Other initiatives will be considered by the agency on request.
- Supporting the development of medical homes among network providers.
- Integration initiatives: particularly those focusing on the behavioral health and primary care.

- Activities outside of this list require the authorization of Medicaid.

2.25 Perform other services upon the mutual agreement of the parties to this contract. Additional services may include new care management initiatives, pilot projects, enhanced care management initiatives, clinical improvement initiatives, cost containment strategies, and other activities identified by the Network and Medicaid to promote and advance the goals of the Patient Care Networks of Alabama Program. The scope of these additional services and compensation for these services shall be documented by written amendments to this Contract.

III. Pricing

Entity's response must include a statement agreeing to perform the duties specified in this proposal request based on an established monthly care management fee for the enrollees participating in the Entity's network. The number of enrollees is determined monthly based upon the Patient 1st PMP panel for each PMP agreeing to participate in the Network. The established PMPM is \$5.00 for Aged Blind and Disabled clients and \$3.00 PMPM for all other Patient 1st clients. A onetime start-up payment will be available to the Entity in an amount not to exceed \$50,000 to reimburse Entity for expenses related to establishment of the Network in the specified area. Entity must submit a budget itemizing start-up expenses such as office space, furniture, equipment, travel, and salaries with submission of the proposal.

IV. General Medicaid Information

The Alabama Medicaid Agency is responsible for the administration of the Alabama Medicaid Program under a federally approved State Plan for Medical Assistance. Through teamwork, the Agency strives to enhance and operate a cost efficient system of payment for health care services rendered to low income individuals through a partnership with health care providers and other health care insurers both public and private.

Medicaid's central office is located at 501 Dexter Avenue in Montgomery, Alabama. Central office personnel are responsible for data processing, program management, financial management, program integrity, general support services, professional services, and recipient eligibility services. For certain recipient categories, eligibility determination is made by Agency personnel located in ten (10) district offices throughout the state and by one hundred eighty (180) out-stationed workers in designated hospitals, health departments and clinics. Medicaid eligibility is also determined through established policies by the Alabama Department of Human Resources and the Social Security Administration. In FY 2010, more than 1,026,429 citizens were eligible for Medicaid benefits through a variety of programs.

V. General

This document outlines the qualifications which must be met in order for an Entity to serve as Contractor. It is imperative that potential Contractors describe, **in detail**, how they intend to approach the Scope of Work specified in Section II of the RFP. Proposals will be evaluated based on the written information that is presented in the response. This requirement underscores the importance and the necessity of providing in-depth information in the proposal with all supporting documentation necessary.

The Entity must provide an explanation in the proposal that demonstrates the Entity's working knowledge of program/policy requirements as described, herein, including but not limited to the applicable Provider Manual Chapter 39, State Plan for Medical Assistance, Administrative Code Chapter 37 and 42 Code of Federal Regulations (CFR), Part 438 requirements and how staff will be trained on program/policy requirements.

Entities that are currently excluded under federal and/or state laws from participation in Medicare/Medicaid or any State's health care programs are prohibited from submitting bids.

VI. Entity Qualifications and References

Entities submitting proposals must:

- a. Provide evidence that the Entity possesses the qualifications for staffing as required in this RFP.
- b. Have all necessary business licenses, registrations and professional certifications at the time of contracting to be able to do business in Alabama. Alabama law provides that a foreign corporation (an out-of-state company/firm) may not transact business in the state of Alabama until it obtains a Certificate of Authority from the Secretary of State, Section 10-2B-15.01, et seq., Code of Alabama 1975. To obtain forms for a Certificate of Authority, contact the Secretary of State, Corporations Division, (334) 242-5324, www.sos.state.al.us. The Certificate of Authority or a letter/form showing application has been made for a Certificate of Authority must be submitted with the proposal.
- c. Provide documentation that the Entity is operating as a 501 (c) (3) non-profit entity. The Entity must provide with its proposal a copy of its Non-Profit Articles of Incorporation, Bylaws and its exempt status letter from the Internal Revenue Service. If the Entity has not received its exempt status letter from the Internal Revenue Service by the date to submit its proposal, then the Entity must submit its exempt status letter upon receipt from the Internal Revenue Service or within 6 months of the contract award date.
- d. Document the resources and capability for completing the work necessary to implement the Area 1 network by May, 2011 and Area 2 and 3 networks by June, 2011. Each proposal must include a chart outlining the proposed tasks needed to complete the implementation by the scheduled date for each Area.

VII. Submission Requirements

A. Authority

This RFP is issued under the authority of Section 41-16-72 of the Alabama Code and 45 CFR 74.40 through 74.48. The RFP process is a procurement option allowing the award to be based on stated evaluation criteria. The RFP states the relative importance of all evaluation criteria. No other evaluation criteria, other than as outlined in the RFP, will be used.

In accordance with 45 CFR 74.43, the State encourages free and open competition among entities. Whenever possible, the State will design specifications, proposal requests, and conditions to accomplish this objective, consistent with the necessity to satisfy the State's need to procure technically sound, cost-effective services and supplies.

B. Format of Response

The proposal response must present a complete and detailed description of the Entity's qualifications to perform, and its approach to carry out the requirements in Section II, Scope of Work, of this RFP. Any deviations in the Entity's response from the outline described below could disqualify the proposal due to evaluation considerations.

The response shall include five separate sections (with named and numbered tabs) presented in the following order:

1. Transmittal Letter
2. Executive Summary
3. Approach to Administrative Responsibilities
4. Understanding of Proposal Requirements
5. Letters of support from providers and agencies in the pilot area

C. Transmittal Letter

The Transmittal Letter shall include:

- a. Identification of all materials and enclosures being submitted collectively as a response to this RFP
- b. A statement identifying each addendum to this RFP that has been received; if no addenda have been received, a statement to that effect shall be included. The Entity shall list each RFP addendum acknowledged and received, by addendum number
- c. Identification of the Entity that will be the prime contractor and the name of the corporation or other legal entity submitting the proposal. It shall also include a statement identifying any and all subcontractors, if any, that are needed in order to satisfy the requirements of this RFP. The percentage of work, as measured by percentage of total contract price, to be performed by the prime contractor shall be

- provided. Subcontracted work shall not collectively, exceed forty percent (40%) of the total contract price. The Entity will assume sole and exclusive responsibility for all of the contractor responsibilities and work indicated in the RFP (including any and all addenda)
- d. A statement of compliance with Affirmative Action and Equal Employment Opportunity regulations that confirms that the Entity does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, developmental disability, political affiliation, national origin, or handicap, and complies with all applicable provisions of Public Law 101-336, Americans with Disabilities Act
 - e. A statement acknowledging and agreeing to all of the rights of the Alabama Medicaid Agency contained in the provisions of this RFP
 - f. A statement that the Entity has not and will not make any attempt to induce any other person or firm to withhold or submit a proposal for the purposes of restricting competition
 - g. A statement that the person signing this proposal is authorized to make decisions on behalf of the Entity's organization
 - h. A statement that the Entity has not employed anyone, other than a bona-fide employee working solely for the Entity, in soliciting or securing this contract
 - i. A statement that no person or agency has been employed or retained to solicit or secure the proposed contract based on an agreement or understanding for a commission, percentage, brokerage, or contingent fee
 - j. A statement that the Entity, and any subcontractors, will maintain a drug-free workplace
 - k. A statement stating that the Entity has an understanding of and will comply with the terms and conditions as set out in this RFP. Additions or exceptions to the standard terms and conditions are not allowed.

If the use of subcontractors is proposed, a statement from each subcontractor, on official letterhead, shall be attached to the Transmittal Letter, signed by an individual authorized to legally bind the subcontractor to perform the scope of work as assigned, stating:

- a. The general scope of work to be performed by the subcontractor
- b. The subcontractor's willingness to perform the work indicated
- c. The names and titles of individuals who will be responsible for the subcontractor's efforts

- d. That the subcontractor's firm does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, developmental disability, political affiliation, national origin, or handicap, and complies with all applicable provisions of Public Law 101-336, Americans With Disabilities Act

Entities may not place any conditions, reservations, limitations, or substitutions in their response with regard to the contract terms and conditions. The Entity selected under this RFP may request non-substantive changes to the contract language, but the State reserves the sole right to accept or reject any requested changes.

D. Single Point of Contact

From the date this RFP is issued until an Entity is selected and the selection is announced by the Project Director, all communication must be directed to the Project Director in charge of this solicitation. **Entities or their representatives must not communicate with any State staff or officials regarding this procurement with the exception of the Project Director.** Any unauthorized contact may disqualify the Entity from further consideration. Contact information for the single point of contact is as follows:

<i>Project Director:</i>	Kathy Hall
<i>Address:</i>	Alabama Medicaid Agency Lurleen B. Wallace Bldg. 501 Dexter Avenue PO Box 5624 Montgomery, Alabama 36103-5624
<i>Telephone Number:</i>	(334) 242-5007
<i>Fax Number:</i>	(334) 353-3010
<i>E-Mail Address:</i>	kathy.hall@medicaid.alabama.gov

E. RFP Documentation

All documents and updates to the RFP including, but not limited to, the actual RFP, questions and answers, addenda, etc, will be posted to the Agency's website at www.medicaid.alabama.gov.

F. Questions Regarding the RFP and Mandatory Vendor Conference

Entities with questions requiring clarification or interpretation of any section within this RFP must submit questions and receive formal, written replies from the State. Each question must be submitted to the Project Director via email. Questions and answers will be posted on the website as available. A mandatory vendor conference will be held on January 10, 2011 at 1:30 pm at the

Medicaid offices. All interested parties must attend this conference for subsequent proposals to be considered.

I. Order of Precedence

In the event of inconsistencies or contradictions between language contained in the RFP and an Entity's response, the language contained in the RFP will prevail. Should the State issue addenda to the original RFP, then said addenda, being more recently issued, would prevail against both the original RFP and the Entity's proposal in the event of an inconsistency, ambiguity, or conflict.

J. Entity's Signature

The proposal must be accompanied by the RFP Cover Sheet signed in ink by an individual authorized to legally bind the Entity. The Entity's signature on a proposal in response to this RFP guarantees that the offer has been established without collusion and without effort to preclude the State from obtaining the best possible supply or service. Proof of authority of the person signing the RFP response must be furnished upon request.

J. Offer in Effect for 150 Days

A proposal may not be modified, withdrawn or canceled by the Entity for a 150-day period following the deadline for proposal submission as defined in the Schedule of Events, or receipt of best and final offer, if required, and Entity so agrees in submitting the proposal.

K. State Not Responsible for Preparation Costs

The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by the State are entirely the responsibility of the Entity. The State is not liable for any expense incurred by the Entity in the preparation and presentation of their proposal or any other costs incurred by the Entity prior to execution of a contract.

L. State's Rights Reserved

While the State has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the State to award and execute a contract. Upon a determination such actions would be in its best interest, the State, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP;
- Reject any or all of the proposals submitted in response to this RFP;
- Change its decision with respect to the selection and to select another proposal;
- Waive any minor irregularity in an otherwise valid proposal which would not jeopardize the overall program and to award a contract on the basis of such a waiver (minor irregularities are those which will not have a significant adverse effect on overall project cost or performance);
- Negotiate with any Entity whose proposal is within the competitive range with respect to technical plan;
- Adopt to its use of all, or any part, of an Entity's proposal and to use any idea or all ideas presented in a proposal;

- Amend the RFP (amendments to the RFP will be made by written addendum issued by the State and will be posted on the RFP website);
- Not award any contract.

M. Price

Entities must respond to this RFP by signing the RFP Cover Sheet to agree to the established monthly PMPM for completion of the scope of work.

N. Submission of Proposals

Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to 2010-PCNA-01. Proposals must be sent to the attention of the Project Director and received at the Agency as specified in the Schedule of Events. It is the responsibility of the Entity to ensure receipt of the Proposal by the deadline specified in the Schedule of Events.

O. Copies Required

Entities must submit one original Proposal with original signatures in ink, three additional hard copies, plus two electronic (Word format) copies of the Proposal on CD, jump drive or disc clearly labeled with the Entity name. One electronic copy MUST be a complete version of the Entity's response and the second electronic copy MUST have any confidential/proprietary information removed. Entity must identify the original hard copy clearly on the outside of the proposal.

P. Late Proposals

Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the Entity's sole risk to assure delivery at the Agency by the designated deadline. Late proposals will not be opened and may be returned to the Entity at the expense of the Entity or destroyed if requested.

Q. Performance Guarantee

In order to assure full performance of all obligations imposed on a Contractor contracting with the State of Alabama, the Contractor will be required to provide a performance guarantee in an amount equal to the \$50,000 start up payment plus one percent of the expected annual Medicaid payment. The actual figure will be based on the PMPM price multiplied by the expected number of enrollees. The performance guarantee must be submitted by Contractor at least ten calendar days prior to the contract start date. This performance guarantee shall be in force through the term of the contract and ninety (90) calendar days beyond and shall be conditioned on faithful performance of all contractual obligations. The form of performance guarantee shall be one of the following:

- a. Cashier's check (personal or company checks are not acceptable)
- b. Other type of bank certified check
- c. Money order

d. An irrevocable letter of credit

e. Surety bond issued by a company authorized to do business within the State of Alabama

Failure to perform satisfactorily shall cause the performance guarantee to become due and payable to the State of Alabama. The Commissioner of Medicaid shall be custodian of the performance guarantee. The performance guarantee shall be extended in the event Medicaid exercises its option to extend this contract.

VIII. Evaluation and Selection Process

A. Initial Classification of Proposals as Responsive or Non-responsive

All proposals will initially be classified as either “responsive” or “non-responsive.” Proposals may be found non-responsive at any time during the evaluation process or contract negotiation if any of the required information is not provided; or the proposal is not within the plans and specifications described and required in the RFP. If a proposal is found to be non-responsive, it will not be considered further.

Proposals failing to demonstrate that the Entity meets the mandatory requirements listed in Appendix A will be deemed non-responsive and not considered further in the evaluation process and thereby rejected.

B. Determination of Responsibility

The Project Director will determine whether an Entity has met the standards of responsibility. In determining responsibility, the Project Director may consider factors such as, but not limited to, the entity’s specialized expertise, ability to perform the work, experience and past performance. Such a determination may be made at any time during the evaluation process and through contract negotiation if information surfaces that would result in a determination of non-responsibility. If an Entity is found non-responsive, a written determination will be made a part of the procurement file and mailed to the affected Entity.

C. Opportunity for Additional Information

The State reserves the right to contact any Entity submitting a proposal for the purpose of clarifying issues in that Entity’s proposal. Entities should clearly designate in their proposal a point-of-contact for questions or issues that arise in the State’s review of an Entity’s proposal.

D. Scoring

The Evaluation Committee will score the proposals using the scoring system shown in the table below. The highest score that can be awarded to any proposal is 100 points.

Evaluation Factor	Highest Possible Score
Staffing Qualifications and Experience	20
Demonstration of plan for implementing Scope of Work	30
Demonstration of local providers commitment to the Network.	50
Total	100

IX. General Terms and Conditions

A. General

This RFP and Contractor's response thereto shall be incorporated into a contract by the execution of a formal agreement. The contract and amendments, if any, are subject to approval by the Governor of the State of Alabama.

The contract shall include the following:

1. Executed contract,
2. RFP, attachments, and any amendments thereto,
3. Contractor's response to the RFP, and shall be construed in accordance with and in the order of the applicable provisions of:
 - Title XIX of the Social Security Act, as amended and regulations promulgated hereunder by HHS and any other applicable federal statutes and regulations
 - The statutory and case law of the State of Alabama
 - The Alabama State Plan for Medical Assistance under Title XIX of the Social Security Act, as amended
 - The Medicaid Administrative Code/Agency Operational manual
 - Medicaid's written response to prospective Entity questions

B. Compliance with State and Federal Regulations

Contractor shall perform all services under the contract in accordance with applicable federal and state statutes and regulations. Medicaid retains full operational and administrative authority and

responsibility over the Alabama Medicaid Program in accordance with the requirements of the federal statutes and regulations as the same may be amended from time to time.

C. Term of Contract

The initial contract term shall be for two years, effective the first day of the month that the contract is effective, following review by the Legislative Contract Review Oversight Committee and approval by the Governor. At the end of the initial two-year contract term, Medicaid has an option for extending this contract for three one-year options, subject to approval from the Governor of Alabama. The pricing for subsequent extensions of the contract will be determined by Medicaid.

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 Medicaid. Contractor is entitled to no compensation for work performed prior to the effective date of this contract.

D. Contract Amendments

No alteration or variation of the terms of the contract shall be valid unless made in writing and duly signed by the parties thereto. The contract may be amended by written agreement duly executed by the parties. Every such amendment shall specify the date its provisions shall be effective as agreed to by the parties.

The contract shall be deemed to include all applicable provisions of the State Plan and of all state and federal laws and regulations applicable to the Alabama Medicaid Program, as they may be amended. In the event of any substantial change in such Plan, laws, or regulations, that materially affects the operation of the Alabama Medicaid Program or the costs of administering such Program, either party, after written notice and before performance of any related work, may apply in writing to the other for an equitable adjustment in compensation caused by such substantial change.

E. Confidentiality

Contractor shall treat all information, and in particular information relating to individuals that is obtained by or through its performance under the contract, as confidential information to the extent confidential treatment is provided under State and Federal laws including 45 CFR §160.101 – 164.534. Contractor shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and rights under this contract.

Contractor shall ensure safeguards that restrict the use or disclosure of information concerning individuals to purposes directly connected with the administration of the Plan in accordance with 42 CFR Part 431, Subpart F, as specified in 42 CFR § 434.6(a)(8). Purposes directly related to the Plan administration include:

1. Establishing eligibility;
2. Determining the amount of medical assistance;
3. Providing services for recipients; and

4. Conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to the administration of the Plan.

Pursuant to requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (Public Law 104-191), the successful Contractor shall sign and comply with the terms of a Business Associate agreement with the Agency (Appendix F, Attachment A).

F. Security and Release of Information

Contractor shall take all reasonable precautions to ensure the safety and security of all information, data, procedures, methods, and funds involved in the performance under the contract, and shall require the same from all employees so involved. Contractor shall not release any data or other information relating to the Alabama Medicaid Program without prior written consent of Medicaid. This provision covers both general summary data as well as detailed, specific data. Contractor shall not be entitled to use of Alabama Medicaid Program data in its other business dealings without prior written consent of Medicaid. All requests for program data shall be referred to Medicaid for response by the Commissioner only.

G. Federal Nondisclosure Requirements

Each officer or employee of any person to whom Social Security information is or may be disclosed shall be notified in writing by such person that Social Security information disclosed to such officer or employee can be only used for authorized purposes and to that extent and any other unauthorized use herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the cost of prosecution. Such person shall also notify each such officer or employee that any such unauthorized further disclosure of Social Security information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n).

Additionally, it is incumbent upon the contractor to inform its officers and employees of penalties for improper disclosure implied by the Privacy Act of 1974, 5 USC 552a. Specifically, 5 USC 552a (i) (1), which is made applicable to contractors by 5 USC 552a (m) (1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses that material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

H. Contract a Public Record

Upon signing of this contract by all parties, the terms of the contract become available to the public pursuant to Alabama law. Contractor agrees to allow public access to all documents, papers, letters, or other materials subject to the current Alabama law on disclosure. It is expressly understood that substantial evidence of Contractor's refusal to comply with this provision shall constitute a material breach of contract.

I. Termination for Bankruptcy

The filing of a petition for voluntary or involuntary bankruptcy of a company or corporate reorganization pursuant to the Bankruptcy Act shall, at the option of Medicaid, constitute default by Contractor effective the date of such filing. Contractor shall inform Medicaid in writing of any such action(s) immediately upon occurrence by the most expeditious means possible. Medicaid may, at its option, declare default and notify Contractor in writing that performance under the contract is terminated and proceed to seek appropriate relief from Contractor.

J. Termination for Default

Medicaid may, by written notice, terminate performance under the contract, in whole or in part, for failure of Contractor to perform any of the contract provisions. In the event Contractor defaults in the performance of any of Contractor's material duties and obligations, written notice shall be given to Contractor specifying default. Contractor shall have 10 calendar days, or such additional time as agreed to in writing by Medicaid, after the mailing of such notice to cure any default. In the event Contractor does not cure a default within 10 calendar days, or such additional time allowed by Medicaid, Medicaid may, at its option, notify Contractor in writing that performance under the contract is terminated and proceed to seek appropriate relief from Contractor.

K. Termination for Unavailability of Funds

Performance by the State of Alabama of any of its obligations under the contract is subject to and contingent upon the availability of state and federal monies lawfully applicable for such purposes. If Medicaid, in its sole discretion, deems at any time during the term of the contract that monies lawfully applicable to this agreement shall not be available for the remainder of the term, Medicaid shall promptly notify Contractor to that effect, whereupon the obligations of the parties hereto shall end as of the date of the receipt of such notice and the contract shall at such time be cancelled without penalty to Medicaid, State or Federal Government.

L. Termination for Convenience

Medicaid may terminate performance of work under the Contract in whole or in part whenever, for any reason, Medicaid, in its sole discretion determines that such termination is in the best interest of the State. In the event that Medicaid elects to terminate the contract pursuant to this provision, it shall so notify the Contractor by certified or registered mail, return receipt requested. The termination shall be effective as of the date specified in the notice. In such event, Contractor will be entitled only to payment for all work satisfactorily completed and for reasonable, documented costs incurred in good faith for work in progress. The Contractor will not be entitled to payment for uncompleted work, or for anticipated profit, unabsorbed overhead, or any other costs.

M. Force Majeure

Contractor shall be excused from performance hereunder for any period Contractor is prevented from performing any services pursuant hereto in whole or in part as a result of an act of God, war, civil disturbance, epidemic, or court order; such nonperformance shall not be a ground for termination for default.

N. Nondiscriminatory Compliance

Contractor shall comply with Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order No. 11246, as amended by Executive Order No. 11375, both issued by the President of the United States, the Americans with Disabilities Act of 1990, and with all applicable federal and state laws, rules and regulations implementing the foregoing statutes with respect to nondiscrimination in employment.

O. Small and Minority Business Enterprise Utilization

In accordance with the provisions of 45 CFR Part 74 and paragraph 9 of OMB Circular A-102, affirmative steps shall be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction, and services.

P. Worker's Compensation

Contractor shall take out and maintain, during the life of this contract, Worker's Compensation Insurance for all of its employees under the contract or any subcontract thereof, if required by state law.

Q. Employment of State Staff

Contractor shall not knowingly engage on a full-time, part-time, or other basis during the period of the contract any professional or technical personnel, who are or have been in the employment of Medicaid during the previous twelve (12) months, except retired employees or contractual consultants, without the written consent of Medicaid. Certain Medicaid employees may be subject to more stringent employment restrictions under the Alabama Code of Ethics, §36-25-1 et seq., code of Alabama 1975.

R. Share of Contract

No official or employee of the State of Alabama shall be entitled to any share of the contract or to any benefit that may arise there from.

S. Waivers

No covenant, condition, duty, obligation, or undertaking contained in or made a part of the contract shall be waived except by written agreement of the parties.

T. Warranties Against Broker's Fees

Contractor warrants that no person or selling agent has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission percentage, brokerage, or contingency fee excepting bona fide employees. For breach of this warranty, Medicaid shall have the right to terminate the contract without liability.

U. Novation

In the event of a change in the corporate or company ownership of Contractor, Medicaid shall retain the right to continue the contract with the new owner or terminate the contract. The new corporate or company Entity must agree to the terms of the original contract and any amendments thereto. During the interim between legal recognition of the new entity and

Medicaid execution of the novation agreement, a valid contract shall continue to exist between Medicaid and the original Contractor. When, to Medicaid's satisfaction, sufficient evidence has been presented of the new owner's ability to perform under the terms of the contract, Medicaid may approve the new owner and a novation agreement shall be executed.

V. Employment Basis

It is expressly understood and agreed that Medicaid enters into this agreement with Contractor and any subcontractor as authorized under the provisions of this contract as an independent Contractor on a purchase of service basis and not on an employer-employee basis and not subject to State Merit System law.

W. Disputes and Litigation

Except in those cases where the proposal response exceeds the requirements of the RFP, any conflict between the response of Contractor and the RFP shall be controlled by the provisions of the RFP. Any dispute concerning a question of fact arising under the contract which is not disposed of by agreement shall be decided by the Commissioner of Medicaid.

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. Pending a final decision of a dispute hereunder, the Contractor must proceed diligently with the performance of the contract in accordance with the disputed decision.

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, but not limited to, mediation by and through the Attorney General's Office of Administrative Hearings or where appropriate, private mediators.

Any litigation brought by Medicaid or Contractor regarding any provision of the contract shall be brought in either the Circuit Court of Montgomery County, Alabama, or the United States District Court for the Middle District of Alabama, Northern Division, according to the jurisdictions of these courts. This provision shall not be deemed an attempt to confer any jurisdiction on these courts which they do not by law have, but is a stipulation and agreement as to forum and venue only.

X. Records Retention and Storage

Contractor shall maintain financial records, supporting documents, statistical records, and all other records pertinent to the Alabama Medicaid Program for a period of three years from the date of the final payment made by Medicaid to Contractor under the contract. However, if audit, litigation, or other legal action by or on behalf of the State or Federal Government has begun but is not completed at the end of the three- year period, or if audit findings, litigation, or other legal action have not been resolved at the end of the three year period, the records shall be retained until resolution.

Y. Inspection of Records

Contractor agrees that representatives of the Comptroller General, HHS, the General Accounting Office, the Alabama Department of Examiners of Public Accounts, and Medicaid and their authorized representatives shall have the right during business hours to inspect and copy Contractor's books and records pertaining to contract performance and costs thereof. Contractor shall cooperate fully with requests from any of the agencies listed above and shall furnish free of charge copies of all requested records. Contractor may require that a receipt be given for any original record removed from Contractor's premises.

Z. Use of Federal Cost Principles

For any terms of the contract which allow reimbursement for the cost of procuring goods, materials, supplies, equipment, or services, such procurement shall be made on a competitive basis (including the use of competitive bidding procedures) where practicable, and reimbursement for such cost under the contract shall be in accordance with 48 CFR, Chapter 1, Part 31. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, such reimbursement shall be subject to Contractor's compliance with applicable federal procurement requirements, and the determination of costs shall be governed by federal cost principles.

AA. Payment

Medicaid will pay a care management fee to the Entity in the first check-write of each month for each enrollee in the Entity's network during the current month based on PMP assignments made by the 20th day of the previous month. Payments are dependent upon successful completion and delivery of scope of work as described in Section II and reporting requirements including the following:

- Quarterly list of complaints and grievances with resolutions due on the 15th of the month following the end of the quarter
- Monthly report of Performance of Care Management System including the number of cases handled per case manager and the performance of duties as described in Section II
- Annual Budget as described in Section 2.21 of the RFP
- Annual audited financial statements or the equivalent for a public institution along with an actual versus budgeted year end reconciliation
- Quarterly Report of Network/Clinical Pharmacist activities to include participation in meetings, educational activities, summary of clinical management initiatives, management of drug costs and activities that support the medical home concept and safe, effective, appropriate and economical use of medications.
- Quarterly summary of clinical management/quality initiatives and benchmarks and summary of findings in external chart reviews
- Quarterly summary of medical management meetings including summary of Provider reports and outcomes

BB. Notice to Parties

Any notice to Medicaid under the contract shall be sufficient when mailed to the Project Director. Any notice to Contractor shall be sufficient when mailed to Contractor at the address

given on the return receipt from this RFP or on the contract after signing. Notice shall be given by certified mail, return receipt requested.

CC. Disclosure Statement

The successful Entity shall be required to complete a financial disclosure statement with the executed contract.

DD. Debarment

Contractor hereby certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any Federal department or agency.

EE. Not to Constitute a Debt of the State

Under no circumstances shall any commitments by Medicaid constitute a debt of the State of Alabama as prohibited by Article XI, Section 213, Constitution of Alabama of 1901, as amended by Amendment 26. It is further agreed that if any provision of this contract shall contravene any statute or Constitutional provision or amendment, whether 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 agreement shall be limited to the filing of a claim against Medicaid with the Board of Adjustment for the State of Alabama.

FF. Liquidated Damages

The purpose of a liquidated damage is to ensure adherence to the performance requirements in the Scope of Work. In the event the Contractor fails to meet the contract requirements or perform the scope of work as described in the RFP, Contractor agrees to pay Medicaid the sums set forth below as liquidated damages unless these damages are waived by Medicaid. No punitive intention is inherent in the assessment of liquidated damages.

- Failure to submit quarterly list of complaints and grievances with resolutions pursuant to scope of work, Section 2.10.K, by the 15th of the month following the end of the quarter - \$100.00 per day
- Failure of the Entity to meet target goals pursuant to scope of work, Section 2.10 B, will require a Plan of Correction. The Entity shall have 30 calendar days to submit a Plan of Correction. Medicaid will review the Plan of Correction and determine if the Plan cures the default. In the event the Network does not cure a default within an additional 30 days, the Agency will assess a penalty of \$500.00 for liquidated damages. Escalated penalties of \$2,500.00, then \$5,000.00 shall be assessed for subsequent audits. Failure to meet performance requirements after three audits will require specific actions to be taken by Medicaid which may include identification of additional staff, identification of specific staff failing to meet performance requirements, and termination of staff for failure to perform.
- Failure to submit annual budget pursuant to scope of work ,Section 2.21 - \$100.00 per day

- Failure to submit annual audited financial statements or the equivalent for a public institution along with an actual versus budgeted year end reconciliation pursuant to scope of work, Section 2.23, - \$100.00 per day
- Failure to submit quarterly report of Network/Clinical Pharmacist activities to include participation in meetings, educational activities, summary of clinical management initiatives, management of drug costs and activities that support the medical home concept and safe, effective, appropriate and economical use of medications pursuant to scope of work, Section 2.12, by the 15th of the following month - \$100.00 per day.
- Failure to submit quarterly summary of clinical management/quality initiatives and benchmarks and summary of findings in external chart reviews pursuant to scope of work, Section 2.14 and 2.15, by then 15th of the following month -\$ 100.00 per day
- Failure to submit quarterly summary of medical management meetings including summary of Provider reports and outcomes pursuant to scope of work, Section 2.17, by the 15th of the following month - \$100.00 per day
- Failure to maintain board membership requirements as pursuant to scope of work, Section 2.2 - \$100.00 per day.
- Failure to perform any other tasks as described in the RFP -\$1,000.00 per instance

Written notification of each failure to meet contractual requirements shall be given to the Contractor. The imposition of damages pursuant to this section is not in lieu of any other remedy available to Medicaid. Medicaid shall withhold from Contractor reimbursements the amounts necessary to satisfy any damages imposed.

GG. Choice of Law

The construction, interpretation, and enforcement of this contract shall be governed by the substantive contract law of the State of Alabama without regard to its conflict of laws provisions. In the event any provision of this contract is unenforceable as a matter of law, the remaining provisions will remain in full force and effect.

Appendix A: Proposal Compliance Checklist

NOTICE TO ENTITY:

It is highly encouraged that the following checklist be used to verify completeness of Proposal content. It is not required to submit this checklist with your proposal.

Entity Name

Project Director

Review Date

*Proposals for which **ALL** applicable items are marked by the Project Director are determined to be compliant for responsive proposals.*

<input checked="" type="checkbox"/> IF CORRECT	Mandatory PROPOSAL REQUIREMENTS
<input type="checkbox"/>	1. Entity's original proposal received on time at correct location.
<input type="checkbox"/>	2. Entity submitted the specified copies of proposal and in electronic format.
<input type="checkbox"/>	3. The Proposal includes a completed and signed RFP Cover Sheet.
<input type="checkbox"/>	4. The Proposal is a complete and independent document, with no references to external documents or resources.
<input type="checkbox"/>	5. Entity submitted signed acknowledgement of any and all addenda to RFP.
<input type="checkbox"/>	6. The Proposal includes written confirmation that the Entity understands and shall comply with all of the provisions of the RFP.
<input type="checkbox"/>	7. The Proposal includes a detailed description of the plan to implement networks as outlined in the request for proposal regarding each element listed in the scope of work.
<input type="checkbox"/>	8. The proposal includes documentation that the Entity is a 501 (c) (3) non-profit entity. The proposal must include a copy of the Non-Profit Articles of Incorporation, Bylaws and the exempt status letter from the Internal Revenue Service. If the Entity has not received its exempt status letter from the Internal Revenue Service by the date to submit its proposal, then in that event the Entity must submit its exempt status letter upon receipt from the Internal Revenue Service or within 6 months of the contract award date.

Appendix B Definitions

The following terms have the meaning stated for the purposes of this contract:

1. Clinical Directors - The PCNA leadership body in which each Network is represented by its Clinical Director. This body works with Alabama Medicaid in establishing PCNA clinical policy and providing clinical oversight for PCNA. The Clinical Directors may invite others to meet with them as needed.
2. Community Care Network (Network) – A non-profit community organization where private and public providers collaborate to serve a target population in a defined service area.
3. Covered Services – Services covered by Medicaid for Eligible Recipients which the Contractor agrees to coordinate pursuant to the terms of this contract.
4. Eligible Recipients – Persons eligible in the following Medicaid categories:
 - SOBRA eligible children
 - MLIF and MLIF related
 - Refugees
 - Aged/Blind/ Disabled
 - Infants of SSI Mothers
5. Enhanced Care Management Fee – The fee paid by Medicaid to the Contractor per enrollee per month, which shall be payment in full for the services described in Section II, Scope of Work, and provided by the Contractor. The Contractor shall submit to the State annual budget reports and shall be held accountable for appropriate administration of the care management fee.
6. Enrollee – A recipient who is assigned to a participating provider in the Network.
7. Medicaid Card – The eligibility card issued by Medicaid to recipients. Eligibility verification for the number on this card will identify the enrollee’s choice of a primary care provider in Patient1st, Medicaid’s managed care program that links enrollees with a personal doctor referred to as a Primary Medical Provider or PMP.
8. Medical Home - Name used to describe the location where enrollees can receive continuous, comprehensive and coordinated health and illness care supervised by a PMP.
9. Patient Care Networks of Alabama (PCNA)– A program established by the Alabama Medicaid Agency with the goal of improving health care quality, cost-effectiveness, and access. The Alabama Medicaid Agency has administrative oversight.

10. Participating Provider – Person or organization entering into a written agreement with the Network to deliver covered services to enrollees or a participating member of the Network.
11. Preventive Services – Services rendered to prevent or delay the onset of disease. Examples of preventive services include: (1) for adults: pap smears, vaccines for the prevention of pneumonia, diphtheria-tetanus, and influenza, mammograms, and (2) for children under 21 years: EPSDT screening and age-appropriate immunizations, urinalysis, lead screening, and hematocrit. The PCNA Program aims to implement targeted disease management activities, including preventive health maintenance.
12. Primary Medical Provider (PMP) – The participating Family Practitioners, General Practitioners, Pediatricians, Internists, OB/GYN, Federally Qualified Health Centers, or Rural Health Clinics selected by or assigned to the enrollee to provide and coordinate all of the enrollee’s covered services and to initiate and monitor referrals for specialized services when required.
13. Quality Improvement (QI)– The process of continuously finding ways to improve and provide better patient care and services, including assuring that health care services are appropriate, timely, accessible, medically necessary and high quality.
14. Risk Assessment – The process of evaluating the clinical and social risk factors which contribute to an enrollee’s need for health care and case management resources.
15. Service Area – The defined geographic area within which the Network and the Medicaid have agreed that the Network shall coordinate the provision of Covered Services needed by the Target Population through participating providers or referral arrangements.
16. Subcontractor – Any person or entity which has entered into a subcontract with the Network.
17. Target Population – Group of individuals enrolled, assigned, or otherwise contracted to be managed by the Network.

Appendix C Sample PMP Contract

PATIENT 1st of ALABAMA

***Template for an Agreement between the
Network's Administrative Entity and
Participating Providers in the Network***

THIS AGREEMENT is entered into as of _____ (date) between the _____ (Patient Care Networks of Alabama Administrative Entity), whose principal office is located in the City of _____, County of _____, State of Alabama, hereinafter referred to as the "Network" and

(Name of participating provider / practice)

located in the city of _____, county of _____, State of Alabama or _____, hereinafter referred to as the "Participant".

WHEREAS, the Network has entered into an agreement with the Alabama Medicaid Agency to participate in the Patient Care Networks of Alabama ; and

WHEREAS, The Patient Care Networks of Alabama is a program that is designed to build on Patient 1st by assisting local providers to develop organized care systems that coordinate the full continuum of care with processes to influence cost and quality of care; and

WHEREAS, the Participant employs or contracts for the services of health care providers duly licensed in the State of Alabama and wishes to participate and cooperate with the Network in the development and implementation of Medicaid care management initiatives that will positively impact the quality and cost of providing health care to Medicaid recipients.

NOW, THEREFORE, it is agreed between the Network and the Participant, as follows:

Section 1 – General Statement of Purpose and Intent

The Patient Care Networks of Alabama Program is a program that will involve building care management support systems, and implementing network development efforts. The Patient Care Networks of Alabama Program offers a fee-for-service model with an enhanced case management fee. Providers are expected to actively participate in network meetings and initiatives. The Patient Care Networks of Alabama Program is contracting with networks which have demonstrated the capacity to do the following for enrolled Medicaid recipients:

- develop a care management plan to meet budget, utilization, and performance targets;
- develop the care management systems needed to manage enrollee services;

- promote improved care management strategies, such as: disease management, authorization and referral processes, after hours protocols, and targeted care management;
- implement quality improvement initiatives (QI) and participate in program-wide QI activities, such as asthma, diabetes, and gastroenteritis disease management programs and pharmacy initiatives;
- focus on high cost and high risk Medicaid enrollees;
- provide primary care, referral and authorization of Medicaid services through a network of Alabama Patient 1st providers; and,
- assure the appropriate expenditure of the enhanced care management fees

This Agreement describes the terms and conditions under which the agreement is made and the responsibilities of the parties thereto.

Section 2 – General Statement of the Law

Alabama Patient 1st is a community-based care management plan implemented in accordance with Title XIX of the Social Security Act, and is subject to the provisions of Alabama Statutes and Alabama Administrative Regulations.

Section 3 – Functions and Duties of the Participant

The Participant agrees to do the following:

- 3.1 Cooperate with the Patient Care Networks of Alabama Program in the development and utilization of care management systems and tools for managing the care of Medicaid enrollees. Such cooperation shall include: attending meetings detailing initiatives, expectations, and performance, as requested by the network; assist in the development of a transitional care program; and the provision of clinical information necessary to establish effective care management processes for the provision of cost-effective and quality health care (subject to all applicable requirements regarding confidential medical information). At least one physician from a practice must attend the every two month, medical management meetings.
- 3.2 Comply with the policies and procedures developed by the Network's Medical Management Committee and / or Steering Committee that aim to effectively manage the quality, utilization, and cost of services, including but not limited to the following:
 - Inpatient admissions;
 - Emergency room visits;
 - Specialty and ancillary referrals;
 - Early detection and health promotion;
 - Chronic and high cost diseases (such as, asthma, COPD, CHF, and diabetes);
 - At risk patients; and
 - Pharmacy prescribing patterns.
- 3.3 Cooperate with the Network's patient risk assessment process to identify and track those Medicaid recipients that would most benefit from targeted care management and disease

management activities. Participate, as requested by the Network, in interdisciplinary teams to help manage and optimize patient care of those enrollees at highest risk and cost.

3.4 Authorize and coordinate with the Network care managers in carrying out the enhanced care management activities targeting Medicaid recipients enrolled with the Participant.

3.5 Participate in the implementation of Network approved care management plans for at-risk and/or high cost. These enrollees shall include but not be limited to patients identified with the following conditions:

- Asthma
- Diabetes
- High cost
- High utilization of services
- High pharmacy utilizers
- Chronic Care

3.6 Work in concert with the Network to do the following:

- develop specific strategies to address special needs of the Medicaid population;
- develop local referral processes and communications with specialists;
- promote enrollee's ability and confidence in their self management of chronic illness(es);
- develop plans to meet the Patient Care Networks of Alabama Program utilization and budget targets;
- evaluate and implement appropriate changes in service utilization; and,
- develop and refine Patient Care Networks of Alabama Program measures, utilization reports, management reports, quality improvement goals, and care management initiatives.

3.7 Nothing in this Agreement shall interfere with or supersede Participant's obligation to provide health care services to Medicaid recipients under separate agreement with the Alabama Medicaid Agency.

<p><i>Section Four – Duties and Responsibilities of the Patient Care Networks of Alabama Program Network</i></p>

The Network agrees to do the following:

4.1 Arrange payment by the Alabama Medicaid Agency to the Network's Administrative Entity of a monthly enhanced care management fee for each eligible recipient enrolled with the Network's participating providers to support the development of enhanced care management processes.

4.2 Provide training and technical assistance regarding the Patient Care Networks of Alabama Program when required.

4.3 Work with the Patient Care Networks of Alabama Program to:

- Provide the Participant with periodic utilization and cost reports.
- Gather and analyze data relating to service utilization by enrollees to determine whether Networks are meeting agreed upon program measures.

- 4.5 Arrange for the provision of monthly emergency room management reports on all emergency room visits by enrollees which were paid for during the previous month.
- 4.6 Work together with the Patient Care Networks of Alabama Program and other participating networks to:
- Build and demonstrate successful managed care support and reimbursement features.
 - Develop collaborative operation and support programs to improve the operation and efficiency of participating networks.
- 4.7 Establish a board/steering committee, a medical management committee, and oversee care management activities in concert with Participant.
- 4.8 Establish an ongoing process with community providers and other community agencies to coordinate the planning and provision of care management and other support services for enrollees needing those services.
- 4.9 Provide clinical and administrative leadership and technical support in collaboration with the Patient Care Networks of Alabama Program to design, develop, and implement new clinical and care management initiatives.
- 4.10 Work with the Project Director and in consultation with the Alabama Medicaid Agency, and the Patient 1st Advisory Council to pilot new approaches in managing the care of Medicaid recipients.

Section Five – General Terms and Conditions

- 5.1 **Audit:** The Patient Care Networks of Alabama Program and Network retains the right to periodically audit the Participant's information and records as may reasonably be necessary to review Participant performance relative to the Patient Care Networks of Alabama Program goals and objectives, and other reasonable, necessary and appropriate purposes during the term of this Agreement and in accordance with state and federal law.
- 5.2 **Non-Discrimination:** The Participant shall comply with all applicable federal and state laws which prohibit discrimination on the grounds of race, creed, sex, religion, national origin, or physical or mental handicap.
- 5.3 **Transfer of Agreement:** This Agreement may not be transferred.
- 5.4 **Contract Termination:** This Agreement may be terminated under the following conditions:
- 5.41 Automatically upon termination for any reason of the Agreement for Participation in the Patient Care Networks of Alabama Program dated as of _____, between the Patient Care Networks of Alabama Program and the _____; or
- 5.42 Upon the Participant's failure to comply with the Patient Care Networks of Alabama Program policies and procedures; or

5.43 By either party, with cause, upon at least thirty (30) days notice, in writing, and delivered by registered mail with return receipt requested or in person, except that a Participant may terminate participation effective only on the first day of each month; or

5.44 As to any health care provider employed or under contract by Participant, immediately upon a revocation of such employee's or contractor's license to practice medicine in the State of Alabama, a revocation of such employee's or contractor's enrollment as a participating provider under Title XIX (Medicaid) of the Social Security Act, and / or cancellation of such employee's or contractor's Liability Insurance; or

5.45 By mutual consent of both parties; or

5.46 By either party for any reason upon ninety (90) days written notice to the other party.

5.5 Supplements: No supplements, modifications or amendments of this Agreement will be binding unless executed in writing by both parties.

Section Six – Effective Date and Duration

This Agreement shall become effective on _____ and remain in effect until amended or terminated pursuant to the terms of this Agreement.

Section Seven – Signatories

Patient Care Networks of Alabama Program Network

(Signature – Authorized Official)

(Signature – Authorized Official)

(Title)

(Title)

(Date)

(Date)

(Mailing Address)

(Alabama Medicaid Provider Number)

Appendix D Statistics

NETWORKS	Aid Groups	Recipients
East Alabama	ABD	4378
	NON-ABD	17285
East Alabama	Sum:	21663

North Alabama	ABD	5135
	NON-ABD	24938
North Alabama	Sum:	30073

West Alabama	ABD	7305
	NON-ABD	21794
West Alabama	Sum:	29099

Appendix E PCNA Care Management Protocol

1. Standardization & Reporting:

Why is standardization important?

Patient Care Networks of Alabama (PCNA) are responsible for the delivery of targeted care management services that will improve quality of care while containing costs. This plan outlines the methods and standards by which care managers/coordinators and the PCNA program will be evaluated.

Who uses this tool?

Care managers and other staff who work with recipients who might benefit from care management interventions.

What is expected of the Care Manager and how is it measured?

The Care Managers in each PCNA network provide a variety of services in the form of population management and direct care management. PCNA is working dynamically with networks to establish priorities that identify recipients who are most likely to benefit from care management interventions. Once identified, recipients who agree to participate should have clear documentation of comprehensive health assessment, conditions/problems, interventions, goals and other care management activities recorded in the PCNA Care Plan and Medicaid's database to be made available.

PCNA staff will use the PCNA Care Plan to assess the impact of care management; therefore, it is *imperative* that care managers utilize the standardized processes defined in this plan to document their involvement with the individuals receiving care management services; and that, the documentation be consistent across PCNA networks.

For Reporting Outcomes - Patients are considered in "Active Care Management" who meet the following standards:

- All patients identified as **Heavy or Medium** during the reporting period who:
 - Have at least **one documented goal**
- **Have a current comprehensive health assessment** (*within the 12 month reporting period.*)
- Have at least **one documented task per week/month** (*frequency will depend on complexity of case.*)
- All patients identified as **Light** during the reporting period who:
 - Maintenance of stable conditions/problems and/or
 - Population Management Services, e.g., resolution of health care access issue or mailings directed at program initiatives/prevention, etc.
 - Minimum of at least 1 documented task per year (but not more than 2 per quarter)
 - Care Managers are required to schedule a pending task for all patients who have an "active care management" status.

Note: Where bulk tasks are used to implement population management the CM Database should record a task for each patient.

Patients who fall within the identified cohort will be followed for PCNA program evaluation / reporting. PCNA program staff will retrieve all medical and utilization outcomes data from the care management database and the Medicaid claims database. These data will then be analyzed for meaningful trends in quality and cost of care, e.g., best practice guidelines are being followed; clinical outcomes are reached such as reduction in HbA1c in patients with diabetes and/or changes in utilization patterns such as a reduction in number of visits to the ED. These are examples only with specific measures and goals to be determined by Medicaid and Network Clinical Management teams.

2. Implementation:

Network/Care Management Priorities (in order of importance):

- Hospital inpatient data identifying:
 - Aged, Blind, or Disabled (ABD) recipients who meet PCNA screening criteria
 - Non-ABD recipients who meet PCNA screening criteria and/or have admissions related to PCNA chronic disease management initiatives
- Referrals from PMP, ED or other community providers with screening criteria applied.
- ABD Data Report: Patients identified as meeting “priority” criteria
- ABD Data Report: Patients identified with a Hospital Readmit within 30 days
- ABD Data Report: Patients identified as meeting screening criteria
- Case ID Reports: Patients identified on diabetes, asthma, and children with special health care needs (CSHCN) reports

Network Directors or Designee:

- Meet with individual care managers to review the Protocol criteria for standardizing care management.
- Audit current case load using plan criteria.
- Assign new levels to each active case.
- Plan action steps for cases that do not meet the Protocol criteria and either assign to new level or defer.

The intent of the PCNA Care Management Standardization Protocol is to outline methods and standards for the care manager to follow in an effort to achieve the goals of improved quality of care and contained costs. These standards are not intended to preclude alternative needs for evaluation, referral and management of the patient based on clinical judgment.

3. Action Steps:

- Utilize targeted data and referrals, as defined in “Care Management Priorities” above, to begin the process of identifying patients who may benefit from care management and/or offer cost containment opportunities.
- During a brief/initial assessment period determine if the patient is a candidate for care management based on your ability to impact quality, utilization or cost; and/or patient’s willingness to participate.
 - Low ability to impact and/or patient unwilling to participate – assign patient case status “**deferred**,” and document reason in PCNA Care Plan in care management database.
 - Ability to Impact and/or patient willing to participate – proceed as below
- PCNA Screening Tool must be completed for all Chronic Care patients and documented in the PCNA Care Plan and the care management database. The PCNA Screening Tool must be appropriate for all complex patients. (*PCNA Screening Tool* to be identified/developed by Network Clinical Management Team in cooperation with Medicaid).
- Comprehensive Health Assessment (CHA) must be completed for patients who require care management at an intensity level (Care status) of Heavy or Medium (See **Intensity Levels** next page. *Comprehensive Health Assessment* tool to be utilized will be identified by Network Clinical Management Team in cooperation with Medicaid.)

Beginning with the CHA and/or PCNA Screening tool, applying the guidelines detailed above, the care management process is as follows:

- **Assess** clinical and social stability, ability to impact; and patient willingness to participate
- Identify and open **Conditions**
- Assign **Goals**
- Assign **Interventions and Tasks**
- Determine **Follow up/monitoring frequency**
- Assign Care Management **Status** (level of intensity)
- Document all continued care management activities, interventions, tasks, progress toward goals, etc., in PCNA Care Plan in care management database.
- Perform regular periodic status and goal reviews (in PCNA Care Plan) at **90** day intervals for all patients being care managed at **Heavy** and **Medium** intensity levels.

4. PCNA MEDICATION MANAGEMENT

The process of gathering, organizing and sharing, drug use information from multiple sources (including the patient, medical chart, prescription fill history, and discharge instructions) with community-based providers in order to identify and resolve urgent/emergent drug-drug duplications, interactions, possible adverse events, poor adherence or other suboptimal drug-taking behavior(s).

- A. MEDICATION LIST**
- B. MEDICATION RECONCILIATION**
- C. MEDICATION REVIEW (COMPREHENSIVE)**

A. MEDICATION LIST

WHO: This task may be performed by a Licensed Practical Nurse, non-nurse CM (Care Manager), certified pharmacy technician, or other personnel with adequate skill competency such as Community Health Worker (CHW) as determined by the Network in conjunction with the PCNA Pharmacy Program. While an RN-CM can perform this task, the intent is for other staff to complete this step of the medication management intervention.

- WHAT:**
1. Compile a set of medication lists by source, including but not limited to:
 - *a. Discharge instructions from hospital/facility if applicable
 - *b. PMP Chart/EMR
 - *c. Fill History (Pharmacy Home/"THE CARE MANAGEMENT DATABASE")
 - *d. Patient Report (non-clinical CMs can write down the list per patient report, as it is a necessary part of the information the RN or Pharmacist will need to do the next step in the process. This is not a Patient/Caregiver Interview - see B1 below).
 - e. Specialist(s) Chart(s)/EMR(s)
 - f. Home care-based service provider
 - g. Retail Pharmacy
 - h Over-the-counter/non-legend drugs, dietary/herbal supplements, etc. (may need to obtain this through Medication Reconciliation.
 2. Hand off list to RN-CM and/or Network Pharmacist for Medication Reconciliation and/or Medication Review.

B. MEDICATION RECONCILIATION *(This step must be completed for all patients being case managed at Heavy or Medium status, including all Transitional Care patients.)*

WHO: Optimally, this intervention should be performed by the Network Clinical Pharmacist. Network Leadership may delegate this intervention to those with professional degrees and/or licensed professionals who possess appropriate clinical training and adequate skill competency (unless excluded by their scope of practice as defined by their licensing entity). All medication reconciliations performed by a non Network Clinical Pharmacist must be approved by the Network Clinical Pharmacist.

WHAT:

1. Patient and/or Caregiver Interview takes place in the home, clinic, pharmacy, or via telephone, using the Medication List to enhance drug use information gathering. *Critical Med List sources are D/C instructions, PMP Chart, Fill History and Patient Report.
2. At a minimum, this is the process of identifying duplications and/or discrepancies between the medication

lists and other sources (e.g. fill history, patient interview, PMP chart) arising from uncoordinated care or patient non-adherence.

C. MEDICATION REVIEW – COMPREHENSIVE

WHO: Medication Review may be performed by the Network Clinical Pharmacist

WHAT: In-depth global review of the medication regimen and drug use history to identify complex problems. Review includes all aspects of medication management including: drug duplications, sub-optimal dosing, compliance, side effects, contraindications, interactions, allergies, adverse event identification, cost effectiveness, PDL compliance, and evidence-based recommendations. Process is initiated by referral from CM or PMP (not limited to transitional care.) Optimally, this intervention should be performed by the Network Clinical Pharmacist. Network Leadership may delegate this intervention to another pharmacist who possesses appropriate clinical training and adequate skill competency. All medication review performed by the non-Network Clinical Pharmacist must be approved by the Network Clinical Pharmacist.

The CM shall serve as a liaison between the PMP, pharmacist and patient/family as needed. The CM should be intricately linked to the Medical Home to effectively provide feedback and serve as a patient liaison.

5. Transitional Care Model / Real-Time Inpatient Referrals:

Following the guidelines detailed above, incorporate the following process guidelines for inpatient referrals. The interventions described in Transitional Care may also be appropriate for patients not in transition.

Three Components of the Transitional Care Model:

Medication Management Patient Self-Management Notebook / Patient Education Follow-Up Calls and Contact

- COMPONENT ONE: PCNA MEDICATION MANAGEMENT (refer to Medication Management section of this document)
- COMPONENT TWO: PATIENT SELF-MANAGEMENT NOTEBOOK / PATIENT EDUCATION

Provide individualized patient education and assist the patient with implementation of the Self-Management Notebook;
document overall content of education, i.e., side effects of med and when to report, and include name of PCNA Patient
Education tool if used along with patient's response to teaching. Include Red Flags, which facilitate education about symptoms that indicate the patient's conditions are poorly controlled or getting worse, and what to do when this occurs, i.e., when to call the doctor.

- COMPONENT THREE: FOLLOW-UP CALLS AND CONTACT

Facilitate and provide advocacy for the patient to complete post-inpatient follow-up appointments with the PMP and Specialty Providers as indicated and to link patient with appropriate services

Documentation of the Transitional Care Process begins with your identification of the Referral Source "Hospital."

The following documentation is required for each patient:

- 1) When you begin the Transitional Care process: Document the Intervention "Transitional Care" one time.
- 2) As you continue to work through the Transitional Care Model be certain to document the interventions named above as you accomplish them.

6. INTENSITY LEVELS:

Intensity levels define the level of care management needs for THE PATIENT and must reflect direct service with the patient. Activities not directly related to a patient centered intervention, i.e., tasks related to engaging the patient, SHOULD NOT be counted toward intensity level requirements. Look ups or calls to verify eligibility DO NOT count as care management and should not be billed as such. Tasks such as calls to locate the patient, verification of eligibility, etc. should be designated whenever possible to clerical or administrative staff and are not billable as CM services.

- Intense Care Management – “Heavy”
 - Potential to impact quality, cost and/or utilization with patient’s engagement / willingness to participate.
 - Completed the Comprehensive Health Assessment
 - Completed Medication Reconciliation/Review
 - At least 1 documented goal in place with at least 1 or more documented and completed task per week.
- Intense Care Management – “Medium”
 - Potential to impact quality, cost and/or utilization with patient’s willingness to participate
 - Completed the Comprehensive Health Assessment
 - Completed Medication Reconciliation/Review
 - At least 1 documented goal in place with at least 1, or more, documented and completed tasks per month, but less than 1 per week
- Care Management-“Light” (Patient Maintenance)
 - Maintenance of stable conditions/problems and/or
 - Population Management Services, e.g., resolution of health care access issue or mailings directed at program initiatives/prevention, etc.
 - Minimum of at least 1 documented task per year (but not more than 2 per quarter)
 - Care Managers are required to schedule a pending task for all patients who have an “active care management” status.
Note: Where bulk tasks are used to implement population management the CM Database should record a task for each patient.
- Care Management –“ Pending”
 - Period when newly identified patients are being screened and assessed to determine level of Care Management required.
 - Pending Status should not be used for more than 30 days. If no decision as to CM needs have been determined within this time frame, the patient’s status must be changed to “deferred.”
- “Deferred”: *(Following an initial patient review/assessment, it is appropriate to defer patients for the following reasons:)*
 - Patient is stable/well-linked/No care management needs at this time *(Patient has not previously received care management or is no longer receiving services.)*

- Patient has refused services
- Unable to Contact (at least 3 documented attempts)
- Rolled-off
- Current needs have been met (*Issues for patient have been resolved and you are no longer*

providing

care management services.)

- Deceased
- Not appropriate for care management (institutionalized, severe cognitive impairment)
- PMP Recommended Deferral
- Patient is non adherent to care plan or established goals
- Patient is likely not impactable due to severity of disease state
- Does not meet PCNA Screening criteria

Appendix F: Contract and Attachments

The following are the documents that must be signed **AFTER** contract award and prior to the meeting of the Legislative Contract Oversight Committee Meeting.

Sample Contract

Attachment A: Business Associate Agreement

Attachment B: Contract Review Report for Submission to Oversight Committee

Attachment C: Immigration Status

Attachment D: Disclosure Statement

Attachment E: Letter Regarding Reporting to Ethics Commission

Attachment F: Instructions for Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Sample Contract

KNOW ALL MEN BY THESE PRESENTS, that the Alabama Medicaid Agency, an Agency of the State of Alabama, and the undersigned Contractor agree as follows:

Contractor shall furnish all labor, equipment, and materials and perform all of the work required under the Request for Proposal (RFP) Number 2010-PCNA-01, dated February 1, 2011, strictly in accordance with the requirements thereof and Contractor's response thereto.

Contractor shall be compensated for performance under this contract in accordance with the provisions of Part IX, Section AA.

This contract specifically incorporates by reference the said RFP, any attachments and amendments thereto, and Contractor's response, including all attachments.

CONTRACTOR

ALABAMA MEDICAID AGENCY
This contract has been reviewed
for and is approved as to content.

Commissioner

Date Signed

Date Signed

Printed Name

This contract has been reviewed for
legal form and complies with all
applicable laws, rules and regulations of
the State of Alabama governing these
matters.

Title

Medicaid Legal Counsel

APPROVED

Governor, State of Alabama

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 an entity 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: _____

Contract Review Permanent Legislative Oversight Committee
Alabama State House
Montgomery, Alabama 36130

CONTRACT REVIEW REPORT
(Separate review report required for each contract)

Name of State Agency: Alabama Medicaid Agency

Name of Contractor: _____

Contractor's Physical Street Address(No. P.O. Box) _____ City _____ State/Zip _____

Is Contractor Registered with Alabama Secretary of State to do Business as a Corporation in Alabama?
YES _____ NO _____ If Yes, in what State is Contractor Incorporated? _____

Is Act 2001-955 Disclosure Form Included with this Contract? YES _____ NO _____

Was a Lobbyist/Consultant Used to Secure this Contract? YES _____ NO _____

If Yes, Give Name: _____

Contract Number: _____

Contract/Amendment Total: _____

% of State Funds: _____ % of Federal Funds: _____ % Other Funds: _____ **

**Please Specify source of Other Funds (Fees, Grants, etc.) _____

Date Contract Effective: _____ Date Contract Ends: _____

Type of Contract: NEW: _____ RENEWAL: _____ AMENDMENT: _____

If renewal, was it originally Bid? Yes _____ No _____

If AMENDMENT, Complete A through C:

[A] Original contract total \$ _____

[B] Amended total prior to this amendment \$ _____

[C] Amended total after this amendment \$ _____

Was Contract secured through Bid Process? Yes ___ No ___ Was lowest Bid accepted? Yes ___ No ___

Was Contract secured through RFP Process? Yes ___ No ___ Date RFP was awarded _____

Summary of Contract Services to be Provided:

Why Contract Necessary AND why this service cannot be performed by merit employee:

I certify that the above information is correct.

Signature of Agency Head

Signature of Contractor

Printed Name

Printed Name

Agency Contact: _____

Phone: _____

If this contract was not competitively Bid, explain why not:

If this contract was not competitively Bid because the contractor is a sole source provider, please explain who made the sole source determination and on what basis:

If contract was awarded by RFP, what process was used, was it competitive, how many entities were contacted, and how many proposals were received:

If this contract was awarded by RFP, was it awarded to the person or company with the lowest monetary proposal? If not, explain why not:

If this contract was awarded by RFP, how and by whom were the proposals evaluated?

If this contract was not awarded through either Bid or RFP process, explain why not:

If this contract was not awarded through either Bid or RFP process, how was it awarded?

Did agency attempt to hire a State Employee? If so who from the State Personnel Department did you talk to?

How many additional contracts does contractor have with the State of Alabama and which agencies are they with?

Commissioner

IMMIGRATION STATUS

I hereby attest that all workers on this project are either citizens of the United States or are in a proper and legal immigration status that authorizes them to be employed for pay within the United States.

Signature of Contractor

Witness



State of Alabama Disclosure Statement

(Required by Act 2001-955)

ENTITY COMPLETING FORM

ADDRESS

CITY, STATE, ZIP

TELEPHONE NUMBER

()

STATE AGENCY/DEPARTMENT THAT WILL RECEIVE GOODS, SERVICES, OR IS RESPONSIBLE FOR GRANT AWARD

Alabama Medicaid Agency

ADDRESS

501 Dexter Avenue, PO Box 5624

CITY, STATE, ZIP

Montgomery, Alabama 36103-5624

TELEPHONE NUMBER

(334)242-5833

This form is provided with:

Contract

Proposal

Request for Proposal

Invitation to Bid

Grant Proposal

Have you or any of your partners, divisions, or any related business units previously performed work or provided goods to any State Agency/Department in the current or last fiscal year?

Yes

No

If yes, identify below the State Agency/Department that received the goods or services, the type(s) of goods or services previously provided, and the amount received for the provision of such goods or services.

STATE AGENCY/DEPARTMENT

TYPE OF GOODS/SERVICES

AMOUNT RECEIVED

Have you or any of your partners, divisions, or any related business units previously applied and received any grants from any State Agency/Department in the current or last fiscal year?

Yes

No

If yes, identify the State Agency/Department that awarded the grant, the date such grant was awarded, and the amount of the grant.

STATE AGENCY/DEPARTMENT

DATE GRANT AWARDED

AMOUNT OF GRANT

1. List below the name(s) and address(es) of all public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF PUBLIC OFFICIAL/EMPLOYEE

ADDRESS

STATE DEPARTMENT/AGENCY

2. List below the name(s) and address(es) of all family members of public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the public officials/public employees and State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF FAMILY MEMBER	ADDRESS	NAME OF PUBLIC OFFICIAL / PUBLIC EMPLOYEE	STATE DEPARTMENT / AGENCY WHERE EMPLOYED

If you identified individuals in items one and/or two above, describe in detail below the direct financial benefit to be gained by the public officials, public employees, and/or their family members as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

Describe in detail below any indirect financial benefits to be gained by any public official, public employee, and/or family members of the public official or public employee as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

List below the name(s) and address(es) of all paid consultants and/or lobbyists utilized to obtain the contract, proposal, request for proposal, invitation to bid, or grant proposal:

NAME OF PAID CONSULTANT/LOBBYIST	ADDRESS

By signing below, I certify under oath and penalty of perjury that all statements on or attached to this form are true and correct to the best of my knowledge. I further understand that a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed \$10,000.00, is applied for knowingly providing incorrect or misleading information.

Signature Date

Notary's Signature Date Date Notary Expires

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.



BOB RILEY
Governor

Alabama Medicaid Agency

501 Dexter Avenue
P.O. Box 5624
Montgomery, Alabama 36103-5624

www.medicaid.alabama.gov
e-mail: almedicaid@medicaid.alabama.gov
Telecommunication for the Deaf: 1-800-253-0799
334-242-5000 1-800-362-1504



CAROL H. STECKEL, MPH
Commissioner

January 1, 2007

MEMORANDUM

TO: All Persons Under Contract With the Agency and All Agency Staff

FROM: Carol H. Steckel, MPH
Commissioner

SUBJECT: Reporting to Ethics Commission by Persons Related to Agency Employees

Section 36-25-16(b) Code of Alabama (1975) provides that anyone who enters into a contract with a state agency for the sale of goods or services exceeding \$7500 shall report to the State Ethics Commission the names of any adult child, parent, spouse, brother or sister employed by the agency.

Please review your situation for applicability of this statute. The address of the Alabama Ethics Commission is:

100 North Union Street
RSA Union Bldg.
Montgomery, Alabama 36104

A copy of the statute is reproduced below for your information. If you have any questions, please feel free to contact Bill Butler, Agency General Counsel, at 242-5741.

Section 36-25-16. Reports by persons who are related to public officials or public employees and who represent persons before regulatory body or contract with state.

- (a) When any citizen of the state or business with which he or she is associated represents for a fee any person before a regulatory body of the executive branch, he or she shall report to the commission the name of any adult child, parent, spouse, brother, or sister who is a public official or a public employee of that regulatory body of the executive branch.
- (b) When any citizen of the State or business with which the person is associated enters into a contract for the sale of goods or services to the State of Alabama or any of its agencies or any county or municipality and any of their respective agencies in amounts exceeding seven thousand five hundred dollars (\$7500) he or she shall report to the commission the names of any adult child, parent, spouse, brother, or sister who is a public official or public employee of the agency or department with whom the contract is made.
- (c) This section shall not apply to any contract for the sale of goods or services awarded through a process of public notice and competitive bidding.
- (d) Each regulatory body of the executive branch, or any agency of the State of Alabama shall be responsible for notifying citizens affected by this chapter of the requirements of this section. (Acts 1973, No. 1056, p. 1699, §15; Acts 1975, No. 130, §1; Acts 1995, No. 95-194, p. 269, §1.)

Our Mission - to provide an efficient and effective system of financing health care for our beneficiaries.

**Instructions for Certification Regarding Debarment, Suspension,
Ineligibility and Voluntary Exclusion**

(Derived from Appendix B to 45 CFR Part 76--Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions)

1. By signing and submitting this contract, the prospective lower tier participant is providing the certification set out therein.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this contract was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Alabama Medicaid Agency (the Agency) may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the Agency if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, and voluntarily excluded, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this contract is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this contract that, should the contract be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this contract that it will include this certification clause without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Agency may pursue available remedies, including suspension and/or debarment.