



**REQUEST-FOR-PROPOSALS
(RFP)**

- FOR -

CHRONIC CARE MANAGEMENT PROGRAM

1) INTERVENTION SERVICES

And

2) HEALTH RISK ASSESSMENT ADMINISTRATION

Date of Issuance: October 5, 2006

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AGENCY OF HUMAN SERVICES
OFFICE OF VERMONT HEALTH ACCESS**

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**SECTION 1: INTRODUCTION and REQUEST FOR PROPOSAL (RFP)
INFORMATION**

1.1 INTRODUCTION

The State of Vermont (“State”), Agency of Human Services (AHS), Office of Vermont Health Access (OVHA), is issuing this Request for Proposals (RFP) to procure two types of services under the OVHA’s Chronic Care Management Program (CCMP) umbrella:

Intervention Services (IVS)
Health Risk Assessment Administration (HRA)

The following indicates the anticipated contract periods:

Implementation: March 1, 2007 - June 30, 2007

Operations: July 1, 2007 – January 31, 2011

At the discretion of the State, there may also be an additional one (1) year extension beyond January 31, 2011.

1.2 ORGANIZATION OF THIS RFP

This Request for Proposals (RFP) is organized into the following sections:

Section 1: Introduction and Request for Proposal (RFP) Information

Section 2: Background

Section 3: General Procurement Information

Section 4: Intervention Services (IVS) Procurement Specifics

Section 5: Health Risk Assessment Administration (HRA) Procurement Specifics

Section 6: General Proposal Submission Requirements

Section 7: Narrative Proposal Requirements

Section 8: Cost Proposal Requirements

Section 9: Contract Information with Terms and Conditions

Appendix 1: Acronyms and Terms

Appendix 2: Chronic Care Management Program Legislation

Appendix 3: Contract Attachment C: Customary State Contract Provisions

Appendix 4: Contract Attachment E: Business Associates Agreement

Appendix 5: Contract Attachment F: AHS Rule 96-23

Appendix 6: Vermont Tax Certification

1.2.1 All Sections

Unless otherwise indicated, all sections of this RFP pertain to both types of bidders (i.e., bidders submitting proposals pertinent to Intervention Services and bidders submitting proposals pertinent to the Health Risk Assessment Administration).

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1.2.2 Sections Specific to Intervention Services (IVS)

Sections of this RFP which are only pertinent to bidders submitting proposals pertinent to Intervention Services are signified with an IVS.

1.2.3 Sections Specific to Health Risk Assessment Administration (HRA)

Sections of this RFP which are only pertinent to bidders submitting proposals related to Health Risk Assessment Administration are signified with an HRA.

1.3 RFP CORRECTIONS AND CHANGES

The State reserves the right to:

Modify any date or deadline appearing in this RFP.

Issue clarification notices, addenda, alternative RFP instructions, forms, and/or other relevant documentation.

Waive any RFP requirement or instruction for all bidders if the State determines that the requirement or instruction was unnecessary, erroneous, or unreasonable.

Extend the proposal submission deadline.

Overlook or correct any clerical or mathematical errors occurring in this RFP.

Bidders shall notify the State *immediately* to report a known or suspected problem with this RFP. Bidders who fail to report a known or suspected problem with this RFP shall submit a proposal at their own risk.

1.4 ACCURACY OF STATISTICAL DATA

All statistical data included in this RFP represent the best and most accurate information available to the State at the time of RFP preparation. The State, however, disclaims any responsibility for the inaccuracy of such data and should any element of such data later be discovered to be inaccurate, such inaccuracy shall not constitute a basis for contract rejection by any bidder. Neither shall such inaccuracy constitute a basis for renegotiation of any payment rate after contract award.

1.5 TITLES NOT CONTROLLING

Section titles are used for the purpose of facilitating ease of reference only and shall not be construed to infer a contractual construction of language.

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SECTION 2: BACKGROUND

2.1 GENERAL MEDICAID

In July 1965, as amendments to the Social Security Act of 1935, Title XVIII established the Medicare program, and Title XIX established the state-option medical assistance program known as Medicaid, providing Federal matching funds to states implementing a single, comprehensive medical care program.

Modifications to the Medicaid program continually occur due to Federal and State legislation, agency and departmental regulations, and other efforts to improve the program. Bidders should be aware that the planned and orderly implementation of applicable provisions of all Federal and State legislation and regulations may need to occur during the term of the contract.

2.2 VERMONT MEDICAID

The Agency of Human Services (AHS) is the single State agency for Federal Medicaid payments made to the State of Vermont. Managerially, the Medicaid program is delegated to the Office of Vermont Health Access (OVHA).

Other departments within AHS also participate in Medicaid program service delivery, policy definition, and cost-sharing. The involvement of these other departments varies from management of Waiver programs to delivery of case management services, and from a focus on certain provider types and recipient populations to responsibility for Federal reporting and nursing home rate-setting.

The State of Vermont carried out a broad-based reform of its Medicaid program in 1995, through implementation of a Section 1115(a) Research and Demonstration Waiver, called the Vermont Health Access Plan, or VHAP. Under the VHAP Waiver, traditional Medicaid beneficiaries were enrolled on a mandatory basis in managed care, and the resulting savings were used to provide coverage to two expansion populations – uninsured adults with incomes up to 150% of the Federal Poverty Level (FPL) and parents and caretaker relatives up to 185% of FPL who are provided a medical benefit, and elderly or disabled Vermonters with incomes up to 175% of FPL who were provided a pharmacy benefit. Although the State contracted with commercial managed care plans for medical benefit coverage in the early years of the demonstration VHAP Waiver, all beneficiaries who are required to enroll in managed care are now enrolled in a State-operated primary care case management program (PCCM) called *PC Plus*.

The AHS website (with links to AHS departments) can be accessed at:
<http://humanservices.vermont.gov/>

The AHS organizational chart can be accessed at:
<http://humanservices.vermont.gov/publications/ahs-organizational-chart>

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2.3 OFFICE OF VERMONT HEALTH ACCESS (OVHA)

The OVHA is the State office responsible for the management of Medicaid, the State Children's Health Insurance Program (SCHIP), and other publicly funded health insurance programs in Vermont. The OVHA is the largest insurer in Vermont in terms of dollars spent and the second largest insurer in terms of covered lives.

The mission of the OVHA is to:

Assist beneficiaries in accessing clinically appropriate health services.

Administer Vermont's public health insurance system efficiently and effectively.

Collaborate with other health care system entities in bringing evidence based practices to Vermont Medicaid beneficiaries.

The OVHA website can be accessed at: <http://www.ovha.state.vt.us/>

The OVHA's Budget Document for State Fiscal Year (SFY) 2007 ("OVHA Budget Document for SFY 2007") can be accessed at: <http://www.ovha.state.vt.us/>

Bidders are strongly encouraged to review pages 5-19 of the OVHA's Budget Document for "Fast Facts" and "Program Descriptions".

2.3.1 Fiscal Agent and Claims Processing

The OVHA contracts with Electronic Data Systems (EDS) to operate and maintain the State's Medicaid Management Information System (MMIS). The State's MMIS was implemented in 1986 as a Fiscal Agent full service contract. At that time, its primary function was limited to processing claims for Medicaid medical services. During the 1992 MMIS re-bid, the MMIS continued with the Fiscal Agent Model with the addition of functionality such as user-directed query capabilities.

The MMIS continues to advance with claims processing for State-funded Waivers programs, general assistance (GA) and State-supported public/mental health programs. In 2001, the processing of pharmacy claims was transferred to the Pharmacy Benefit Management (PBM) vendor. The PBM vendor sends drug transactions records to EDS for processing payments to pharmacy providers. The current MMIS has been modified to accommodate changes in Federal eligibility and program coverage, claims processing and reporting requirements, and changes in the State regulations.

EDS currently operates the existing MMIS (i.e., claims processing, reference, provider, fiscal management, and report subsystems) and is also responsible for HIPAA transaction standards, system maintenance, and designing and implementing modifications and enhancements as directed and approved by OVHA.

The MMIS:

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- a. Receives:
 - And processes medical claims and drug transactions records.
 - Transactions and transmits beneficiary data to ACCESS (eligibility determination system)
- b. Maintains:
 - Edits and audits used in claims processing.
 - All paid, denied, and adjusted claims history.
 - Demographics, eligibility, third-party insurance, and lock-in information on Medicaid beneficiaries.
 - Enrollment, certifications/licensing, medical practice, and restricted practice information on Medicaid providers.
 - Procedure codes, diagnosis codes, National Drug Codes (NDC), third-party insurance carrier information, and price tables.
- c. Calculates payment for billed provider services.
- d. Tracks and counts the number of claims paid, adjusted, suspended, and denied as well as the costs associated with these activities.
- e. Tracks the number, type and disposition of provider calls.
- f. Produces:
 - Daily, weekly, monthly, quarterly and annual reports for monitoring and documenting claims processing activities.
 - Weekly remittance advices to inform providers about the status of their claims (paid, denied, or suspended) and any accounts receivable balance they may have.
 - Annual 1099 Income tax form for paid providers.
- g. Initiates electronic transfers (EFT) to provider accounts, and as appropriate, produces checks to pay providers.
- h. Shares information with State agencies and departments and other contracted vendors.

Approximately 85% of claims are submitted electronically. The provider community utilizes online adjudication of claims and real time notification that claims were received, accepted, processed, and adjudicated where available.

Provider Services and Claims Information can be accessed at:

<http://www.ovha.state.vt.us/Providers.cfm>

<http://www.vtmedicaid.com/>

2.3.2 Member Services

The OVHA contracts with MAXIMUS for member services. Since 1995, the OVHA and MAXIMUS have collaborated to develop work plans, policies, procedures and systems to provide outreach, enrollment activities and member services to Medicaid beneficiaries.

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MAXIMUS provides helpline operations, outreach and education to potential enrollees, and assistance to those inquiring about Medicaid health programs.

Statewide outreach and educational activities include the dissemination of eligibility, enrollment and health benefits/program, Helpline, and Health Care Ombudsman Office information to beneficiaries and the general public.

MAXIMUS's member services activities support and assist members. These activities include assistance in resolving billing issues, understanding notice letters from the State, answering questions regarding premium payments and status or explanation of prior authorization, and education of beneficiaries on other available services.

2.3.3 Pharmacy Benefit Administrator (PBA)

The OVHA contracts with the Pharmacy Benefit Administrator (PBA), MedMetrics Health Partners. The PBA has established a RetroDUR (Retrospective Drug Utilization Review) Program. This program provides information to OVHA which assists in the identification of patterns of inappropriate prescribing and/or medication use, alerts physicians to potential drug therapy problems and makes recommendations to avoid drug therapy problems. The goal of the Vermont Medicaid RetroDUR Program is to promote appropriate prescribing and use of medications and is the shared responsibility of MedMetrics Health Partners and the Vermont DUR Board. Monthly, specific drug classes are targeted for review under the program.

Pharmacy Benefits Program information can be accessed at:

<http://www.ovha.state.vt.us/PharmBeneHome.cfm>

2.3.5 Consulting Services for Population Selection and Program Monitoring

The State is in the process of procuring consulting services for population selection and program monitoring for the State's Medicaid Chronic Care Management Program (CCMP) including the Care Coordination (CC) Program; the Scope of Work requirements are informational to this RFP.

The Consulting Services for Population Selection and Program Monitoring RFP can be accessed at: <http://www.vermontbusinessregistry.com/Bid.asp?s=Detail&BidID=4077>

2.4 GLOBAL COMMITMENT TO HEALTH WAIVER

During the fall of 2005, the State received approval from the Centers for Medicare and Medicaid Services (CMS) for a Section 1115 Medicaid Waiver known as "Global Commitment to Health Waiver". The Waiver allows the State to fundamentally restructure the Medicaid program and imposes a cap on the amount of federal funding available for acute care services for the Medicaid population. The State exchanged the

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risk of operating under a capped funding arrangement for the opportunity to use federal Medicaid funds for non-Medicaid health programs.

The goals of the Waiver include:

1. Financial and programmatic flexibility to help maintain public health care coverage and provide for more effective services.
2. To lead in exploring new ways to reduce the number of uninsured.
3. Foster innovation within health care by focusing on health care outcomes.

The five-year Waiver term began effective October, 2005, and allows the State to deviate from traditional federal Medicaid law and regulations in the following key ways:

1. Imposes a global cap on federal funds.
2. Establishes the State as a managed care organization.
3. Allows the State to use federal Medicaid funds for state fiscal relief and non-Medicaid health programs.
4. Provides flexibility to reduce benefits, increase cost sharing, and limit enrollment for optional and expansion populations with some limits.

Within the AHS, the Waiver will allow cross-departmental initiatives to obtain the greatest value from scarce health care dollars. The flexibility of the Waiver allows the State to effectively manage public resources, provide the tools necessary to make health care programs fiscally sustainable, and improve the Vermont health care system.

Under the Global Commitment to Health Waiver, the OVHA is a Managed Care Organization (MCO), and must meet rules for Medicaid MCOs. The OVHA has intergovernmental agreements (IGAs) with the AHS and AHS departments that make them part of the MCO within the framework of the Global Commitment to Health Waiver. The State desires to use the Global Commitment to Health Waiver flexibility to integrate a Chronic Care Management Program (CCMP) into a system of care that can be used to benefit Medicaid beneficiaries, providers, and the OVHA.

Global Commitment to Health Waiver documents can be accessed at:

<http://www.ovha.state.vt.us/globalhome.cfm>

At a minimum, bidders are strongly encouraged to review the following Global Commitment to Health Waiver documents that are posted at the above-cited website:
State of Vermont Global Commitment to Health Waiver: Program Summary - January 2006 power point presentation

Formal acceptance of the Special Terms and Conditions (STCs) of the recently approved Global Commitment to Health Section 1115 Demonstration - 12/15/05

What is Global Commitment and why do we need it? This document provides an easy to understand summary of the current initiative. November 2005

Final Federal Terms and Conditions for Global Commitment to Health 1115 Medicaid Waiver, September 28, 2005

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2.5 BLUEPRINT FOR HEALTH

Under Act 191, the Legislature endorses the “Blueprint for Health” chronic condition prevention and management initiative, which includes all Vermont health care payers including Medicaid, as the foundation for CCM Programs and Care Coordination.

The “Blueprint for Health” is defined as the State’s plan for chronic care infrastructure, prevention of chronic conditions, and chronic care management program, and includes an integrated approach to patient self-management, community development, health care system and professional practice change, and information technology initiatives.

2.5.1 Vision

Vermont will have a statewide system of care that improves the lives of individuals with and at risk for chronic conditions. To achieve this vision, the Blueprint will:

1. Utilize the Chronic Care Model as the framework for system change;
2. Utilize a public-private partnership to facilitate and assure sustainability of the new system of care;
3. Facilitate alignment of Blueprint priorities and projects with other statewide health care reform initiatives.

2.5.2 Goals

The Blueprint for Health is based largely on the Chronic Care Model and includes the following components. Close coordination or integration among components services is viewed as essential to the success of the new system of care.

1. ***Provider practice:*** *Improve the quality of care / increase the proportion of patients receiving care consistent with evidence-based standards.* Health care providers receive training on the Blueprint chronic care model, clinical Microsystems and the use of clinical registries to manage their panel of patients according to standards. As Blueprint participating providers they are expected to provide evidence based care, enter data into, and use, the registry; and modify office practices as needed to effect these changes, all of which involve training of healthcare personnel and office staff. Currently the costs associated with these changes are borne primarily by the providers or their employer organization. Small grants from the State encourage participation, but are inadequate for sustainability or spread.
2. ***Patient self-management:*** *Vermonters will have the knowledge, skills and supports to be effective managers of their own health.* Most self-management education focuses on improving knowledge about the condition and what people should do to manage it. The Blueprint is offering the “Healthier Living” workshop to help people to develop the skills and confidence to put that information into practice. It is intended as a supplement to disease specific education such as the ADA “Living with Diabetes” program. The program was developed and tested at Stanford University and found to

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be effective in improving and maintaining self-care skills and reducing health care costs among people with a variety of chronic conditions.

3. **Community activation and support:** *Vermonters will live in communities that support healthy lifestyles.* Communities provide social support and guide social norms for behavior and lifestyle. The availability of community resources and policies that support healthy behaviors can therefore have great influence on the health of the population. The Blueprint is focusing first on promoting physical activity through the development of walking programs, facilitating improvements to the built environment and advocacy for local policies that support physical activity. Such strategies have proven effective in many areas such as reducing tobacco use and increasing the use of personal protective equipment. Communities include worksites, schools, faith organizations and social groups as well as geographic or municipal entities.
4. **Information technology:** *Vermont will have a Chronic Care Information System (CCIS) that supports statewide implementation of the Blueprint for both individual and population-based care management.* The Blueprint has entered into agreements with the Vermont Information Technology Leaders (VITL) for data services and with Orion Health Systems for the chronic disease registry to be deployed to physician's offices statewide. Populating the registry automatically with data available in electronic format is essential to provider participation and use. Health plan data is essential to ensure completeness and accuracy of the information in the registry and evaluate Blueprint outcomes.
5. **Health System Design:** *Vermonters will be served by a health care system that invests in and recognizes quality.* The Health System component addresses the question of sustainable financial support of Blueprint initiatives and consistent guidelines for delivery of quality healthcare. Specific topics include the development of common performance metrics across payers, investigation of "Pay-for-Performance" programs, and identifying payment systems for patient education (self management as well as other types), and those that may involve alternative financing models engaging large employers, the business community and OVHA. Vermont Health Plans have an essential role in shaping the course of action and ensuring implementation.
6. **Prevention:** *Reduce the prevalence of chronic conditions.* Prevention of chronic conditions will be included in the revised strategic plan. It is expected that it will address prevention of obesity, early intervention for hypertension and hypercholesterolemia, immunization and other prevention services.
7. **Spread:** *The Blueprint will be implemented statewide by January 1, 2009.* The Blueprint started implementation in summer 2005 with two communities and approximately 30 primary care practices addressing diabetes care. In 2006, four more communities have been added for full implementation and the self-management and community services are being offered statewide. Hypercholesterolemia and

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hypertension will be added to the list of conditions during the year. Additional communities and conditions, including prevention services, will be added incrementally to achieve the statewide goal.

8. **Health outcomes:** *Health status and quality of life of Vermonters with chronic conditions will improve.* As the multiple components of the Blueprint take effect and the program is expanded to include multiple chronic conditions, health outcomes will improve.
9. **Cost:** *The cost of caring for Vermonters with chronic conditions will moderate.* It is anticipated that as the multiple components of the Blueprint take effect and the program expands statewide and encompasses multiple chronic conditions, costs will begin to moderate.

Bidders are strongly encouraged to access the following websites and/or review the documents:

- Blueprint Strategic Plan: <http://healthvermont.gov/prevent/blueprint/docs/Blueprint-plan.pdf>
- Legislative Report: <http://healthvermont.gov/prevent/blueprint/docs/legislative-report-2006.pdf>
- Chronic Care Model: <http://www.improvingchroniccare.org/change/model/components.html>

2.6 OVHA's CHRONIC CARE MANAGEMENT PROGRAM (CCMP)

As indicated in the *Global Commitment to Health Waiver* section, the State desires to use the Global Commitment to Health Waiver flexibility to integrate a Chronic Care Management Program (CCMP) into a system of care that can be used to benefit Medicaid beneficiaries, providers, and the OVHA. In addition to the Global Commitment to Health Waiver, the State's commitment to a CCMP is supported by legislation (Act 191) which specifically authorizes a CCMP. The purpose of the CCMP is to improve health outcomes and reduce costs for Medicaid beneficiaries with chronic health conditions.

The OVHA estimates that approximately 116,000 beneficiaries who are not eligible for both Medicaid and Medicare (i.e., dually eligible), are potentially eligible for the CCMP. Medicaid beneficiaries specifically targeted for enrollment in the CCMP are not dually-eligible and have at least one chronic condition including, but not limited to: arthritis, asthma, COPD, chronic renal failure, CHF, depression, diabetes, hyperlipidemia, hypertension, ischemic heart disease, or low back pain. The OVHA estimates that there are approximately 25,000 beneficiaries with at least one of the above-cited diagnoses.

Reference Appendix 2 of this RFP for the specific sections of legislation authorizing a CCMP. The complete legislation can be accessed at:

<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/acts/ACT191.HTM>

Bidders are strongly encouraged to review the complete legislation.

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2.6.1 OVHA's Care Coordination (CC) Program

The OVHA's Care Coordination (CC) Program is a specialized program included under the OVHA's CCMP umbrella. The OVHA's CC Program has two specific goals: 1) to facilitate the patient-provider relationship by offering services that assist primary care practices in tending to the intricate medical and social needs of Medicaid beneficiaries without increasing the administrative burden; and 2) to support providers by assisting their patients to access clinically appropriate health services efficiently and effectively, identifying gaps and/or duplication of services their providers may not be aware of.

The foundation for the OVHA's CC Program is the desire for Vermonters to help other Vermonters. As supported by the Chronic Care Model, the OVHA's CC Program emphasizes evidence-based, planned, integrated and collaborative care for beneficiaries who exhibit high-prevalence chronic disease states, high-expense utilization, high medication utilization, and/or high emergency room (ER) utilization. Ultimately, the OVHA's CC Program proposes to decrease inappropriate utilization of services and improve health outcomes.

The OVHA is committed to partnering with primary care providers, hospitals, AHS departments and community agencies in Vermont to address the need for enhanced coordination of appropriate services in a climate of increasingly complex health care needs and constrained resources.

The OVHA's CC Program is designed to integrate a specified plan of care implemented by a variety of service providers and programs under the direction of a designated professional. It involves any combination of the following: planning treatment strategies; monitoring outcomes and resource use; coordinating visits with primary care and sub-specialists; organizing care to avoid duplication of diagnostic tests and services; sharing information among health care professionals, other program personnel, and family; facilitating access to services; planning a hospital discharge; and, finally, ongoing reassessment and refinement of the care plan. (Adapted from AAP Policy Statement: "Care Coordination: Integrating Health and Related Systems of Care for Children with Special Health Care Needs.")

The OVHA's CC Program will initially focus on two areas: 1) Emergency Room (ER) utilization and 2) inpatient hospitalizations. Using real-time claims data, a regionally-based Nurse (RN) and Social Worker (i.e., Care Coordinators) team collaborate with providers to improve quality of care and access to care. The Care Coordinators:

- Devise care plans through assessment of current treatments, services and resources that directly address beneficiaries' needs.
- Ensure beneficiary compliance with the care plan and monitor appropriate ER use, hospitalizations, length of stay and discharge planning.
- Strive to enhance the relationship between the patient and their Primary Care Physician, and to educate beneficiaries on how to become more proactive in meeting their own health care needs.

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As of June 2006, there are two Care Coordination teams: one operating in Caledonia County (St. Johnsbury area) and another in Washington County (Montpelier/Barre area). Beneficiaries have been identified and the Care Coordinators are collaborating with the local ERs, primary care providers and community agencies to commence the care plan process

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SECTION 3: GENERAL PROCUREMENT INFORMATION

The State of Vermont (“State”), Agency of Human Services (AHS), Office of Vermont Health Access (OVHA), is issuing this RFP to procure two types of services under the OVHA’s Chronic Care Management Program (CCMP) umbrella:

1. Intervention Services (IVS)
2. Health Risk Assessment Administration (HRA)

Prospective bidders are expected to carefully examine all documentation, schedules, and requirements stipulated in this RFP and respond to each requirement in their proposals in the format prescribed.

The State is seeking vendors who can implement quickly and efficiently (i.e., a systematic roll-out that leads to a statewide presence within 12 - 18 months of the start of operations).

3.1 PROCUREMENT STRATEGY

Bidders may submit proposals for one or both types of services cited above. Because the HRA will be utilized for a number of purposes, included program monitoring and evaluation, if a bidder submits proposals for both types of services, the bidder must clearly show how HRA data will be collected in a manner that is independent of the intervention services and completely un-biased.

The State is particularly interested in receiving proposals from not-for profit vendors that have expertise in IVS or HRA, although any vendor may bid on this RFP and each proposal will be evaluated solely on its merits.

The State’s fundamental commitment is to contract for results and “best value”. This RFP primarily describes the State’s requirements and desired results. The responsibility for how the requirements and the State’s desired results are to be achieved rests with the successful bidder. “Best value” is the optimum combination of economy and quality that is the result of fair, efficient, and practical business processes that meet the requirements and the State’s desired results as set forth in this RFP.

3.2 PROCUREMENT PRINCIPLES

The procurement principles that are desirable to the State include:

Transparency: Methods used to evaluate the effectiveness of the results must be transparent and scientifically valid, so that the State or independent evaluators will be able to independently assess the credibility of results.

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Shared Results: Strategies, results and experiences will be shared with other state Medicaid programs to enhance the state-of-the-art for chronic care management methodologies among publicly financed programs.

Flexibility: Flexibility in developing and modifying processes based on experience, evaluation data, and the changing needs of the State is essential.

Population Based: Targeted to defined populations and seeks to reduce the negative health effects of chronic conditions thereby improving health outcomes in a cost-effective manner.

Collaboration: Collaborate and cooperate with other health care payers and State initiatives (e.g., Care Coordination, Blueprint for Health) that seek to improve health outcomes for populations with chronic conditions, and collaborate and cooperate with other State vendors (e.g., MedMetrics)

3.3 PROCUREMENT SCHEDULE

The State plans to adhere to the procurement schedule shown below. The State reserves the right to modify any date or deadline appearing in this RFP.

| ACTIVITY | DATE |
|-----------------------------------------------------------------|---------------------------------------------------|
| RFP Issued | Thursday October 5, 2006 |
| Closing Date/Time for Receipt of Letter of Intent | Friday October 20, 2006, 4:00 pm |
| Closing Date/Time for Receipt of Written Questions | Friday November 3, 2006 |
| Bidders' Conference | Thursday November 9, 2006, 10:00 am to 12:00 noon |
| Target Date for Release of State Responses to Written Questions | Friday November 17, 2006 |
| Closing Date/Time for Receipt of Proposals | Thursday December 21, 2006, 4:00 PM |
| Bidder Presentations (if required) | Thursday January 11, 2007 |
| Target Date for Selection of Contractor | Friday January 18, 2007 |
| Target Period for Contract Negotiation and Execution | January 18, 2007 – March 2, 2007 |
| Target Date for Operations | July 1, 2007 |

3.4 ISSUING AUTHORITY

The State of Vermont is issuing this RFP.

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3.5 LEGAL BASIS

The procurement process for this RFP shall be conducted in accordance with applicable procurement policies and procedures established by the State of Vermont.

3.6 ISSUANCE AND AMENDMENTS

State officials within the State reviewed this RFP. The contents represent the best statement of the requirements and needs of the State. Final approval of the contract rests with the State, once all individual State requirements have been met.

The State reserves the right to amend the RFP at any time prior to the proposal due date by issuing written addenda. Written addenda to the RFP will become part of the contract. All amendments and releases will be posted to:

<http://www.ovha.state.vt.us/>

The State will make no attempt to contact bidders with updated information. It is the sole responsibility of the bidder to periodically check the above-cited web site for the latest details. No postings will be made after December 10, 2006.

3.7 PROCUREMENT OR ISSUING OFFICER

The following person is the point of contact from the date of release of this RFP until the selection of the successful Bidder.

Procurement or Issuing Officer:

Julie Trottier, Health Programs Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: 802-879-5905 / E-mail: JulieT@ahs.state.vt.us

Alternate Procurement or Issuing Officer:

Deborah Stempel, Contracts Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: (802) 879-5926 / E-mail: deborahs@ahs.state.vt.us

Note: Nothing within this requirement shall be interpreted to prevent bidders from contacting the state regarding its general procurement process or with complaints. Contact with State personnel is also permitted in the performance of existing contracts or as allowed in response to other, non-related competitive solicitations.

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3.7.1 Restrictions on Communications

From the issue date of this RFP until a contract is announced, bidders are not allowed to communicate with State staff regarding this procurement (i.e., RFP). The only exceptions to this restriction are:

- The designated contact person named in applicable RFP sections by the type of communication described (e.g., via email).
- State staff present at the Bidders' Conference for the purpose of addressing questions.
- State staff involved in oral presentations

Any attempt by a bidder to contact State, other than under the conditions cited above, may result in rejection of the proposal submitted by that bidder.

3.8 MANDATORY LETTER OF INTENT

A Letter of Intent to submit a proposal in response to this RFP is **mandatory**. Letters of Intent will not become public information until after the Closing Date/Time for Receipt of Proposals. The submission of a Letter of Intent is not binding on prospective bidders to submit a proposal. Prospective bidders not submitting a Letter of Intent are **not** permitted to bid on this RFP.

Only those prospective bidders who have submitted a Letter of Intent will receive subsequent notifications related to this RFP, including addenda. Letters of Intent are due by **4:00 p.m. (EST) on Friday, October 20, 2006** and must be submitted via letter, fax or email to:

Julie Trottier, Health Programs Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Fax: 802-879-5962 / E-mail: JulieT@ahs.state.vt.us

Letters of Intent must include the name of the company, the name of the primary contact, the primary contact person's title, telephone and fax numbers, mailing and email addresses.

Letters of Intent should also include an indication of whether or not the bidder plans to attend the Bidders' conference, and the number of individuals the Bidder intends to bring. This is for State planning purposes. Bidders are encouraged to limit attendance to no more than three representatives per Bidder.

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3.9 PROCEDURE FOR SUBMITTING WRITTEN QUESTIONS

Written questions regarding this procurement (i.e., RFP) are due by **4:00 p.m. EST, Friday, November 3, 2006**. Written questions received later than 4:00 p.m. EST, Friday, November 3, 2006 will not be answered. Written questions must be submitted via letter, fax or email to:

Julie Trottier, Health Programs Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Fax: 802-879-5962 / E-mail: JulieT@ahs.state.vt.us

The State assumes no liability for assuring accurate/complete mail/fax/email transmission/receipt and will not acknowledge receipt except by addressing the question.

The State may consolidate and/or paraphrase questions for clarity. The target date for website posting of the State's written responses is Friday, November 16, 2006.

3.10 OPTIONAL BIDDERS' CONFERENCE

Prospective bidders will have the opportunity to have questions addressed orally with regard to this procurement (i.e., RFP) at an optional Bidders Conference, scheduled as follows:

Date: Thursday, November 9, 2006
Time: 10:00 am to 12:00 Noon
Location: Conference Room, Office of Vermont Health Access, 312 Hurricane Lane, Williston, VT

The State will determine which questions and responses become part of the State's official written response to questions. Bidders should understand that the only official answer or position of the State is the one stated in writing. Verbal responses given at the Bidders' Conference are unofficial and are not binding unless later confirmed in writing.

Attendance at the Bidders' Conference is recommended, but not required. Bidders are responsible for all costs associated with attending the Bidder's Conference.

3.11 ORAL PRESENTATIONS

At the State's option, oral presentations by selected Bidders may be required. Bidders will be notified if an oral presentation is required. Bidders may be requested to provide demonstrations of any unique systems referenced in their proposal. Bidders are responsible for all costs associated with an oral presentation. The State will not compensate the bidder.

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Note: Bidders should present complete, comprehensive proposals without relying on oral presentations, because the State reserves the right to award a contract without further discussions.

3.12 TECHNICAL REQUIREMENTS

Bidders will provide access to essential technical or professional staff at the vendor's home office or other locations that are integral to the Scope of Work requirements. These staff should be available to the State and to the State's agents.

3.13 COLLECTION AND CORRECTION OF BIDDER INFORMATION

The State reserves the right to:

1. Request a bidder to submit additional documentation during or after the proposal evaluation process.
2. Collect omitted documentation from bidders.
3. Waive any immaterial deviation or defect as may be adjudged by the State in any proposal and allow the bidder to remedy such defects.
4. Overlook, correct or require a bidder to remedy any obvious clerical or mathematical errors occurring within their Narrative or Cost Proposals.
5. Accept Cost Proposal errors that result in a decrease in bidder costs.
6. Request that bidders whose Cost Proposals contain errors resulting in an increase in cost accept the corrected costs or withdraw their proposal.

Bidders' failure to adhere to the State's requests may result in the bidder proposals being determined unresponsive and rejected from further consideration.

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SECTION 4: INTERVENTION SERVICES (IVS) PROCUREMENT SPECIFICS

4.1 BACKGROUND

The impact of Intervention Services (IVS) will be measured based in part on the results of the HRA as well as claims-based analysis and other data.

4.2 SCOPE OF WORK REQUIREMENTS

In the implementation of the CCM interventions, the IVS vendor will apply Blueprint chronic illness management standards to program design as the standards become available. Additionally, the IVS vendor will partner with the State in periodic “Plan Do Study Act” (PDSA) cycles to ensure continuous quality improvement efforts in the on-going CCMP.

The State will also independently conduct on-going assessments to estimate the degree to which interventions provided in the programs are effective. In partnership with the IVS vendor, the State will monitor intervention process metrics, program activities, and clinical health outcomes. Outcome monitoring will minimally include best-practice standards as defined by the Blueprint and/or relevant HEDIS measures. The bidder should propose metrics for a range of chronic conditions. Proposed health outcome metrics should include relevant HEDIS measures or generally accepted chronic care measures adopted by medical authorities and commonly used to measure improvements in process and outcomes. Sample outcome measures for several chronic conditions are included in Appendix 1: Clinical Monitoring Metrics.

4.2.1 General Requirements

At a minimum, IVS vendor must include:

1. Mailings: General mailings to all eligible beneficiaries with disease-specific self management information. The content of mailings (**subject to approval from the State**) will be generated by the vendor and will represent Vermont Medicaid and the original source of information (e.g. American Heart Association), and be free from commercial bias. Mailings will contain disease-specific, self-care information, and will comply with established State disease-specific best practice standards when available. Vendor will provide all functions related to the mailings.
2. Call Center: Capability of incoming and outgoing nurse telephone contact with both patients and providers during both business hours and limited extended hours (e.g. 5-10 pm). The call center will be staffed by licensed nurses minimally holding an LPN certification. The evidence-based clinical content of the advice and counseling (**subject to approval from the State**) provided by the nurses is generated by the vendor. The call center must be located in the United States. It would preferably be located in Vermont, but that is not a requirement.

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3. Telephonic nurse support and advice with incoming and outgoing call capabilities including outgoing telephonic interventions to selected patients. The intervention strategies will be determined by the vendor (**subject to approval from the State**) using generally accepted evidence-based guidelines.
 - Interventions will be performed on individuals who have completed the HRA. The IVS vendor may propose a generic HRA tool (**subject to approval from the State**).
 - May include calls to the HRA vendor so that new patients may complete the HRA.
4. Face-to-face interventions for high acuity patients as defined by vendor, with intervention strategies (with approval from the State). Interventions will be performed on individuals who have completed the HRA. Vendor should be familiar with the rural nature of Vermont, and anticipate travel challenges including weather-related difficulties.
5. Provider Outreach and Education: The vendor will implement a comprehensive outreach plan and ongoing education campaign reaching all statewide Medicaid providers utilizing current guidelines for prevention and treatment of chronic diseases in support of the Chronic Care Model. The vendor will promote statewide provider consistency toward meaningful improvements in quality of care rendered to beneficiaries. Efforts must be coordinated, to the extent possible, with the Vermont Banking, Insurance, Securities and Health Care Administration's (BISHCA) Rule 10 requirements and activities (<http://www.bishca.state.vt.us/RegsBulls/hcaregs/HCARule10.pdf>) and with the related activities of commercial payers.

Provider outreach and education may be accomplished by providing a variety of training venues and educational materials that break down into actionable steps for providers to use in their day-to-day practice. This educational rollout (**subject to approval from the State**) must mirror the OVHA's ongoing commitment to process improvement through a systems approach.

Primary care providers must be informed in advance of all proposed interventions to be conducted with their patients, and must be given timely patient-level information resulting from those interventions.

At a minimum, the IVS vendor must:

1. Perform risk stratification to pro-actively identify the specific intervention populations. The State will perform the initial population screening to determine the target population (i.e. the "eligible" population.)

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2. Develop best practice quality indicators for certain co-morbid conditions, to be developed and agreed upon between the State and the vendor, which will be evaluated and the results will be shared.
3. Use tools (e.g., stratification methods, HRA's, call scripts, etc.) that are available on the open market so that other states and commercial carriers may replicate Vermont's process without necessarily partnering with the vendor. (Note: if one or more of these tools are not available on the open market, provide an explanation for reasons that this "publicly available" requirement is not necessary in the proposal).
4. Report intervention metrics (e.g., number and type of mailings, telephone calls, etc.) with evidence that the interventions were received by intended recipients must be reported to the State. The vendor will propose a report format and frequency (**subject to approval from the State**).
5. Identify barriers and propose interventions, outcomes and measurements that support and integrate with the State's MCO quality assurance performance improvement (QAPI) goals. The expectation is that the vendor will be a partner with the State in its QAPI goals, which include, but are not limited to: cost-avoidance related to hospital inpatient and ER use, provider and community resource access, healthcare systems efficiency, provider and patient satisfaction, and cost containment.
6. Identify barriers and propose interventions to improve chronic care management for children with special health care needs and adults with severe and persistent mental illness.
7. Recommend strategies to comply with the following legislative requirement, limiting the response to 2 – 5 single spaced, single-sided pages:

"6) payment methodologies to align reimbursements and create financial incentives and rewards for health care professionals to establish management systems for chronic conditions, to improve health outcomes, and to improve the quality of care, including case management fees, pay for performance, payment for technical support and data entry associated with patient registries, the cost of staff coordination within a medical practice, and any reduction in a health care professional's productivity;"

Along with its recommended strategies, the bidder should propose a plan and timeline for implementation. The bidder should suggest incentives and rewards that can be started in a limited way -- e.g., by focusing on specific clinical areas or pilot testing in a limited geographic area -- and expanded over time.

Whenever possible, pay for performance strategies must be coordinated with similar strategies employed by commercial carriers and the Blueprint for Health.

8. Request approval from the State in advance of distribution of clinical content.

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4.2.2 Collaboration and Integration Requirements

At a minimum, the IVS vendor must collaborate and integrate their activities with the:

1. State's initiatives
2. OVHA's Care Coordination (CC) Program
3. Blueprint for Health Goals and Activities
4. Electronic Data Systems (EDS)
5. MedMetrics
6. State and local providers to advance understanding of chronic care
7. HRA vendor
8. Commercial carriers, whenever possible, to promote consistency among payers.

4.2.3 Electronic and Data Requirements

At a minimum, the IVS vendor must meet the following electronic and data requirements:

1. Accept data from the PBA RetroDUR Program with the objective of identifying those individuals participating in the Chronic Care Management Program. Areas of focus and quality improvement in the program include the following, but are not limited to:
 - Identifying and reducing polypharmacy usage
 - Recommending dose consolidation as appropriate
 - Increasing the use of preferred and generic medications by participants
 - Increasing drug therapy compliance
 - Reducing duplicate drug therapy
2. Accept data from EDS for names and ID address and phone numbers of all eligible beneficiaries that will be independently identified by the state.
3. Data Input: ability to incorporate data from the State (claims and generic health risk assessment-HRA, etc) in patient-level electronic records.
4. Data Input and Output: ability to collect self-reported patient level information and provide patient-specific information, in a standard data base format (e.g. flat file) back to the State and appropriate health care providers, including the Blueprint clinical registry.
5. Easily-accessible data base format for individual patient-level:
 - Results from stratification
 - Data gathered from HRA's
 - Result from interventions

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4.2.4 Meeting Requirements

1. At a minimum, the IVS vendor should plan to participate in regular State-managed advisory committee meetings. The advisory committee, which will include representation from a variety of stakeholder groups including but not limited to the Blueprint for Health, practicing Vermont physicians, and consumers, will begin by reviewing and approving the initial program design. As the program is implemented, the advisory committee will review program data, evaluate effectiveness, and recommend program adjustments as necessary in a committed effort toward continuous quality improvement and effective coordination and collaboration. Program partners, which may include a separate HRA administration vendor, will be expected to work closely together.
2. At the State's request, the IVS vendor is expected to be on site to meet with State staff, consultants, vendors, providers and other state or Legislative officials.

4.3 PERFORMANCE STANDARDS

The bidder must provide adequate live telephone coverage. The use of automated voice response or an automated attendant is acceptable to supplement live coverage during peak periods. The use of automated voice response (subject to approval from the State) will be based on evidence submitted by the bidder that an automated response is in the best interest of the State in terms of program goals and management.

The bidder must meet the following performance standards related to the responsiveness of staffed telephone lines:

- 100% of all incoming calls must be answered within 25 seconds;
- 95% of held calls must be transferred to a live operator within 2 minutes;
- 100% of held calls are transferred to a live operator within 4 minutes; and
- There is an abandonment rate of less than 10%.

4.3.1 Performance Standards Process and Reporting

The bidder must propose a weekly process and report format/content for tracking and reporting the above-cited Scope of Work Requirements and Performance Standards. The process and report are subject to approval from the State.

4.3.2 Failure to Meet Performance Standards

The bidder may be assessed \$1,000.00 per week per Performance Standards for each weekly that the bidder fails to meet the Performance Standard.

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4.4 PAYMENT STRUCTURE

Payment is based upon completion of deliverables. For the IVS vendor, deliverables will be negotiated based upon intervention process metrics agreed to by the vendor and the State. Intervention process metrics will clearly illustrate the IVS vendor's strategies and show how they are hypothesized to lead to improved clinical and financial outcomes.

Note: beginning with the second year of the contract, the State reserves the right to base the payment structure of the IVS contract on the completion of clinical and/or financial outcome goals.

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**SECTION 5: HEALTH RISK ASSESSMENT ADMINISTRATION (HRA)
PROCUREMENT SPECIFICS**

5.1 BACKGROUND

Health Risk Assessment (HRA) Administration is integral to the CCMP. The HRA has multiple purposes, including providing information for the development of IVS care plans, providing patient self-reported information to primary care providers, and assisting in the monitoring and evaluating of the CCMP. In addition to administering the HRA, the HRA vendor is expected to partner with the State in periodic “Plan Do Study Act” (PDSA) cycles to ensure continuous quality improvement efforts as the CCMP moves forward.

5.2 SCOPE OF WORK REQUIREMENTS

5.2.1 General Requirements

At a minimum, the HRA vendor must:

1. Administer a Health Risk Assessment (**subject to approval from the State**) to approximately 25,000 beneficiaries within an initial 12 – 18 month period and approximately 15,000 – 20,000 beneficiaries during the following twelve months and subsequent years thereafter. The administration must be done in an impartial manner, meaning that the assessments are completed consistently and without influencing the responses in any way. If the HRA bidder has a financial interest in the outcome of the IVS intervention, the bidder must clearly show how the HRA’s will be administered in an impartial manner.

The administration of the Health Risk Assessment may occur via telephone, mail or electronically.

2. Conduct the Health Risk Assessment in an impartial manner to show no bias for or against the intervention itself.
3. Receive transferred calls from the IVS nurse call center when a Health Risk Assessment needs to be completed by a beneficiary, or transfer calls to the IVS nurse call center when a beneficiary has clinical questions.
4. Propose a report format and frequency (**subject to approval from the State**).

5.2.2 Collaboration and Integration Requirements

At a minimum, the HRA vendor must collaborate and integrate their activities with the:

1. State’s initiatives

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2. OVHA's Care Coordination (CC) Program
3. Blueprint for Health Goals and Activities
4. State and local providers to advance understanding of chronic care
5. IVS nurse call center
6. Whenever possible, BISHCA's Rule 10 requirements and activities, and commercial payer initiatives.

5.2.3 Electronic and Data Requirements

At a minimum, the HRA vendor must meet the following electronic and data requirements:

1. Forward the Health Risk Assessment data to primary care providers and to the IVS vendor to assist in the development of individual care plans.
2. Incorporate person-level contact information from the State that can be transmitted to the State in a data base format (e.g. flat file), and complete all steps necessary to administer by mail and telephone Health Risk Assessment questionnaires. Health Risk Assessment data must be provided in a timely manner to the State, the intervention vendor, and local primary care providers.
3. Transfer to the State and the IVS vendor, either immediately or in short term, the raw data collected on beneficiaries.
4. Provide data in a timely manner to the State, the IVS vendor, and local primary care providers.
5. Aggregate and analyze Health Risk Assessment data in a timely manner.
6. Accept and send files.

5.2.4 Meeting Requirements

At the State's request, the HRA vendor is expected to be on site to meet with State staff, providers, consultants, vendors, and other state or Legislative officials. Participation in regular steering committee meetings will be expected.

5.3 PERFORMANCE STANDARDS

The bidder must propose minimum performance standards based on the following deliverables. Final performance standards will be determined by the State and will be based, in part, on bidder recommendations. The State has the option to change these over time as necessary.

1. Completed Health Risk Assessments
2. Timely delivery of aggregate and patient-level Health Risk Assessment data

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3. Efficient coordination of incoming and outgoing telephone calls

5.3.1 Performance Standard Process and Reporting

The bidder must propose a weekly process and report format/content for tracking and reporting the Performance Standards. The process and report are subject to approval from the State.

5.3.2 Failure to Meet Performance Standards

The bidder may be assessed \$1,000.00 per week per Performance Standard for each month that the bidder fails to meet the Performance Standard.

5.4 PAYMENT STRUCTURE

Payment is based upon completion of deliverables. For the HRA vendor, deliverables include:

1. Completed Health Risk Assessments
2. Timely delivery of aggregate and patient-level Health Risk Assessment data
3. Efficient coordination of incoming and outgoing telephone calls

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SECTION 6: GENERAL PROPOSAL SUBMISSION REQUIREMENTS

6.1 REJECTION OF PROPOSALS

A proposal may be rejected for failure to conform to the requirements contained in this RFP. Proposals must be responsive to all requirements of this RFP to be considered. The State reserves the right to:

- Reject any and all proposals
- Waiver minor irregularities
- Request clarifications from any or all bidders
- Cancel this RFP

6.2 ACCEPTANCE OF PROPOSALS

Proposals must be responsive to RFP requirements to be considered for a contract award. The State will receive proposals properly submitted. After receipt of proposals, the State reserves the right to sign a contract, with or without further negotiation, based on the terms, conditions, and premises of this RFP and the proposal of the selected bidder.

6.3 COST OF PREPARING PROPOSALS

Costs incurred by bidders during the preparation and subsequent submission of their proposals, and for other procurement-related activities (e.g., travel for bidder presentations) will be the sole responsibility of the bidders. The State will not reimburse bidders for any such costs.

6.4 DISPOSITION OF PROPOSALS

All submitted proposals shall become a matter of public record. If the proposal includes material that is considered by the bidder to be proprietary and confidential under Vermont law, the bidder must:

- Clearly designate, with highlighter functions, each section of the proposal which is “proprietary” and/or a “trade secret”.
- Provide in the Transmittal Letter written justification with sufficient grounds as to why each requested exemption should not be released to the general public, including prospective harm to the bidder’s competitive position if the identified material were to be released. Include which part of the Vermont law applies to each exemption.

The State will not consider proprietary and confidential any material, even if so marked, unless specific and sufficient justification is presented in the Transmittal Letter. Under no circumstances will the entire Narrative Proposal or Cost Proposal be considered proprietary and confidential.

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All materials submitted by bidders become the property of the State of Vermont, which is under no obligation to return any of the materials submitted in response to this RFP. The State of Vermont shall have the right to use all system concepts, or adaptations of such concepts, contained in any proposal. This right will not be affected by selection or rejection of the proposal. The successful proposal will be incorporated into the resulting contract and will become a matter of public record.

6.5 PROPOSAL WITHDRAWAL

Prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal, signed by the bidder's authorized agent, and sent to Julie Trotter, Office of Vermont Health Access, at the address cited above.

6.6 PROPOSAL VALIDITY DATES

Proposals must be valid for 180 business days following the Close Date of this RFP. This period may be extended by written mutual agreement between the bidder(s) and the State. Any proposal submitted shall not be available for disclosure until a contract is executed between the successful bidder and the State.

6.7 PROPOSAL SUBMISSION REQUIREMENTS

Proposals must be submitted in two parts: (1) Narrative Proposal and (2) Cost Proposal. The total proposal, consisting of both the Narrative and Cost Proposals, must not exceed 20 single-spaced, single-sided pages. Appendices may be attached, but each must be referred to in the proposal explicitly. The appendix is supplementary and will not be considered in the scoring of the proposals.

One full set of the Narrative Proposal and the Cost Proposal in hardcopy should be clearly marked "original" and shall be accompanied by an additional 12 hardcopies and one copy on CD-ROM (Microsoft Word or Excel as applicable).

The Narrative Proposal and Cost Proposal and each of its copies shall include all materials, transmittals, and agreements specified in this RFP. Narrative Proposals must be packaged separately from Cost Proposals, and each must be clearly identified on the outside of the package.

The outside cover of the package containing the Narrative Proposal shall be marked either "**IVS Narrative Proposal – Open by Addressee Only**" or "**HRA Narrative Proposal – Open by Addressee Only**"

The outside cover of the package containing the Cost shall be marked either "**IVS Cost Proposal – Open by Addressee Only**" or "**HRA Cost Proposal – Open by Addressee Only**"

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All proposals must be physically received no later than December 21, 2006 at 4:00 p.m., EST by:

Julie Trottier, Health Programs Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495

No exceptions will be made for late proposals. The method of delivery is at the discretion of the bidder and is at the bidder's risk as to timeliness and compliance. Proposals may **NOT** be oral, faxed, or emailed. The time of receipt at the designated office is the time-date stamp on the proposal wrapper or other documentation of receipt maintained by the State.

6.8 FORMAT REQUIREMENTS

The proposal should adhere to the following requirements:

1. One-inch margins at the top, bottom and both sides
2. Font size not less than 12 points
3. Each page must have a footer, which includes at a minimum, the name of the bidder, the page and either the phrase "**IVS Proposal**" or "**HRA Proposal**"
4. Double-sided, single-spaced text on white, bond paper
5. Three-hole punched and bound in a way that enables easy page removal
6. All original documents that require a signature must be signed in ink, in a color other than black. *The original Transmittal Letter must be enclosed in with the "original" Narrative Proposal.*
7. Place all original signed documents in the Narrative Proposal marked "Original"
8. Place all original signed Cost Proposal worksheets in the Cost Proposal marked "Original"
9. The extra proposal sets may reflect photocopy signatures
10. Figures and tables must be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text.

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SECTION 7: NARRATIVE PROPOSAL REQUIREMENTS

The Narrative Proposal shall present a complete description of the bidder's plans to meet the requirements of this RFP. In submitting a proposal in response to this RFP, a bidder agrees to comply with the terms and conditions found in the standard contract provisions and contract attachments C, E, and F (included as Appendices 4, 5 and 6 of this RFP). If the use of a subcontractor is proposed, the appropriate certification forms shall be completed and submitted relative to that subcontractor(s).

7.1 ORGANIZATION OF NARRATIVE PROPOSAL

The State is interested in Narrative Proposals that are organized, comprehensive and offer sound solutions. Specificity is required. Vague explanations will result in reduced proposal evaluation scores. *Sales language and materials are explicitly forbidden.*

The burden is on the bidder to be direct, clear and complete. The Proposal Evaluation Committee will not search for answers ("dig and ferret"). Bidders are required to organize their Narrative Proposal as follows with tab distinctions and clear section headings:

1. Transmittal Letter
2. Table of Contents
3. Bidder Information Sheet(s)
4. Executive Summary
5. Capability including background, experience, overall approach and management philosophy
6. Work Plan with Schedule
7. Organization and Staffing
8. References
9. Financial Statements
10. IVS Bidders Only
11. Completed Vermont Tax Certification

Content to be included under each of these headings is described below. Each section within the Narrative Proposal must include content items listed under the respective heading, as the evaluation of proposals shall be done on a section-by-section or functional area basis. Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

No cost information related to this contract shall appear in the Narrative Proposal or Transmittal Letter. If such information is included in the Narrative Proposal or Transmittal Letter, it may constitute grounds for rejection.

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7.1.1 Transmittal Letter

The transmittal letter must accompany the Narrative Proposal, and be submitted on the bidder's official letterhead and signed in ink by an official authorized to bind the bidder. The Transmittal Letter must include statements that:

1. The bidder does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), gender, marital status, sexual orientation, political affiliation, national origin, or disability.
2. No cost information has been included in the Transmittal Letter or the Narrative Proposal.
3. Certify the Cost Proposal was arrived at without any conflict of interest, and that it will be firm and binding for 180 business days from the proposal due date.
4. Identify that all addenda to this RFP have been reviewed by the bidder. If no addenda have been reviewed, a statement to that effect should be included.
5. The bidder agrees to adhere to all requirements set forth in this RFP. If the bidder's proposal deviates from these requirements, the Transmittal Letter should reference those items identified as an objection and propose an alternate agreement. The State reserves the right to reject any proposal containing such objections or require rescission before contract acceptance.
6. The bidder has read, understands and unconditionally accepts all requirements, responsibilities, and terms and conditions in this RFP.
7. The bidder agrees that any lost or reduced Federal Financial Participation (FFP), resulting from Contractor deviation from specifications and requirements, shall be accompanied by equivalent reductions in State payments to the contractor.
8. The Bidder accepts the provisions of Contract Attachments C, E, and F (Appendices 3, 4, 5 of this RFP).

If any pages within the proposal are marked "Proprietary" and/or a "Trade Secret", include justification and information in the Transmittal Letter.

7.1.2 Table of Contents

Properly identify each section and its contents. Paginate each section and subsection.

7.1.3 Bidder Information Sheet(s)

A Bidder Information Sheet(s) must be included in the Narrative Proposal and include the following information:

1. Full name and mailing address of the bidder and, if applicable, the branch office or other subordinate entity that will perform, or assist in performing, the work described in the proposal
2. Street address (for FedEx or other mail service)
3. Indicate whether an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated.

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4. Federal ID Number (or if an individual, the bidder's social security number)
5. Name, title and contact information (i.e., mailing address, telephone and fax numbers, email address) of the person who would sign the contract
6. Name, title and contact information (i.e., mailing address, telephone and fax numbers, email address) of the company contact person (if different)
7. For each key person: name, title, relevancy to this proposal and contact information (i.e., mailing address, telephone and fax numbers, email address)
8. Identify all owners and subsidiaries that own more than five (5) percent of the bidder
9. Indicate the location from which the RFP requirements will be performed
10. List all subcontractors with information #1, #3, #4, #7, #8, #9 cited above

7.1.4 Executive Summary

The Executive Summary shall condense and highlight the contents of the Narrative Proposal in such a way as to provide the Evaluation Committee with a broad understanding of the entire Narrative Proposal. The Executive Summary shall not exceed five pages in length.

7.1.5 Capability

The Capability section shall include, for the bidder and each subcontractor (if applicable): details of the background of the bidder, its size and resources, details of relevant experience, overall approach, management philosophy and a list of all Medicaid or Medicaid-related projects from January 2000 through the present date.

7.1.6 Work Plan and Schedule

The Work Plan and Schedule must be responsive to this RFP, logical in the sequence of events, provide sufficient detail for review, and should address the Scope of Work requirements in accordance with milestones/deliverables. The Work Plan and Schedule should allow for 10 workdays for State review and approval of each milestone/deliverable.

Note: selected vendor Work Plans and Schedules are subject to modification during the negotiation process with final Work Plans subject to approval from the State.

At a minimum, bidders shall address the following list as applicable to the Work Plan and Schedule.

1. Understanding of, response and approach to completing Scope of Work requirements
2. Acquisition and utilization of staff
3. Utilization of staff resources by the number of weeks required to accomplish each milestone/deliverable
4. Approach to facilities and infrastructure acquisition
5. Implementation approach (4 months: March 1, 2007 – June 30, 2007)

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6. Approach to relations with State staff, Medicaid beneficiaries and providers, and other stakeholders
7. Use of subcontractors
8. Cost containment mechanisms
9. Assumptions or constraints in developing and completing the Work Plan and Schedule
10. A Gantt or Gantt-type chart, depicting start-up and implementation start and end dates with associated activities, and accomplishment of milestones/deliverables.
11. Discussion of how the Work Plan and Schedule provides for handling of potential and actual problems
12. Description of how bidder's approach clearly and unambiguously accommodates the Scope of Work requirements and uses evidence-based principles in the "causal pathways" that are hypothesized to lead to improved patient health, increased patient and provider satisfaction, and/or financial savings for the State. (For example: IVS vendor telephone outreach, i.e. "Intervention Process Metrics", leads to improved medication compliance which leads to reduction in hospitalizations which leads to financial savings.)
13. Indicate how results will be measured, and provide evaluation methodology
14. Propose and describe any unique or innovative method to meet the Scope of Work requirements

7.1.6.1 Technology Approach and Requirements

Bidders must clearly describe the technologies and approach that they will use to perform the scope of work, the components of those technologies that they will bring to the project and any expectations regarding technology support to be provided by the state. The bidder should understand that there is no technology budget specifically associated with this project, so bidders should not anticipate a willingness on the part of the state to make substantive technology investments in support of their proposal. Bidders should assume that some technical support, depending on skills required, will be available from the State, but is limited. When evaluating proposals, the viability, suitability and total cost of the proposed technology approach will be considered.

Bidders must meet the following requirements as they relate to the information technology that will be used to complete the work of this RFP. Proposals must describe how all the following requirements are met:

1. The proposed system (hardware, software, communications, and operations) must be adequate to fulfill the scope of work. The bidder must describe the components of the approach, pertinent implementation and operational issues, support from the organization, expectations of the State and how the scope of work will be supported. The proposal must describe the level of system performance and reliability as it relates to performance of the scope of work and overall performance requirements.

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2. Any proposed interfaces with State equipment, and integration of State equipment resources into proposed approaches, must conform to State hardware and software. Bidders should submit written questions regarding State system details pertinent to their approach. The State currently uses SAS for data analysis purposes.
3. Accept data from, and provide data to, State and other systems as required and defined by the State which may be in batch mode through magnetic tape, disks, diskettes, and cartridges; direct transmissions, such as the use of secure FTP protocols; or through dial-up telecommunication linkages, in a format and on a schedule established by the State.
4. Send and receive data in XML, HTML, and delimited text file, and output must be printable.
5. Segment, isolate, and secure AHS data and ensure it is not compromised.
6. Provide the State with a comprehensive security plan and procedures, including, but not limited to access controls, segregation of duties, and change controls. The State must approve the security plan as part of the implementation phase, and reserves the right to perform security checks.
7. In the event of a natural disaster and unnatural disasters, including but not limited to hacking and acts of terrorism, have a system in place for disaster recovery and business continuity. The bidder shall present to the State a disaster recovery and business continuity plan that must be approved as part of the implementation phase.
8. Make all files, programs, and data available to the State upon request. In addition to all regularly scheduled files or working files to be delivered to the State, the contractor must provide a copy of any other file, along with documentation of its format, within five (5) working days of a written request from the State. The contractor shall receive no additional compensation for production and delivery of such files. Vermont data cannot be made available to any one without specific authorization from the State.
9. Work cooperatively and in good faith with State technical staff, and other State contractors, as needed to establish file transfers or to resolve any other technical issues impacting the completion of the scope of work.
10. All work products, data, technical information, related materials gathered/created, and deliverables produced under this contract will be the exclusive property of the State of Vermont and will be delivered to the State upon 30 days notice. This includes, but is not limited to, software, documentation, and development and training materials. With respect to software computer programs, queries, and/or source codes developed for the State, the work shall be considered “work for hire”, i.e., the State, not the

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contractor or subcontractor, shall have full and complete ownership of all software computer programs, queries, and/or source codes developed.

11. The bidder must provide its own personal computers for this project. Bidder shall certify that all non-State equipment used to connect to the State network and State applications are virus free and virus protected.
12. Bidder must state any related limitations or special requirements in this area, which may impact the rating of its proposal.
13. **Future Electronic Transactions.** At the State’s request, the vendor must be prepared to comply with the following standards.

Vermont Information Technology Leaders (VITL) is the RHIO for Vermont, established to handle health information exchange and will process clinical transactions (meaning information processed as a distinct query, transmission, inquiry, information request, response or other similar type of electronic transaction of patient clinical information as applicable, or information relating to individual health information including, but not limited to, medication history, laboratory results, allergies, problem list, clinical summary document, radiology reports, or diagnostic images) through an established network connection to the designated provider or payer by an electronic medium based upon mutually agreed upon clinical data formats, profiles, or protocols, including but not limited to HL7v2.x, HL7v3.x, IHE, DICOM, X12N, LOINC, NCPDP, and/or additional standard and proprietary formats.

Standards for Clinical Transactions. VITL will process clinical transactions utilizing the standards below.

The following table summarizes at a high-level the clinical EDI transactions and vocabulary which may be included to service the Blueprint Chronic Care Information System (CCIS):

| Data Exchange | Interface Standard | Vocabulary | GE Interface Name |
|------------------------|---------------------------|-----------------------|--------------------------|
| Demographics | HL7 2.x ADT | n/a | Demo |
| Problem List | HL7 2.x PRB Segment | SNOMED, ICD9 | Notes |
| Medications | NCPDP | NDC | MedHistory |
| Allergies | HL7 2.x AL1 Segment | Free Text | Notes |
| Visit/Encounter | HL7 2.x PV1/PV2 Segment | ICD9 for Visit Reason | Notes |
| Notes/Reports | HL7 2.x OBR/OBX Segment | Free Text | Notes |
| Lab/Micro/ Rad Rpts | HL7 2.x OBR/OBX Segment | LOINC | Lab |
| Immunizations | HL7 2.x OBR/OBX Segment | SNOMED | Notes |
| Images | DICOM | n/a | Image |

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7.1.7 Organization and Staffing

The bidder's Project Organization and Staffing section shall include an organizational chart of proposed staff and positions, estimates of staff-hours by task(s) by proposed positions, and resumés of all management and key staff.

7.1.7.1 Project Manager

The bidder shall provide a specific, identified Project Manager who will act as the primary point of contact representing the bidder during the project. The Project Manager is expected to be committed to the project, responsible for ensuring its successful completion, and to be accessible to State staff during work hours. The Project Manager must be authorized to commit the resources of the vendor in matters pertaining to the performance of the contract.

7.1.7.2 Organizational Charts

The bidder's organizational charts shall depict project:

- Organization and staffing
- Full-time, part-time and temporary status of all employees

7.1.7.3 Management and Key Staff References and Resumes

References: Bidders shall include three references for proposed management and key staff from customers for who work comparable to this RFP was performed. References shall include the management or key staff person's name, proposed position title, proposed responsibility listing, and brief description of his or her relevant experience. Each reference must include the customer name, contact person, phone number, email address, and date range of work performed.

Resumes: Bidders must submit resumés of proposed management and key staff. Resumés shall include:

1. Brief descriptions of specific experience comparable to this RFP.
2. Relevant education and training, including college degrees, dates of completion, and institution name and address.
3. Names, titles, phone numbers and email addresses of contact persons who will confirm the individual's experience and competence.

7.1.7.4 Staff Responsibilities

The bidder must identify each proposed individual, describe their anticipated role and define their responsibilities. If additional staff is required for various projects during the contract period, the bidder should outline its plans and resources for adapting to such situations. The bidder should also address plans to ensure staff longevity for consistency throughout the contract period.

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7.1.8 References

Narrative Proposals must include at least three (3) references that are pertinent to the Scope of Work Requirements. For each reference, the bidder must provide:

- Customer name
- Most senior contact person's name (with title, phone number and email address) most familiar with the bidder's performance
- Description of work performed
- Contract term

Additional references may be required, if requested by the State.

7.1.8.1 State of Vermont Contracts

Bidders must provide a history of any and all contracts between the bidder and any State of Vermont government entity. For each contract bidders must provide:

- Customer name
- Most senior contact person's name (with title, phone number and email address) most familiar with the bidder's performance
- Description of work performed
- Contract term
- Proposed cost/actual cost
- For expired contract, provide a reason for termination

7.1.8.2 Contract Terminations

Do not include expired State of Vermont contracts in this section. Bidders must provide information on any and all contractual terminations (since January 1, 2000) that occurred between the bidder and any entity for which the bidder was providing Scope of Work Requirements similar to those described in this RFP. For each termination bidders must provide:

- Customer name
- Most senior contact person's name (with title, phone number and email address) most familiar with the bidder's performance
- Description of work performed
- Contract term
- Reason(s) for termination

7.1.9 Financial Statements

Bidder must:

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1. Provide annual audited financial reports for the past three (3) years for the bidder and any subcontractor.
2. If the Bidder is an affiliate of another organization, submit the financial information for the parent company and describe the relationship.

7.1.10 IVS Bidders Only

In addition to the above-cited Narrative Proposal requirements, IVS bidders are required to request and receive a Medicaid de-identified claims data extract, and based on an analysis of those claims data, identify individual and co-morbid chronic conditions to target for intervention. The bidder must provide descriptions of proposed interventions, showing the causal pathways leading from vendor interventions to increased health, satisfaction, and financial savings.

The bidder will complete a table (as below) which depicts the number of beneficiaries in each risk stratification group (low, medium, and high risk), and provide descriptions of the interventions proposed for each of these groups. The table must also give examples of the expected changes in clinical and financial outcomes resulting from the interventions and the justification for these expected changes, including methods used in the past that support these conclusions, and the source for this information.

| Risk Group | Number of Beneficiaries | Proposed Interventions | Clinical Outcomes | Financial Outcomes |
|------------|-------------------------|------------------------|-------------------|--------------------|
| High | | | | |
| Medium | | | | |
| Low | | | | |

7.1.11 Vermont Tax Certification

The bidder must include a completed Vermont Tax Certification in its Narrative Proposal.

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SECTION 8: COST PROPOSAL REQUIREMENTS

The State will not consider Cost Proposals that employ contingency fees or require the vendor to be at financial risk to achieve net program savings on the cost of Medicaid services.

The contracts resulting from this RFP will contain a financial “risk” component, where risk is based on the achievement Performance Standards of which the bidder has control (e.g., # of patients contacted, # of completed HRA’s, etc) and milestones/deliverables. The amount of funds at risk is based upon the 15% withhold (reference “Retainage” section of this RFP) and the funds specified in conjunction with milestones/deliverables.

There will be no opportunity for bidders to revise their costs and there will not be a Best and Final Offer (BAFO) process. Bidders are strongly encouraged to carefully calculate and propose their final costs.

8.1 COST PROPOSAL SPECIFICS

Cost Proposals must include:

1. Costs for 4 Month Implementation Period: March 1, 2007 - June 30, 2007
2. Costs for Year 1: July 1, 2007 - June 30, 2008
3. Costs for Year 2: July 1, 2008 - June 30, 2009
4. Inflation assumption for contract years beyond June 30, 2009
5. Explanations & Assumptions for the Above cost estimates

The Cost Proposal must clearly identify the estimated costs associated with the Scope of Work requirements set forth in this RFP. Cost Proposals should follow the general format set forth in this RFP. Cost Proposals must include the explanations and assumptions made in deriving line items and total costs. The following categories should serve as a guide in developing a Cost Proposal.

8.1.1 Personnel Costs

Include all the staff that will be directly involved in the day to day operations. Include the number of staff for each position and the total full-time equivalent (FTE). Personnel costs should be calculated to include fringe and tax costs.

8.1.2 Administrative/Other Costs

Rent & Utilities

Include cost for space, including furniture and utilities, to conduct operations.

Telephone & Communications

Include projected call volume. The vendor is responsible for all costs associated with:

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- Maintaining both toll-free lines, and any other lines necessary to handle projected call volume.
- Normal business communications.

Information Systems

The vendor is responsible for soft ware and other information systems necessary to meet Scope of Work requirements.

Travel

Travel should include and differentiate between local travel, travel for training, and travel for administrative activities. Local travel will be reimbursed at the State rate, currently \$0.445 per mile.

Other Costs

Any other items that the bidder has identified as a cost in fulfilling the Scope of Work requirements.

8.1.3 Overhead and/or Margin

Overhead and/or margin cannot be applied to travel, information systems, telephone, equipment and supplies, postage, rent and utilities, and other direct costs.

8.2 CONFIGURATION OF COST PROPOSAL

1. The Bidder shall present the cost and amount of time (number of hours) and costs, including salary and fringe benefits, for each individual involved in this project and for each element of the project.
2. Bidders should provide detailed descriptions and line item costs associated with all non personnel items, including data, travel, overhead and any other items necessary for the completion of the project.
3. The number of trips to Vermont by management staff should be delineated, including the estimated number of people participating in each trip.
4. The number of days the bidder's management staff will be onsite in Vermont should be specified.

8.2.1 Instructions

It is mandatory for bidders to complete a Cost Proposal based on the template below. This format is intended as a general guide. Bidders may modify this format if it will improve the presentation and understanding of their Cost Proposal. Bidders must provide separate line item information for each function (i.e., mailings, telephonic, face-to-face interventions).

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8.2.1.1 Personnel Costs

List each person that will be involved in the project and add as many lines as necessary to include all personnel. Provide a total for the number of professional days that will be devoted to the project. Include any subcontractors in the personnel section. Fringe benefit costs may be identified as a standard percentage for all personnel. Identify the cost elements included in fringe benefits.

If any part of the work is to be subcontracted, the cost proposal should include *a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities.* The State reserves the right to approve subcontractors for this project and to require the Primary Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

| Name | Base Cost (identify the base salary amount and fringe benefit costs) | Percent of Time and total number of days or hours devoted to project | Description of Role | Total Amount |
|-------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------|---------------------|
| | | | | |
| | | | | |
| | | | | |

| Subcontractor Name | Address | Description of Work to be performed | Organizational Abilities | Amount |
|---------------------------|----------------|--------------------------------------------|---------------------------------|---------------|
| | | | | |
| | | | | |
| | | | | |

Note: Provide a total dollar amount for all subcontractors if applicable.

8.2.1.2 Operating Costs

Provide totals for all operating costs

| Category | Description of need for the item | Basis for cost | Amount | Total |
|-----------------|-----------------------------------------|-----------------------|---------------|--------------|
| | | | | |

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| | | | | |

8.2.1.3 Implementation Period

Provide a cost per month and total cost, and a description of activities associated with the implementation period (March 1, 2007 - June 30, 2007).

8.2.1.4 Total Costs

As applicable, identify overhead and margin as a percentage of the total Cost Proposal and in total dollar amounts. Include separate amounts and a total for the identified periods.

Personnel: _____

Subcontractors: _____

Operating: _____

Total: _____

8.3 IVS Bidders Only

8.3.1 Instructions

As part of their Cost Proposal, IVS bidders are required to complete the table below. As applicable to completion of the table, provide sufficient detail for the State to understand how the bid was derived.

1. The bidder should propose annual inflation rates for years subsequent to June 30, 2008.
2. The following metrics are used in the table:
 - **Total number of Medicaid beneficiaries in the target population (i.e. the “eligible” population).** Using the de-identified claims data extract provided upon request, indicate the number of non dually-eligible beneficiaries with at least one of the following chronic conditions: arthritis, asthma, COPD, chronic renal failure, congestive heart failure, depression, diabetes, hyperlipidemia, hypertension, ischemic heart disease, low back pain.
 - **Number of individuals in each risk category.** Stratify the entire (not condition specific) target population into 3 risk groups: “low”, “medium”, and “high”, plus “unable to contact” and indicate your estimate of the number of total beneficiaries in each category. This estimate is for the total eligible population. Do not break out into condition-specific estimates.
 - **Per Eligible Member per Month (PEMPM) cost for each of the three risk groups.** Indicate the total monthly cost for each beneficiary.

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- **Itemized list of costs associated with each risk group.** List all the costs that are factored into the resulting PEMPM for each category.
- **Implementation Costs.** Include separate amounts and a total for the costs associated with program start-up. Include a detailed description of the activities that will occur in the implementation period (4 months).

As applicable, identify overhead and margin as a percentage of the total Cost Proposal and in total dollar amounts.

Note: Refer to instructions for descriptions of tables used in Cost Proposal.

| <i>Total number of individuals in target population</i> | <i>Number of individuals in each risk category</i> | <i>Itemized list of costs associated with each risk group</i> | <i>PEMPM cost for each risk group</i> |
|---------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|---------------------------------------|
| # ____ | <i># High Risk</i> ____ | \$ | \$ |
| | <i># Medium Risk</i> ____ | | |
| | <i># Low Risk</i> ____ | | |
| | <i># Unable to Contact</i> ____ | | |
| <i>Implementation Costs</i> | <i>Itemized List</i> | <i>Amounts</i> | <i>Total</i> |
| | | \$ | \$ |

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SECTION 9: PROPOSAL EVALUATION METHODOLOGY

Bidders will be assigned a score based on the Steps 1 and 2 (as follows) which, when combined determine the bidder or bidders with the highest overall score. Proposals submitted in response to this RFP will be evaluated as follows:

9.1 STEP 1: MANDATORY REQUIREMENTS

Failure to meet any one of the following requirements may result in a bidder being disqualified from the selection process. The bidder must have:

1. Adhered to all applicable provisions set forth in Section 3 of this RFP
2. Submitted a Proposal in accordance with subsections 6.4 (as applicable), 6.6, 6.7 and 6.8
3. Submitted a Narrative Proposal in accordance with Section 7
4. Submitted a Cost Proposal in accordance with Section 8

9.2 STEP 2: MERITS OF THE BIDDER'S NARRATIVE PROPOSAL

Only proposals passing Step 1 shall be evaluated during Step 2. Step 2 comprises 75% of the overall scoring methodology and is based on:

1. Executive Summary (subsection 7.1.4) – breadth and depth
2. Capability (subsection 7.1.5) of the bidder (and subcontractors) including resource allocation/expertise, relevant experience, overall approach and management philosophy
3. Technology Approach and Requirements (subsection 7.1.6.1) – adequate resources, overall approach, support needed from State
4. Work Plan and Schedule – responsive to Scope of Work requirements, addresses the list included in subsection 7.1.6
5. Organization and Staffing (subsection 7.1.7) – adequate resources, expertise and experience
6. References (subsection 7.1.8) – relevancy and adequate

9.3 STEP 3: COST PROPOSAL

Step 3 comprises 25% of the overall scoring methodology.

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SECTION 10: CONTRACT INFORMATION WITH TERMS AND CONDITIONS

In addition to the required provisions that relate to all State contracts, this section sets forth additional provisions the bidders should be aware of in preparing their response to this RFP.

The State reserves the right to award a contract covering the entire Scope of Work, or any part thereof, if the best interest of the State shall be so served. In addition to the provisions of this RFP and the selected proposal, which shall be incorporated by reference in the contract, any additional clauses or provisions required by federal or State law or regulation in effect at the time of execution of the contract will be included.

10.1 CONTRACT AWARD NOTICE

All bidders will be notified of the contract award when the contract is executed by both parties. If the awarded bidder fails to execute the contract, the State may elect to cancel the award and begin the award process with the second highest ranked bidder.

The procurement process relative to this RFP shall not be officially closed until either a contract is executed or the State otherwise moves to terminate procurement.

10.2 TERM OF CONTRACT

The contract commences upon execution and the expected contract periods are:

Implementation: March 1, 2007 - June 30, 2007

Operations: July 1, 2007 – January 31, 2011

The Scope of Work may be modified effective July 1, 2008 and annually based on the need or the State. There may also be an additional one (1) year extension beyond January 31, 2011 at the discretion of the State.

10.3 CONTRACT ADMINISTRATOR

Upon State approval of a contract, and following execution of said contract, the State shall direct the selected bidder to administer the contract on a day-to-day basis during the term of the contract. However, administration of any contract resulting from this RFP implies no authority to change, modify, clarify, amend, or otherwise alter the costs, terms, conditions, and specifications of such contract. That authority is retained by the State.

The Contract Administrator and Project Manager is:

Julie Trottier, Health Programs Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201

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Williston, VT 05495
Telephone: (802) 879-5905

An alternative Project Manager may be designated by the State.

10.4 COST LIABILITY

Vermont assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this RFP. Total liability of the State is limited to the terms and conditions of this RFP and any resulting Contract.

10.5 CONTRACTOR RESPONSIBILITIES

The Contractor shall be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State shall consider the Primary Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. The State reserves the right to approve subcontractors for this project and to require the Primary Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

The Contractor and any subcontractors must commit to the entire contract period stated within this RFP, unless a change of subcontractors is specifically agreed to by the State.

The Agreement between the Contractor and the State will not be assignable to another party without prior written permission from the State. The Contractor shall provide advance notice to the State on any intended sale of the contracting entity. The State will have the option of terminating the Contract with the Contractor upon the sale of the contracting entity.

10.6 NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates, shall not be made without prior State approval (verbal or written as specified by the State), and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior written approval of the State and then only to persons designated.

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10.7 FREEDOM OF INFORMATION AND PRIVACY ACT / DISCLOSURE

All material submitted by Bidders becomes the irrevocable and sole property of the State of Vermont. The State reserves the right to use all concepts, data, ideas, or configurations presented in any proposal, whether or not the proposal is selected.

All materials relating to this procurement are subject to the terms of the Freedom of Information Act, the Privacy Act, and all rules, regulations, and interpretations of these Acts, including those from the Offices of the Attorney General of the United States, Health and Human Services, Centers for Medicare and Medicaid Services, and the State of Vermont. The Bidder, by submitting a proposal, agrees that the Privacy Act of 1974, Public Law 93-579, and the Regulations and General Instructions issued pursuant thereto, are applicable to this contract, and to all subcontracts hereunder. Should the Bidder's proposal include any materials that are proprietary and are to be treated confidentially, those materials must be clearly and separately identified. Each page of any proprietary material should be separately labeled.

10.8 GRATUITIES OR KICKBACKS

The State prohibits Gratuities and Kickbacks.

10.9 RETAINAGE

In submitting a proposal in response to this RFP, the Bidder agrees to a retainage of up to fifteen percent (15%) of the total contract amount. Fifteen percent (15%) retainage shall be deducted from the Contractor's monthly invoice. Accumulated retainage may be released after January 1, 2008 following a determination by the Contract Administrator of satisfactory contractor performance. Accumulated retainage may be also released at 6 month intervals thereafter with the approval of the Contract Administrator.

Should the contract be terminated for any reason related to the Bidder's failure to perform Bidder duties to the satisfaction of the State, this retainage shall revert to the State as liquidated damages in addition to the other penalties and/or damages stated in this RFP or the signed contract.

10.10 APPROPRIATIONS

If the contract extends into more than one fiscal year (July 1 to June 30), and if appropriations are insufficient to support the contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.

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10.11 OTHER PROVISIONS

Vermont has specific contract language and requirements, as identified in Appendices 4, 5, and 6. Bidders should review this language.

10.12 PERFORMANCE STANDARDS AND PENALTIES

The contractor must abide by the Performance Standards set forth in the Scope of Work and will be subject, as determined by the Contract Administrator, to forfeiture of up to 10 % of the contract amount for each instance in which:

The Contractor fails to meet by more than 30 calendar days the timelines set forth in the Narrative Proposal Work Plan and Schedule. The Contract Administrator may waive or adjust this penalty if it is determined that failure to meet the timeline was fully or partially outside the control of the Contractor.

The Contractor fails to submit required work products or submits work products that are sufficiently deficient such that the Contract Administrator requests that they be redone.

Repeated levying of penalties for failure to perform may result in cancellation of the contract by the State.

10.12.1 Damages and Sanctions

It is expressly agreed by the State and the Contractor that, in the event of a failure to meet the performance requirements, if damages are sustained by the State, the Contractor shall pay to the State damages according to the following subsections. Written notice of said failure to perform shall be provided to the Contractor within thirty (30) days of the State's discovery of such failure.

10.12.1.1 Non-Compliance with Program Standards

The Contractor shall ensure that performance standards as described in this RFP and Bid Proposal are met in full. The size of the damages associated with failure to meet performance standards will vary depending on the nature of the deficiency. Therefore, in the event of any breach of the terms of the contract with respect to performance standards, unless otherwise specified below, sanctions shall be assessed against the Contractor.

10.12.1.1.1 Non-Compliance with Data Reporting

The Contractor shall comply with the operational and financial data reporting requirements and beneficiary service standards. The Contractor shall be liable for the penalties identified for failure to meet data submission standards goals and reporting requirements. The Contractor shall be liable for penalties for each business day that any report is delivered

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after the date when it is due, or includes less than the required information, or is not in the approved media or format. For weekly, monthly or quarterly reports penalties will accumulate at a rate of \$100.00 per day for the first five (5) calendar days; for calendar days six (6) to ten (10) the rate will be \$200.00 per day; and for further days the rate will be \$300.00 per calendar day. The State may, at its sole discretion, waive penalties when extenuating circumstances exist or such a Waiver is considered in the best interest of the state.

10.12.1.1.2 Compliance with Other Material Contract Provisions

The objective of this standard is to provide the State with an administrative procedure to address general contract compliance issues which are not specifically defined as performance requirements listed above or for which damages due to noncompliance cannot be quantified.

The State may identify contract compliance issues resulting from the Contractor's performance of its responsibilities through routine contract monitoring activities. If this occurs, the OVHA Director or Contract Administrator will notify the Contractor in writing of the nature of the performance issue. The State will also designate a period of time, not to be less than ten business days, in which the Contractor must provide a written response to the notification and will recommend, when appropriate, a reasonable period of time in which the Contractor should remedy the noncompliance.

If the noncompliance is not corrected by the specified date, the State may assess sanctions up to two- thousand five-hundred dollars (\$2,500.00) per day after the due date until the non-compliance is corrected.

10.12.2 Payment

10.12.2.1 Payments

The Contractor shall submit a monthly invoice (three copies) for the services provided the month before. The State shall reimburse the Contractor within 15 days of receipt of the Contractor invoice, minus the retainage and any performance penalties (if applicable).

10.12.2.2 Deductions from Payments

The State may, following proper notification to the Contractor, deduct from any payments due the Contractor the calculated amount of recovery for any assessed consequential or liquidated damages.

10.12.2.3 Prohibition against Advance Payments

No payment shall be paid by the State in advance of, or in anticipation of services actually performed and/or of supplies furnished under this contract. Monthly invoices must be submitted for work performed in the previous month.

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10.12.2.4 Payments to Subcontractors

The State shall bear no liability for paying the valid claims of the Contractor's subcontractors.

10.12.2.5 Deduction of Damages from Payments

All Penalties will be paid by the Contractor within 60 days of the infraction, or may be withheld by the State. Amounts due the State as sanctions may be deducted by the State from any money payable to the Contractor pursuant to this contract. The Contract Administrator shall notify the Contractor in writing of any claim for sanctions at least fifteen (15) days prior to the date the State deducts such sums from money payable to the Contractor. The State may, at its sole discretion, return a portion or all of any sanctions collected as an incentive payment to the Contractor for prompt and lasting correction of performance deficiencies.

10.13 GENERAL CONTRACT PROVISIONS

10.13.1 Contract Composition

The terms and conditions contained in this chapter shall be incorporated by reference in any contract resulting from this RFP. The State shall render all decisions on matters involving interpretation of these contract terms and conditions. The contract shall be in conformity with, and shall be governed by, all applicable laws of the Federal government and the State of Vermont.

The component parts of the contract between the State of Vermont and the Contractor (hereinafter called the Contractor) from the evaluation of responses to this RFP shall consist of:

The formal contract document signed by all parties and any subsequent amendments to that document;

This RFP, inclusive of appendices and exhibits;

Any amendments to this RFP; and

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The Contractor's proposal and any written agreements or representations incorporated as part of the procurement process.

The order of precedence among the contract components shall be, first, the Contract for Chronic Care Management Services; second, this RFP and any amendments to it; third, the Contractor's proposal; and fourth, any agreements incorporated as part of the procurement process.

In the event of a conflict in language among any of these components, the provisions and requirements set forth and/or referenced in the Contract for Chronic Care Management Services, or, if not set forth in that document, then the provisions and requirements as set forth in this RFP, shall govern. The State reserves the right to clarify any contractual relationship in writing, and such clarifications shall govern in case of conflict with the requirements of this RFP.

If an issue is addressed in the Contractor's proposal that is not addressed in the Request for Proposals, no conflict in language shall be deemed to have occurred.

10.13.2 Entire Agreement

This Contract Agreement represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect. A record of formal contract negotiations, if any, between the contractual parties will be prepared by the Office of Vermont Health Access and will become part of the contract file. The contract between the parties shall be independent of, and have no effect upon, any other contracts of either party.

10.13.3 Subsequent Conditions

The Contractor shall comply with all requirements of this RFP and the State shall have no obligation until such time as all of said requirements have been met.

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10.13.4 Contract Administration

The contract shall be administered for the State by the Office of Vermont Health Access (OVHA). The OVHA Director and the Contract Administrator will be responsible for all matters related to this contract.

The Contract Administrator shall be the Contractor's primary liaison in working with other State staff and with any other private contractor participating in program management. In no instance shall the Contractor refer any matter to the AHS Secretary or his/her designee or any other official in Vermont unless initial contact, both verbal and in writing, regarding the matter has been presented to the OVHA Director or the Contract Administrator.

Whenever the State is required by the terms of the contract to provide written notice to the Contractor, such notice shall be signed by the OVHA Director or Contract Administrator. All notices regarding the failure to meet performance requirements and any assessments of damages under the provisions set forth in this RFP shall be issued by the OVHA Director or the Contract Administrator.

10.13.5 Notices

Whenever notice is required to be given to the other party, it shall be made in writing and delivered to that party. Delivery shall be deemed to have occurred if a signed receipt is obtained when delivered by hand or three (3) days have elapsed after posting if sent by registered or certified mail, return receipt requested, or by private carrier with a signed receipt slip. A transmission by Fax will not be considered a formal notice. Notices shall be addressed as follows:

In case of notice to the Contractor:

Contractor Name
Contractor Address

In case of notice to OVHA:

OVHA Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495

A copy of the notice shall be sent to the Contract Administrator. Said notices shall become effective on the date of receipt or the date specified within the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

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10.13.6 Authority

Each party has full power and authority to enter into and perform the contract. Each party certifies that the person signing on its behalf has been properly authorized and empowered to enter into the contract. Each party further acknowledges that it has read the contract, understands it, and agrees to be bound by it.

10.13.7 Interpretations and Disputes

10.13.7.1 Conformance with State and Federal Regulations

The Contractor agrees to comply with all State and Federal laws, regulations, and policies as they exist or as amended that are or may be applicable to the contract, including those not specifically mentioned in this chapter. In the event that the Contractor may, from time to time, request the State to make policy determinations or to issue operating guidelines required for proper performance of the contract, the State shall do so in a timely manner, and the Contractor shall be entitled to rely upon and act in accordance with such policy determinations and operating guidelines and shall incur no liability in doing so unless the Contractor acts negligently, maliciously, fraudulently, or in bad faith.

10.13.7.2 Waivers

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

Waiver of any breach of any term or condition in the contract shall not be deemed a Waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

10.13.7.3 Severability

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

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finding and shall be fully performed. To this end, the terms and conditions defined in the contract can be declared severable.

10.13.7.4 Legal Considerations

This contract shall be governed in all respects by the laws and statutes of the State of Vermont. The bidder, by submitting a proposal, agrees and submits to the jurisdiction of the courts of the State of Vermont and agrees that venue for any legal proceeding against the State regarding this RFP or any resultant contract shall be filed in the Superior Court of Washington County. In the event that either party deems it necessary to take legal action to enforce any provision of the contract, the Contractor shall bear their costs associated with the litigation, including attorney fees as assessed by the court. Any action against the State, including, but not limited to, actions either for breach of contract or for enforcement of its provisions, or both, shall be commenced within three (3) years from the date of completion specified in the contract and shall be tried by a court sitting without a jury. All defenses in law or equity, except the defense of governmental immunity, shall be preserved to the State. Any further appeal of the Superior Court's decision may be taken to the Supreme Court of the State of Vermont.

10.13.7.5 Disputes

Prior to the institution of litigation concerning any dispute arising under the contract, the Secretary of the Agency of Human Services of the State of Vermont is authorized, subject to any limitations or conditions imposed by regulations, to settle, compromise, pay, or otherwise adjust the dispute by or against or in controversy with, a contractor relating to a contract entered into by the Agency of Human Services on behalf of the State or any State department or office, including a claim or controversy based on a contract, mistake, misrepresentation, or other cause for contract modification or rescission, but excluding any claim or controversy involving penalties or forfeitures prescribed by statute or regulation where an official other than the Secretary of the Agency of Human Services is specifically authorized to settle or determine such controversy.

A "contract dispute" shall mean a circumstance whereby a Contractor and the State agency are unable to arrive at a mutual interpretation of the requirements, limitations, or compensation for the performance of a contract.

The Secretary of the Agency of Human Services shall be authorized to resolve contract disputes between contractors and State agencies upon the submission of a request in writing from either party, which request shall provide:

- A description of the problem, including all appropriate citations and references from the contract in question.
- A clear statement by the party requesting the decision of the Secretary's interpretation of the contract.
- A proposed course of action to resolve the dispute.

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The Secretary shall determine whether:

- The interpretation provided is appropriate.
- The proposed solution is feasible.
- Another solution may be negotiable.

If a dispute or controversy is not resolved by mutual agreement, the Secretary or his/her designee shall promptly issue a decision in writing after receipt of a request for dispute resolution. A copy of the decision shall be mailed or otherwise furnished to the Contractor. If the Secretary does not issue a written decision within thirty (30) days after written request for a final decision, or within such longer period as might be established by the parties to the contract in writing, then the Contractor may proceed as if an adverse decision had been received.

Appeals of the Secretary's decision may be taken to the Washington County Superior Court under the same conditions and under the same practice as appeals are taken from judgments in civil cases. If damages awarded on any contract claim under this section exceed the original amount of the contract, such excess shall be limited to an amount which is equal to the amount of the original contract. No person, firm, or corporation shall be permitted more than one (1) money recovery upon a claim for the enforcement of or for breach of contract with the State.

10.13.8 Contract Amendments

An approved contract amendment is required whenever a change affects the payment provisions, the scope of work, the length of the contract, or when other contract deliverables do not meet the requirements of the State. Formal contract amendments will be negotiated by the State with the Contractor whenever necessary to address changes to the terms and conditions, the costs of, or the scope of work included under the contract. An approved contract amendment means one approved by the Office of Health Access, the Contractor, and all other applicable State and Federal agencies prior to the effective date of such change.

10.13.9 Guarantees, Warranties, and Certifications

10.13.9.1 Contractor Recoveries

In the event this contract is terminated for any reason, the State shall be obligated only for the products/services rendered and accepted prior to the date of termination, and limited to actual, reasonable and allowable costs in accordance with contract payment provisions. All such products become the property of the State of Vermont.

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The contractor may be paid for outstanding invoices due, less assessed damages. If damages exceed monies due from invoices, collection may be made from the contractor's performance bond.

Recovery Process

The contractor shall submit any termination claims in the form and with the certifications prescribed by the State promptly, but in no event later than four months from the effective date of termination.

Subject to the timeliness provisions in the previous paragraph, and subject to any review required by State procedures in effect as of the date of execution of the contract, the contractor and the OVHA may agree upon the amounts to be paid to the contractor by reason of the total or partial termination of work.

The State will only pay for those services for which value has been received in progress on a product, regardless of contractor costs. The contractor shall not be entitled to be paid for any work performed in connection with terminated parts and after notice of termination is received.

In the event of a failure to agree in whole or in part as to any amounts to be paid to the contractor in connection with the total or partial termination of work pursuant to this contract, the State shall determine on the basis of information available, the amount, if any, due to the contractor by reason of termination and shall pay to the contractor the amount so determined. The contractor shall have the right of appeal.

If the State determines that the facts justify such action, termination claims may be accepted and acted upon at any time after such four-month period or extension thereof. Upon failure of the contractor to submit its termination claim within the time allowed, the OVHA may, subject to review required by State procedures in effect as of the date of execution of the contract, determine on the basis of information available, the amount, if any, due to the contractor by reason of the termination and shall pay to the contractor the amount so determined.

In no case shall the contractor's termination claims include claim for unrealized anticipatory profits.

10.13.9.2 State Recoveries

In the event this contract is terminated for any reason, the OVHA may procure, upon such terms and in such manner as deemed appropriate by the OVHA, supplies or services similar to those terminated, and the contractor may be liable for any costs for such similar supplies or services and other damages allowed by law.

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Additionally, the contractor shall be liable to the State for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. Payment for such costs may be assessed against the contractor's performance bond.

The contractor acknowledges that:

Any failure or unreasonable delay on its part in the delivery of materials and/or turnover activities will cause irreparable injury to the OVHA, not adequately compensable in damages.

The OVHA may seek and obtain injunctive relief and monetary damages. Payments made by the OVHA may also constitute an element of damages in any action in which contractor default is alleged.

The rights and remedies of the OVHA provided in this section shall not be exclusive and are in addition to other rights and remedies provided by law or under contract provisions.

10.13.9.3 Subcontracts and Delegation of Duty

The Contractor may enter into written subcontract(s) for performance of certain of its contract responsibilities. The proposed use of subcontractors shall be clearly explained in the bidder's proposal and should identify which subcontractors are providing what services. The Contractor shall make available all sub-contracts for inspection by the State upon request for the State's prior approval. Any change in subcontractors during the term of the contract shall be submitted to the State for review and shall be subject to the State's prior approval.

The prime Contractor shall be wholly responsible for performance of the entire contract whether or not subcontractors are used. Any subcontract which the Contractor enters into with respect to performance under the contract shall not relieve the Contractor in any way of responsibility for performance of its duties. Further, the State will consider the selected Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

The Contractor shall give the State immediate notice in writing, by certified mail, of any action or suit filed and of any claim made against the Contractor or subcontractor that may result in litigation with the Agency of Human Services related to this contract.

Executive Order 924 encourages each State agency to meet a goal of ten percent (10%) of the dollar value of all procurement be awarded to small and small disadvantaged and minority and woman-owned businesses as subcontractors, pursuant to the provisions of Part 19 of Title 48, Federal Acquisition Regulations; 45 CFR 74.161, Appendix C; and Chapter 37-2.5.5.2.

All of the program standards described in this RFP shall apply to subcontractors, to the extent relevant, to the duties they are performing.

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10.13.9.4 Assignment of the Contract

The Contractor shall not sell, transfer, assign, or otherwise dispose of the contract or any portion thereof or of any right, title, or interest therein without the prior written consent of the State. Such consent, if granted, shall not relieve the Contractor of its responsibilities under the contract. This provision includes reassignment of the contract due to change in ownership of the firm.

10.13.9.5 Force Majeure

Neither the Contractor nor the State shall be liable for any damages or excess costs for failure to perform their contract responsibilities if such failure arises from causes beyond the reasonable control and without fault or negligence by the Contractor or the State. Such causes may include, but are not restricted to, fires, earthquakes, tornadoes, floods, unusually severe weather, or other catastrophic natural events or acts of God; quarantine restrictions; explosions; subsequent legislation by the State of Vermont or the Federal government; strikes by other than the Contractor's employees; and freight embargoes. In all cases, the failure to perform must be beyond the reasonable control of, and without fault or negligence of, either party.

10.13.9.6 Patent or Copyright Infringement

The Contractor shall represent that, to the best of its knowledge, none of the software to be used, developed, or provided pursuant to this contract violates or infringes upon any patent, copyright, or any other right of a third party. If any claim or suit is brought against the State for the infringement of such patents or copyrights arising from the Contractor's or the State's use of any equipment, materials, computer software and products, or information prepared for, or developed in connection with performance of, this contract, then the Contractor shall, at its expense, defend such use. The Contractor shall satisfy any final award for such infringement, whether it is resolved by settlement or judgment involving such a claim or suit.

10.13.10 Personnel

10.13.10.1 Employment Practices

The Contractor shall agree to comply with the requirements relating to fair employment practices; to the extent applicable and agrees further to include a similar provision in any and all subcontracts.

The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, age (except as provided by law), marital status, political affiliation, or handicap. The Contractor shall take affirmative action to ensure that employees, as well as applicants for employment, are treated without regard to their race, color, religion, sex, sexual orientation, national

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origin, age (except as provided by law), marital status, political affiliation, or handicap. Such action shall be taken in areas including, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Contractor shall agree to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provision of this non discrimination clause. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, national origin, age (except as provided by law), marital status, political affiliation, or handicap, except where it relates to bona fide occupational qualification. The Contractor shall send to each labor union or representative of workers with which he has a collective bargaining arrangement or other agreement or understanding, a notice advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1976, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.

The Contractor shall agree to comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000D et seq.); Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794); Title IX of the Education Amendments of 1972 (20 USC 1681 et seq.); The United States Department of Health and Human Services regulations found in 45 CFR, parts 80 and 84; and the United States Department of Education implementing regulations (34 CFR, parts 104 and 106); which prohibit discrimination on the basis of race, color, national origin, handicap, or sex, in acceptance for or provision of services, employment, or treatment in educational or other programs or activities.

The Contractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1976, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor. The Contractor shall furnish all information and reports required by Executive Order No. 11246 of September 24, 1976, as amended, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto and will permit access to its books, records, and accounts by the Secretary of the U.S. Department of Health and Human Services and the U.S. Secretary of Labor or their authorized representatives for purposes of investigation to ascertain compliance with rules, regulations, and orders.

The Contractor shall comply with the nondiscrimination clause contained in Federal Executive Order 11246, as amended by Federal Executive Orders 11625 and 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor and with Title 41, Code of Federal Regulations, Chapter 60. The Contractor shall comply with regulations issued by the Secretary of Labor of the United

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States in Title 20, Code of Federal Regulations, Part 741, pursuant to the provisions of Executive Order 11 758 and the Federal Rehabilitation Act of 1973. The Contractor shall be responsible for ensuring that all subcontractors comply with the above-mentioned regulations. The Contractor and its subcontractors shall comply with the Civil Rights Act of 1964, and any amendments thereto, and the rules and regulations there under, and Section 504 of Title V of the Vocational Rehabilitation Act of 1973, as amended.

The Contractor shall comply with all applicable provisions of Stat. 53-1147, the Federal "Hatch Act," as amended.

The Contractor shall comply with all applicable provisions of Public Law 101-336, Americans with Disability Act.

The Contractor shall provide a drug-free work place in accordance with the Drug-Free Workplace Act of 1 988 and implemented at 45 CFR 76, Subpart F for grantees, as defined at 45 CFR Part 76, Section 76.605 and 76.610.

The Contractor shall agree comply with all other State and Federal statutes and regulations that are or may be applicable and that are not specifically mentioned above.

10.13.10.2 Employment of State Personnel

The Contractor shall not knowingly engage on a full-time, part-time, or other basis, during the period of the contract, any professional or technical personnel who are or have been at any time during the period of this contract, State employees, except those regularly retired individuals, without prior written approval from the Secretary of the Agency of Human Services or designee.

10.13.11 Fraud and Abuse

The Contractor shall require its employees, contractors, and grantees which provide goods or services for the plan to furnish, upon reasonable request, to the Office of Health Access and the Attorney General any record, document, or other information necessary for a review, audit, or investigation of program fraud or abuse, and shall establish procedures to report all suspected fraud and abuse to the Office of Vermont Health Access and the Attorney General.

10.13.12 Inspection of Work Performed

The Office of Vermont Health Access, the Agency of Human Services, Vermont Auditor of Accounts, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the General Accounting Office, the Comptroller General of the United States, the Office of the Inspector General, Medicaid Fraud Control Unit of the Office of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of the Contractor

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and/or all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. All inspections and evaluations shall be performed in such a manner as to not unduly delay work.

10.13.13 Termination of the Contract

The contract between the parties may be terminated only on the following basis:

By mutual written agreement of the State and the Contractor.

By the State, in whole or in part, whenever it determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities and is unable to cure such failure within a reasonable period of time after receipt of a notice specifying those conditions.

By the State, in whole or in part, whenever, for any reason, the state shall determine that such termination is in the best interest of the State, with sufficient prior notice to the Contractor.

By the State, in whole or in part, whenever funding from State, Federal, or other sources is withdrawn, reduced, or limited, with sufficient prior notice to the Contractor.

By the State, in whole or in part, whenever the State determines that the instability of the Contractor's financial condition threatens delivery of Medicaid services and continued performance of the Contractor responsibilities.

Each of these circumstances is incorporated in the following subsections.

10.13.13.1 Termination for Default

The State may terminate this contract, in whole or in part, whenever it determines that the Contractor or subcontractor has failed to satisfactorily perform its contracted duties and responsibilities and is unable to cure such failure within a reasonable period of time as specified in writing by the State, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the State that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities, the Contractor shall be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the State will notify the Contractor that the contract, in full or in part, has been terminated for default.

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

In the event of termination for default, in full or in part as provided under this clause, the State may cover, upon such terms and in such manner as is deemed appropriate by the State, supplies or services similar to those terminated, and the Contractor shall be liable for any costs for such similar supplies or services and all other damages allowed by law. In addition, the Contractor shall be liable to the State for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. Payment for such costs may be assessed against the Contractor's performance bond or substitute security.

In the event of a termination for default, the Contractor shall be paid for any outstanding monies due less any assessed damages. If damages exceed monies due from invoices, collection can be made from the Contractor's performance bond, cash deposit, letter of credit, or substitute security.

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

10.13.13.2 Termination for Convenience

The State may terminate performance of work under the contract, in whole or in part, whenever, for any reason, it shall determine that such termination is the most appropriate action for the State of Vermont.

In the event that the State elects to terminate the contract pursuant to this provision, the Contractor shall be notified in writing by either certified or registered mail either thirty (30) days prior to or such other reasonable period of time prior to the effective date, of the basis and extent of termination. Termination shall be effective as of the close of business on the date specified in the notice. Upon receipt of notice of termination for convenience, the Contractor shall be paid for any outstanding monies due.

10.13.13.3 Termination for Unavailability of Funds

In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to the anticipated contract expiration date, the State may terminate the contract under the "Termination for Convenience" clause (see Section 3.10.2 above).

10.13.13.4 Termination for Financial Instability

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In the event that the Contractor becomes financially unstable to the point of threatening the ability of the State to obtain the services provided for under the contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or its assets, the State may, at its option, immediately terminate this contract effective the close of business on the date specified. In the event the State elects to terminate the contract under this provision, the Contractor shall be notified in writing by either certified or registered mail specifying the date of termination. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise the Contract Administrator. The Contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of this contract.

10.13.13.5 Procedures on Termination

Upon delivery by certified or registered mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor shall:

Stop work under the contract on the date and to the extent Specified in the Notice of Termination.

Complete the performance of such part of the work as has not been terminated by the Notice of Termination.

Provide all necessary assistance to the State in transitioning members, enrollment data, or other pertinent information to a new contractor or state entity.

10.13.14 Miscellaneous Contract Terms and Conditions

10.13.14.1 Ownership of Data, Reports, Work Products and Deliverables

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of Vermont and shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered “work for hire”, i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed.

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All work products, and deliverables produced under contracts awarded as a result of bids will be the exclusive property of the State of Vermont. This includes, but is not limited to, software, documentation, and development materials. A vendor shall not sell a work product or deliverable produced under a contract awarded as a result of bids without explicit permission from the State.

10.13.14.2 Publicity

Any publicity given to the program or services provided herein, including, but not limited to, notices, information pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor, shall identify the State of Vermont as the sponsor and shall not be released without prior written approval from the State.

10.13.14.3 Award of Related Contracts

The State may undertake other contracts for work related to this contract or any portion thereof. The Contractor shall be bound to cooperate fully with such other contractors as directed by the State in all such cases. All subcontractors will be required to abide by this provision as a condition of the contract between the subcontractor and the prime contractor.

10.13.14.4 Conflict of Interest

No official or employee of the State of Vermont or the Federal government who exercises any functions or responsibilities in the review or approval of the undertaking-or carrying out of this contract shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the contract or proposed contract. All applicable State employees shall be subject to the provisions of the Executive Order Code of Ethics, Executive Order No.8-91.

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

10.13.14.5 Lobbyist Reporting Law

In accordance with 2 V.S.A., Sections 261-268, lobbyists and their employers must report all gifts of \$5.00 or more to legislators or administration officials. Lobbyists include all persons who engage in lobbying for compensation of more than \$500 in any calendar year. Lobbyists and their employers must register and file reports with the Vermont Secretary of State.

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Appendix 1: Clinical Outcome Measures

| Clinical Outcome Metrics for Coronary Artery Disease (CAD) or Ischemic Heart Disease (IHD) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variables to be Measured |
| Percent of IHD members post-MI taking beta-blockers |
| Percent of members with IHD at target LDL <100mg/dL. (use last measure to report) * (ATP-III Guideline) |
| Percent of all IHD members taking an aspirin* or antiplatelet drug. |
| Percent of members with IHD diagnosis who had fasting lipid panel assessed within the measurement year per ATP-III. |
| Percent of IHD members with LDL screening performed on or between 60 and 365 days after discharge for an acute cardiovascular event. |
| Percent of LDL screening performed on or between 60 and 365 days after discharge for an acute cardiovascular event. |
| Percent of IHD members with LDL level <130 mg/dL on or between 60 and 365 days after discharge for an acute cardiovascular event. |
| Percent of IHD members post-MI taking ACE inhibitors or angiotensin receptor blocker (ARB) for ACEI intolerance. |
| Percent of non-diabetic members with IHD who had Fasting Blood Glucose assessed annually. |
| Percent of IHD members who were either recent quitters (within last 12 months) or current smokers who were seen by a practitioner and had received advice to quit smoking. |
| Percent of IHD members who reported smoking at the beginning of the measurement period who at the time of measurement had quit smoking. |
| Percent of all IHD members who received a flu vaccination within the last 12 months. |
| Percent of all IHD members who have ever received a pneumococcal vaccine. |
| Hospital admissions per thousand IHD members for MI within the measurement period |
| Percent of all IHD members who had a depression screening in accordance with United States Preventive Services Task Force (USPSTF). |
| Percent of IHD members with BP < 130/85. |

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| Clinical Outcome Metrics for Heart Failure (HF) |
|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Variables to be Measured |
| Increase the percent of members with heart failure taking ACE inhibitors or in ACE-intolerant patients taking ARBs or hydralzaine/isosorbide. |
| Increase the percent of members with heart failure taking a beta-blocker |
| Increase the percent of members taking aspirin, other antiplatelet medication or anticoagulant |
| Percent of members with heart failure having left ventricular function (LVF) documented |
| Percent of members with severe (class III / IV) heart failure who are taking spironolactone. |
| Percent of HF members who reported smoking at the beginning of the measurement period who at the time of measurement had quit smoking. |
| Percent of all HF members who received a flu vaccination within the last 12 months |
| Percent of all HF members who have ever received a pneumococcal vaccine. |
| Percent of HF members who reported improvement in health status. |
| Percent of HF members who comply with daily weights |
| Percent of HF members who comply with sodium restriction |
| Percent of HF members who comply with medication regimen |
| Percent of HF members who have a rescue plan in place |
| Percent of HF members readmitted to the hospital with a primary diagnosis of heart failure within 30 days of hospital discharge for heart failure |
| Rate (number per 1000 heart failure members) of ED visits with heart failure primary diagnosis or for pulmonary edema |
| Rate (number per 1000 heart failure members) of hospital admissions for HF |
| Percent of all HF members who had a depression screening in accordance with United States Preventive Services Task Force (USPSTF). |

| Clinical Outcome Metrics for Diabetes |
|------------------------------------------------------------------------------------------------------------------------------------------------|
| Variables to be Measured |
| Percent of members with diabetes who completed one foot examination, palpation of pulses and visual examination in the measurement year |
| Percent of diabetes members with microalbuminuria or clinical albuminuria (per ADA Guidelines) taking ACE inhibitors or ARB. |
| Percent of diabetes members with an A1C level < 7.0% in the past year. (ADA Guideline) |
| Percent of diabetes members with LDL levels < 100 mg/dL within the past two measurement years (use last measure to report) (ATP III Guideline) |
| Percent of diabetes members with BP <130/80. (use last measure to report) (ADA Guideline) |

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| Percent of members with diabetes who had one dilated retinal exam in the measurement year. |
| Percent of members with diabetes who had one microalbumin screening test in the measurement year or receiving treatment for existing nephropathy |
| Percent of members with diabetes who had at least two A1C tests in the measurement year. |
| Percent of members with diabetes who completed one fasting lipid panel test in the measurement year |
| Percent of diabetes members >30 years of age taking an aspirin each day. |
| Percent of diabetes members who reported smoking at the beginning of the measurement period who at the time of measurement had quit smoking. |
| Percent of all diabetes members who received a flu vaccination within the last 12 months. |
| Percent of all diabetes members who have ever received a pneumococcal vaccine. |
| Percent of all diabetes members who had a depression screening in accordance with United States Preventive Services Task Force (USPSTF). |

| Clinical Outcome Metrics for Asthma |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variables to be Measured |
| Rate (number per 1000 asthma members) of hospital admissions for asthma |
| Percent of uncontrolled asthma members with one dispensed inhaled corticosteroid within 30 days of identification *Uncontrolled asthma is identified as one ED visit or one hospitalization for asthma or three or more dispensed prescriptions of short-acting beta agonists within three-month period, or FEV1 < 80% predicted. |
| Percent of asthma members who reported smoking at the beginning of the measurement period who at the time of measurement had quit smoking. |
| Percent of all asthma members who received a flu vaccination within the last 12 months. |
| Percent of asthma members with at least one dispensed prescription for inhaled corticosteroids, nedocromil, cromolyn sodium, leukotriene modifiers or methylxanthines in the measurement year. |
| Percent of members with documented spirometry testing within the past 12 months. |
| Percent of asthma members with an ED admission for asthma in the past 12 months. |
| Percent of asthma members with personal action plan for managing their asthma. (Self-report). |

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| Clinical Outcome Metrics for Chronic Obstructive Pulmonary Disease (COPD) |
|------------------------------------------------------------------------------------------------------------------------------------------|
| Variables to be Measured |
| Percent of members with an acute exacerbation of COPD who were treated with systemic corticosteroids. (ICD-9 code 491.21). |
| Percent of members who meet CMS requirements for continuous O2 therapy and who are receiving therapy. |
| Percent of COPD members who reported smoking at the beginning of the measurement period who at the time of measurement had quit smoking. |
| Percent of all COPD members who received a flu vaccination within the last 12 months. |
| Percent of members with annual spirometry testing as supported by American Thoracic Society (ATS) guidelines. |
| Percent of COPD members with FEV1 less than 40% predicted with documentation of oxygenation status (Oxygen saturation or blood gas.) |
| Percent of COPD members with improvement in Quality of Life (QOL) assessment* compared to baseline. |
| *Examples of QOL assessments include SF12 or SF36. |
| Percent of COPD members readmitted to the hospital with COPD as primary diagnosis within 30 days of hospital discharge for COPD. |
| Percent of all COPD members who have ever received a pneumococcal vaccine. |
| Percent of all COPD members who had a depression screening in accordance with United States Preventive Services Task Force (USPSTF). |

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APPENDIX 2: ACRONYMS AND TERMS

ACRONYMS

| | |
|--------|------------------------------------------------------------------------|
| AHS | Vermont Agency of Human Services |
| BISHCA | Vermont Banking, Insurance, Securities, and Health Care Administration |
| CC | Care Coordination |
| CCIS | Chronic Care Information System |
| CCM | Chronic Care Management |
| CCMP | Chronic Care Management Program |
| CMS | Centers for Medicare and Medicaid Services |
| FPL | Federal Poverty Level |
| HIPAA | Health Insurance Portability and Accountability Act of 1996 |
| HRA | Health Risk Assessment |
| IVS | Intervention Services |
| MCO | Managed Care Organization; OVHA is a managed care organization |
| MMIS | Medicaid Management Information System |
| OVHA | Office of Vermont Health Access |
| PCCM | Vermont's primary care case management program, called <i>PC Plus</i> |
| RHIO | Regional Health Information Organization |
| STATE | The State of Vermont |
| VHAP | Vermont Health Access Plan |
| VITL | Vermont Information Technology Leaders |

TERMS

The terms bidder, vendor, and contractor may be used interchangeably throughout this RFP.

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APPENDIX 3: CHRONIC CARE MANAGEMENT PROGRAM LEGISLATION

§ 1903a. CHRONIC CARE MANAGEMENT PROGRAM

(a) The secretary of administration or designee shall create a chronic care management program as provided for in this section, which shall be administered or provided by a private entity for individuals with one or more chronic conditions who are enrolled in Medicaid, the Vermont health access plan (VHAP), or Dr. Dynasaur. The program shall not include individuals who are also eligible for Medicare, who are enrolled in the Choices for Care Medicaid Section 1115 Waiver or who are in an institute for mental disease as defined in 42 C.F.R. § 435.1009. The secretary may also exclude individuals who are eligible for or participating in the Medicaid care coordination program established through the office of Vermont health access.

(b) The secretary shall include a broad range of chronic conditions in the chronic care management program.

(c) The chronic care management program shall be designed to include:

(1) a method involving the health care professional in identifying eligible patients, including the use of the chronic care information system established in section 702 of Title 18, an enrollment process which provides incentives and strategies for maximum patient participation, and a standard statewide health risk assessment for each individual;

(2) the process for coordinating care among health care professionals;

(3) the methods of increasing communications among health care professionals and patients, including patient education, self-management, and follow-up plans;

(4) the educational, wellness, and clinical management protocols and tools used by the care management organization, including management guideline materials for health care professionals to assist in patient-specific recommendations;

(5) process and outcome measures to provide performance feedback for health care professionals and information on the quality of care, including patient satisfaction and health status outcomes;

(6) payment methodologies to align reimbursements and create financial incentives and rewards for health care professionals to establish management systems for chronic conditions, to improve health outcomes, and to improve the quality of care, including case management fees, pay for performance, payment for technical support and data entry associated with patient registries, the cost of staff coordination within a medical practice, and any reduction in a health care professional's productivity;

(7) payment to the care management organization which would put the care management organization's fee at risk if the management is not successful in reducing costs to the state;

(8) a requirement that the data on enrollees be shared, to the extent allowable under federal law, with the secretary in order to inform the health care reform initiatives under section 2222a of Title 3;

(9) a method for the care management organization to participate closely in the blueprint for health and other health care reform initiatives; and

(10) participation in the pharmacy best practices and cost-control program under

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subchapter 5 of chapter 19 of this title, including the multi-state purchasing pool and the statewide preferred drug list.

(d) The secretary shall issue a request for proposals for the program established under this section and shall review the request for proposals with the commission on health care reform prior to issuance. The issuance of the request for proposals is conditioned on the approval of the commission in order to ensure that the request meets the intent of this section, section 702 of Title 18, and chapter 19 of this title. Any contract under this section may allow the entity to subcontract some services to other entities if it is cost-effective, efficient, or in the best interest of the individuals enrolled in the program.

(e) The secretary shall ensure that the chronic care management program is modified over time to comply with the Vermont blueprint for health strategic plan and to the extent feasible, collaborate in its initiatives.

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**APPENDIX 4
ATTACHMENT C
CUSTOMARY STATE CONTRACT PROVISIONS**

1. Entire Agreement. This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. Applicable Law. This contract will be governed by the laws of the State of Vermont.
3. Appropriations. If this contract extends into more than one fiscal year of the state (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriations authority.
4. No Employee Benefits for Contractors. The Contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any federal or state taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. Independence, Liability. The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's acts and/or omissions in the performance of this contract. The Contractor shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this contract.
6. Insurance. Before commencing work on this contract the Contractor must provide certificates of insurance to show that the following minimum coverage are in effect. The Contractor must notify the State no more than 10 days after receiving cancellation notice of any required insurance policy. It is the responsibility of the Contractor to maintain current certificates of insurance on file with the State through the term of the contract. Failure to maintain the required insurance shall constitute a material breach of this contract.

Workers Compensation: With respect to all operations performed, the Contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

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General Liability and Property Damage: With respect to all operations performed under the contract, the Contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Independent Contractors' Protective
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire Legal Liability

Automotive Liability: The Contractor shall carry automotive liability insurance covering all owned, non-owned and hired vehicles used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 Combined single limit.

Professional Liability: Before commencing work on this contract and throughout the term of this contract, the Contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$ N/A per occurrence.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Contractor for the Contractor's operations. These are solely minimums that have been set to protect the interests of the State.

7. Reliance by the State on Representations: All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the Contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
8. Records Available for Audit. The Contractor will maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal government. If any litigation, claim or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.

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9. Fair Employment Practices and Americans with Disabilities Act: Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
10. Set Off: The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

10.5.1.1

- ii. Taxes Due to the State.
- a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal resource to contest the amounts due.
12. Child Support. (Applicable if Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:
- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.
- Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

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13. Subcontractors. The Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph II above.

Notwithstanding the foregoing, the State agrees that the Contractor may assign this contract, including all of the Contractor's rights and obligations hereunder, to any successor in interest to the Contractor arising out of the sale of or reorganization of the Contractor.

14. No Gifts or Gratuities. Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.

15. Copies. All written reports prepared under this contract will be printed using both sides of the paper.

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10.5.1.2

16. Access to Information. The Contractor agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The Contractor shall require all of its employees performing services under this contract to sign the AHS affirmation of understanding or an equivalent statement.
17. Suspension and Debarment. Non-federal entities are prohibited by Executive Orders 12549 and 12689 from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (sub-awards to sub-recipients). By signing this contract, current Contractor certifies as applicable, that the contracting organization and its principals are not suspended or debarred by GSA from federal procurement and non-procurement programs.
18. Health Insurance Portability & Accountability Act (HIPAA). The confidentiality of any health care information acquired by or provided to the independent contractor shall be maintained in compliance with any applicable state or federal laws or regulations.
19. Abuse Registry. The Contractor agrees not to employ any individual, or use any volunteer, to provide for the care, custody, treatment, or supervision of children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid childcare license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Abuse Registry. (See 33 V.S.A. §4919 & 33 V.S.A. §6911).
20. Voter Registration. When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of State and Federal law pertaining to such agencies.

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21. Non-Discrimination Based on National Origin as evidenced by Limited English Proficiency. The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and sub-grantees receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.

Rev. AHS -06/16/05

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**APPENDIX 5
Contract Attachment E
BUSINESS ASSOCIATE AGREEMENT**

THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT, AGENCY OF HUMAN SERVICES, OPERATING BY AND THROUGH ITS DEPARTMENT, OFFICE, OR DIVISION OF (_____)INSERT DEPARTMENT, OFFICE, OR DIVISION) (“COVERED ENTITIES”) AND (_____)INSERT NAME OF THE CONTRACTOR) (“BUSINESS ASSOCIATE”), AS OF (_____)INSERT DATE) (“EFFECTIVE DATE”).

Preliminary Statement. Covered Entity and Business Associate have entered into the Contract to which this Business Associate Agreement is an attachment pursuant to which Business Associate provides to Covered Entity certain services (“Services”) which may require the use and/or disclosure of health information. For the avoidance of any doubt, “Services” includes all work performed by the Business Associate for or on behalf of Covered Entity. This Agreement supplements and is made a part of the Contract.

The parties enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 (“Privacy Rule”), and the Security Standards, at 45 CFR Parts 160 and 164 (“Security Rule”).

Agreement. In consideration of the foregoing, and in consideration of the desire of Covered Entity to continue receiving Services, and of Business Associate to continue providing Services, the parties agree as follows:

1. Definitions. All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164. The term “Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g). All references to PHI mean Protected Health Information. All references to Electronic PHI mean Electronic Protected Health Information.
2. Permitted and Required Uses/Disclosures of PHI.
 - 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform the Services, provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

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- 2.2 Business Associate may make PHI available to its employees who need access to provide Services (provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions). Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors), in accordance with Sections 6 and 14; or (b) as otherwise permitted by Section 3.
3. Business Activities. Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity, if necessary, for its proper management and administration or to carry out its legal responsibilities. In addition, Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity, for its proper management and administration or to carry out its legal responsibilities, if a disclosure is Required by Law, or: (a) Business Associate obtains reasonable written assurances (via a written contract) from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person; and (b) the person promptly notifies Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware in which the confidentiality of the PHI has been breached. All uses and disclosures of PHI for the purposes identified above must be of the minimum amount of PHI necessary to accomplish such purposes.
4. Safeguards. Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI, other than as provided for by this Agreement. Business Associate shall identify in writing, upon request from Covered Entity, all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. Reporting. Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents (including subcontractors). Business Associate shall provide such written report promptly after it becomes aware of any such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such use or disclosure. Business Associate may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1).
6. Agreements by Third Parties. Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity, agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate, with respect to such PHI. By way of example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent, and such written contract must identify Covered Entity as a direct and intended third party beneficiary, with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate

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may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.

7. Access to PHI. Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual, to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
8. Amendment of PHI. Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
9. Accounting of Disclosures. Business Associate shall document disclosures of PHI and all 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. Business Associate shall provide such information to Covered Entity, or as directed by Covered Entity, to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.
10. Books and Records. Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its 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 Business Associate on behalf of, Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges), upon request, in the time and manner reasonably designated by Covered Entity, so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
11. Termination.
 - 11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity, or until all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, subject to Section 15.12.

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- 11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach, and Covered Entity may terminate each Services Agreement, without liability or penalty, if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate each Services Agreement, without liability or penalty, if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Agreement or any Services Agreement, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.
12. Return/Destruction of PHI.
- 12.1 Business Associate shall, in connection with the expiration or termination of a Services Agreement, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, and pertaining to that Services Agreement, that Business Associate still maintains in any form or medium (including electronic), within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of such PHI. Business Associate shall certify for Covered Entity, in writing, when all PHI has been returned or destroyed, and that Business Associate does not continue to maintain any PHI, with such certification to be provided during such thirty (30) day period.
- 12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, 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.
13. Notice/Training. Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI; and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.
14. Security Rule Obligations. The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

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- 14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing, upon request from Covered Entity, all of the safeguards that it uses to protect such Electronic PHI.
- 14.2 Business Associate shall ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into the written contract before any use or disclosure of Electronic PHI by such agent, and such written contract must identify Covered Entity as a direct and intended third party beneficiary, with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide such written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.
15. Miscellaneous.
- 15.1 Notwithstanding anything to the contrary in any Services Agreement, in no event shall any provision limiting Business Associate's liability to Covered Entity, including, but not limited to, provisions creating a cap on damages, excluding certain types of damages, limiting available remedies, or shortening a statute of limitations, present in any Services Agreement, apply with respect to any breach by Business Associate of any term of this Agreement.
- 15.2 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any Services Agreement, the terms of this Agreement shall govern, with respect to its subject matter. Otherwise, the terms of each Services Agreement continue in effect.

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- 15.3 Any reference to “promptly” in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.4 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.
- 15.5 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.6 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 15.7 In addition to applicable state law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 15.8 This Agreement may be amended or modified, and any right under this Agreement may be waived, only by a writing signed by an authorized representative of each party.
- 15.9 Nothing express or implied in this Agreement is intended to confer, upon any person other than the parties hereto, any rights, remedies, obligations or liabilities whatsoever. Notwithstanding the foregoing, the Covered Entity in this Agreement is the Agency of Human Services, operating by and through its Office of Vermont Health Access. Covered Entity and Business Associate agree that the term “Covered Entity”, as used in this Agreement, also means any other Department, Division or Office of the Agency of Human Services, to the extent that such other Department, Division, or Office has a relationship with Business Associate that would require, pursuant to the Privacy or Security Rules, entry into an agreement of this type.
- 15.10 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity.
- 15.11 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity, or creates or receives on behalf of Covered Entity, even if some of that information relates to specific Services for which Business Associate may not be a “Business Associate” of Covered Entity under the Privacy Rule.

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15.12 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI, as provided in Section 12.2; and (b) the obligation of Business Associate to provide an accounting of disclosures, as set forth in Section 9, survives the expiration or termination of this Agreement, with respect to accounting requests (if any) made after such expiration or termination.

15.13 This Agreement constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written agreements between the parties in such respect.

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**APPENDIX 6
Contract Attachment F
Access to Information
Agency of Human Services Rule # 96-23**

Definitions

"Agency" means the Agency of Human Services or any of the offices, departments or programs that comprise the Agency.

"AHS" means the Vermont Agency of Human Services.

"Client" means an individual or family who is voluntarily served by a department, office, program, contractor or grantee of the Agency of Human Services.

"Contractor" means an individual or entity with whom the Agency or any of its departments, offices or programs has a contract to provide personal services.

"Employee" means any person who works in a full-time, part-time, temporary, or contractual position for the Agency or any of its departments, offices, or programs.

"Grantee" means an individual or entity with whom the Agency or any part thereof has a grant to provide personal services.

"Program" means a set of services, (such as determining and processing ANFC benefits, verifying and setting up delivery for WIC foods) for which the Agency bears fiscal responsibility.

"Administrative Obligations" means activities pursuant to federal or state laws or regulations (such as verification of eligibility, verification of service delivery, detection of fraud, monitoring of quality assurance, audit of expenditure reports) which provide for accountability in the use of public funds.

AHS Rule 96-23

All information specific to, and identifying of, individuals and families is presumed to be confidential and subject to these standards. Employees shall not disclose the information unless a specific exception to the presumption applies or

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the disclosure is authorized by the client, a court or as otherwise authorized by law or rule.

Existing Statutes

These rules are not intended to expand or diminish current provisions in law relating to disclosure of confidential information.

Information Collection

Employees shall collect and record only that information needed to fulfill the goal of serving the client and meeting administrative or legal obligations.

Informing Clients

At the initial meeting with each client, or within two weeks, employees shall review and offer to provide the rules for access to information to the client.

Permissible Disclosures

Client Consent

No information about a client shall be released without prior consent from the client, unless directly connected with the administration of a program or necessary for compliance with federal or state laws or regulations.

Sharing "Non-identifiable" Information

Information that does not identify a client may be used for statistical research, forecasting program needs, or other such purposes.

Public Information

Information defined as public by 1 VSA & 317 or other applicable statute is available to the public. The procedures in the public records statute shall be followed before public information is released.

Information Sharing for Administrative Purposes

Employees may share information, which is necessary to satisfy the Agency's administrative obligations. Departments will develop written agreements limiting the kinds of information to be shared when programs are jointly administered by different Departments. No information shall be released to a person or entity that is out of state, unless directly connected with the administration of a program or necessary for compliance with federal or state laws or regulations.

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Disclosure Without Consent in Limited Circumstances

Employees must release sufficient information to comply with mandatory reporting requirements for cases involving the abuse, neglect, or exploitation of children and persons who are elderly or who have disabilities. Information may be released without consent when Vermont law creates a duty to warn identified individuals of potential harm to their person or property, in response to court orders, or to investigate or report criminal activity as required by federal or state law or regulation. Only information relevant to the situation shall be disclosed. The employee shall document the date, purpose and content of the report, the name, address and affiliation of the person to whom the information was released, and shall notify the client that the information was disclosed.

Procedures Related to Consent

Obtaining Informed Consent

Prior to releasing confidential information the Agency shall obtain the client's informed consent. This includes providing information about consent in a language and format understandable to the client. Reasonable accommodations shall be made for special needs based on the individual or family's education, culture, or disability. Employees shall inform clients that granting consent is not a pre-requisite for receiving services, and shall explain that they may apply for services separately.

Consent of Minors to Release of Information

Employees shall obtain the consent of a minor client to release information concerning treatment for which parental consent is not required.

Format for Consent to Share Information

Consent for the sharing or release of information shall ordinarily be in writing. If an emergency situation requires granting of verbal consent, written consent shall be obtained at the next office visit or within thirty days, whichever comes sooner. Required information will include:

1. Names of the people about whom information may be shared.
2. A checklist of the kinds of information to be shared.
3. A checklist of the departments within the Agency to receive the information.
4. A statement or date covering expiration of consent.
5. A statement about procedures for revoking consents.

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6. Signature of individuals covered by the consent, or their parents or guardians.
7. Signature of the individual explaining the consent process with their position and job title.
8. A space to provide individualized instructions.

A copy of the consent form shall be provided to all signatories.

Client Access to Records

Unless prohibited by federal or state law or regulation, clients shall be permitted to view and obtain copies of their records. Each department within the Agency shall have written procedures which permit clients to verify personal information they have provided for accuracy and completeness and for placing amendments to the information in their files. Employees shall take reasonable steps to present records in a form accessible to the client, including but not limited to large type format or verbal review. A fee not to exceed the actual cost of copying may be charged for records exceeding 10 pages. This fee shall be waived if it would prohibit access.

Procedures to Protect Confidentiality

All AHS employees and all AHS volunteers and interns, shall be instructed in these rules. AHS shall train their Contractors and grantees who shall, in turn, provide the same instruction for their employees, interns, and volunteers.

An employee shall not respond to requests from outside the Agency for information about clients even to acknowledge that the person is a client, unless authorized. If a client has consented to or requests that information be released, the employee shall comply with the request.

Each agency or department shall appoint one or more trained staff members to be responsible for responding to all requests for client information when there is no written consent to release, and no statutory or administrative authority permitting release of the requested information. These individuals shall be specially trained in maintaining confidentiality. A list of the designated individuals for each department and office shall be maintained in the Attorney General's office; Human Services Division.

Employees shall sign an affirmation that they will comply with these rules. This affirmation shall be part of their personnel files. Supervisors shall review this affirmation during annual evaluations. Violation of these rules shall result in disciplinary action.

The following assurance, or one similar to it, will be included in all AHS grants/contracts signed after these rules have been approved:

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[Grantee/contractor] agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The contractor shall require all of its employees to sign the AHS affirmation of understanding or an equivalent statement.

When referring a client to another agency for services, if the referral does not meet the criteria for permissible disclosures under Section 3.4, the initial agency shall obtain the consent of the client for the referral and alert the receiving agency that confidential client information accompanies the referral.

Requests for disclosures of client information shall be maintained in the client's file if the request does not meet the definition of a permissible disclosure under Section 3.4. Employees shall document in writing any information actually disclosed, along with the name of the person/agency to whom it was disclosed and the date of the disclosure. When permissible disclosures are made under Section 3.4, documentation may be limited to the name of the department/agency/program to whom the disclosure was made.

When developing a computerized data system, the Agency shall:

1. Develop security procedures consistent with the rule;
2. Instruct staff in the security procedures;
3. Inform clients if a computerized system is being used;
4. Establish written agreements with participating agencies outlining procedures for sharing and protecting information.
5. Develop security procedures in relation to the transmission of information.

The Agency shall develop a protocol, which is consistent with the requirements of this rule to safeguard confidential client information. Contractors and grantees shall also develop a protocol or shall adopt the protocol of the Agency. The protocol shall be designed to safeguard written information, data in computer systems, and verbal exchange of information. The protocol shall prohibit unauthorized access to records and include an appropriate disciplinary process for violations of the security rules.

Written procedures for implementing these rules shall be used as the basis for employee instruction and shall be available for review in the Agency Central Office.

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**Agency of Human Services
Office of Vermont Health Access
103 South Main Street
Waterbury, Vermont 05671**

Affirmation of Understanding Statement

As a Contractor for the State of Vermont, I affirm that I have read the Agency of Human Services (AHS) Rule No. 96-23 concerning Access to Information, and that I agree to comply with the requirements of AHS Rule No. 96-23.

I shall require all of my employees performing services under this contract to sign an affirmation of understanding statement. Employee statements need not be sent to the State, but they shall remain in Contractor's personnel records. The State can request copies of such documents if necessary.

Name of Company (Print or type)

Date

Authorized Signature

Title

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APPENDIX 7
VERMONT TAX CERTIFICATION

**STATE OF VERMONT
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495-2806**

VERMONT TAX CERTIFICATION

To meet the requirements of Vermont Statute 32 V.S.A., S 3113, the certification shown below must be completed, signed and returned with your bid. This certification is required by law, and without it, the OVHA is not able to issue your company any purchase order or contract that could result from this bid proposal.

The disclosure of your social security or federal identification number is mandatory, is solicited by the authority granted by 42 U.S.C. S405 (c) (2) (c), and will be used by the Department of Taxes in the administration of Vermont tax laws, to identify individuals affected by such laws.

By law, no agency of the State may enter into, extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies, under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes. 32 V.S.A. S 3113.

Maximum penalty for perjury is 15 years, a \$10,000 fine, or both.

I hereby certify, under the pains and penalties of perjury, that I am in good standing with respect to, or in full compliance with a plan to pay any and all taxes due the State of Vermont as of the date this statement is made.

Name of Company (Print or Type)

Date

By (Signature)

Federal Identification Number or Social Security Number

Vermont Business ID Number

Office of Vermont Health Access
Request for Proposal Chronic Care Management Service
1. Intervention Services and 2. Health Risk Assessment Administration
Revised Procurement Schedule 12/01/06
Sections 3.3 Page 20 of Original Request for Proposal

| ACTIVITY | Previous DATE | New DATE |
|-----------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| RFP Issued | Thursday October 5, 2006 | Thursday October 5, 2006 |
| Closing Date/Time for Receipt of Letter of Intent | Friday October 20, 2006, 4:00 pm | Friday October 20, 2006, 4:00 pm |
| Closing Date/Time for Receipt of Written Questions | Friday November 3, 2006 | Friday November 3, 2006 |
| Bidders' Conference | Thursday November 9, 2006, 10:00 am to 12:00 noon | Thursday November 9, 2006, 10:00 am to 12:00 noon |
| Target Date for Release of State Responses to Written Questions | Friday November 17, 2006 | Monday December 4, 2006 |
| Closing Date/Time for Receipt of Proposals | Thursday December 21, 2006, 4:00 PM | Thursday January 4, 4:00 PM |
| Bidder Presentations (if required) | Thursday January 11, 2007 | Thursday January 25, 2007 |
| Target Date for Selection of Contractor | Friday January 18, 2007 | Friday February 1, 2007 |
| Target Period for Contract Negotiation and Execution | January 18, 2007 – March 2, 2007 | February 1, 2007 – March 16, 2007 |
| Target Date for Operations | July 1, 2007 | July 1, 2007 |