



*Written in collaboration with:*



*The MMIS Cohort*

*Medicaid Management Information  
System*

# *Uniform Request for Proposals Guide*

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# Preface

## Objectives

The purpose of this document is to provide guidelines for states creating Requests for Proposals (RFPs) for Medicaid Management Information System (MMIS) procurement. This guide is designed to meet the following objectives:

- Assist in streamlining the procurement process for MMIS modules, enhancements, and system replacements
- Help reduce RFP development costs and the risk of cancelled RFPs
- Increase the likelihood of multiple vendor responses to ensure competitive procurements
- Increase the likelihood of RFPs meeting objectives set by the Centers for Medicare & Medicaid (CMS)
- Increase the likelihood of MMIS projects achieving successful completion and system certification (on time, on budget, and with high quality)

## How to Use This Guide

This guide provides an outline to develop RFPs. To truly achieve efficiencies in the procurement process, RFPs should include the sections in sequential order as outlined in the guide to streamline CMS reviews and vendor responses across states.

In general, each RFP section includes the following information for general procurements:

- *Description of Section* – a high-level overview of what information should be contained in the RFP section
- *CMS Required Language* – any language that CMS requires for the RFP section
- *Considerations/Questions to Ask Internally* – questions for states to evaluate to inform the completion of the RFP section
- *Model Language Samples* – best practice language from published RFPs to be considered as the RFP section is completed. Multiple samples in each section are provided as alternatives, but this does not imply that a state should use all options.

Additional language is included under the header *System Integrator*, for additional considerations related to System Integrator (SI) procurements.

Appendices include other materials that may assist states in understanding CMS expectations related to the procurement and implementation of systems, including CMS RFP Approval Checklist (to be developed) and a glossary of terms and standards.

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## 1. State Procurement Objectives

This section addresses the specific reasons for the procurement – *what is the state looking to achieve and why now?* It provides vendors with an understanding of the motivations influencing the state’s decision to procure and insight into what the state is looking to accomplish with the procurement. It should follow a detailed description of the current environment, describing present solutions, shortcomings of those solutions, and any other motivation for proceeding with procurement. It should also describe alternative approaches the state considered and why the procurement approach was selected.

### a. State Vision

The state’s vision should be clearly articulated. As much as feasible, the vision should be specific as it relates to the procurement to receive proposals most closely aligned to the vision. Avoid generalized, high-level statements, as they will not positively influence system design or vision alignment.

### b. Business Objectives

Clearly defined business objectives provide critical information to help vendors prepare their proposal. These objectives should be closely aligned with the state vision, but should provide more concrete insight into what the state is seeking. These objectives become the framework of how a proposed solution should be designed to fulfill the state’s expectations for the new solution.

#### **Questions to Consider Internally:**

- *Is the vision clearly stated and relevant to this procurement?*
- *Do the business objectives outline the procurement goals clearly?*
- *Do the vision and business objectives support the Standards and Conditions for Medicaid IT and the MITA framework?*
- *Do the business objectives support compliance with the MMIS certification criteria?*

### 1.1 System Integrator Considerations

The state should address two key considerations as it develops procurement planning and scope of work for the SI and other project support:

- **Current State Environment:** The current state environment will drive the timing and scope of work based on the need to supplement any limits in current state staffing and resources and compliment any strengths of current state resources. For example, if the state currently has a strong project management office (PMO) but only focuses on specific projects, the state should focus on procuring staffing and resource that promote enterprise standards as well as organizational and technical integrations services.
- **Changing Needs by Phase:** The four phases identified in the Medicaid Enterprise Certification Life Cycle (MECL) will have very different requirements from an SI perspective. During the Initiation and Planning Phase, the SI will act as an architect in developing the enterprise solution blueprint. However, in the Requirements, Design and Development Phase, the SI will act as an

interface developer. During the Integration, Test, and Implementation Phase, the SI may act as a tester to ensure that specific components interoperate from a data and functionality standpoint. During the Operations and Maintenance Phase, the SI acts in all these roles to ensure maintenance updates deliver required fixes without compromising properly functioning capability.

These considerations should align to the overall project management and delivery objectives developed by the state.

## 1.2 IV&V Considerations

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With a modular system implementation approach, the State should consider if the IV&V brings the needed multi-domain knowledge to the oversight engagement. Implementation topics to be considered include MITA architecture (both functional and technical), CMS certification, governance, privacy, security and organizational change efforts to make the MMIS modernization project successful. The IV&V team should be staffed with resources skilled in the above change areas to be successful.

As identified in CMS State Medicaid Director letter SMD # 16-010, the role of the IV&V should be independent and provide an unbiased perspective on the progress of MMIS deliverables. As such the role should be decoupled from other MMIS vendors and/or state project influences to remain unbiased. The Agency should consider administratively aligning the IV&V using other state offices including the office of the State CIO, Secretary of Health and Human Service, Secretary of Finance or Medicaid Commissioner. This reporting relationship should provide the IV&V with sufficient support so the vendor can report on project risks without contractual, political or funding concerns. It will be necessary to balance the need for independence with administrative realities, for example having a different agency paying for these services with Medicaid monies.

In the same guidance letter identified above, it's also made clear by CMS that the IV&V role needs to focus on reviewing and auditing the work performed by other vendors. Required IV&V technical independence precludes the IV&V vendor from being awarded a contract for software testing on the same project where they are providing IV&V services. To empower the role, the IV&V should be well connected to the Project Management Office, Systems Integrator, COTS component vendors and QA project offices. These resources will be the IV&V's tactical input on a regular basis.

The IV&V role should be expected to remain engaged and focused through the entire Medicaid Enterprise Certification Toolkit (MECT) certification process. Experience and understanding with phased certification and the new modular certification should be called out. If the Agency is planning to certify each module via the MECT review process, this scope and plan should be identified. IV&V vendor staffing levels should reflect the scope and duration of this commitment.

Questions to consider internally:

- Will the structure implemented to support an independent IV&V that reports to a different agency create administrative challenges that do not make sense?

## 2. Technology Standards

### a. CMS Requirements

**Alignment with the Standards and Conditions for Medicaid IT:** To achieve an improvement in the procurement process, it is essential for states to understand and align technology procurements with the Standards and Conditions for Medicaid IT as originally outlined in April 2011, with complementary definitions provided by in the final rule, released in December 2015. This is an important baseline for any Medicaid system modernization. Below is a list of Standards and Conditions for Medicaid IT. A few apply only to Eligibility and Enrollment systems.

- (1) CMS determines the system is likely to provide more efficient, economical, and effective administration of the State plan.
- (2) The system meets the system requirements, standards and conditions, and performance standards in Part 11 of the State Medicaid Manual, as periodically amended.
- (3) The system is compatible with the claims processing and information retrieval systems used in the administration of Medicare for prompt eligibility verification and for processing claims for persons eligible for both programs.
- (4) The system supports the data requirements of quality improvement organizations established under Part B of title XI of the Act.
- (5) The State owns any software that is designed, developed, installed or improved with 90 percent Federal Financial Participation (FFP).
- (6) The Department has a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for Federal Government purposes, software, modifications to software, and documentation that is designed, developed, installed or enhanced with 90 percent FFP.
- (7) The costs of the system are determined in accordance with 45 CFR 75, subpart E.
- (8) The Medicaid agency agrees in writing to use the system for the period of time specified in the advance planning document approved by CMS or for any shorter period of time that CMS determines justifies the Federal funds invested.
- (9) The agency agrees in writing that the information in the system will be safeguarded in accordance with subpart F, part 431 of this subchapter.
- (10) Use a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces; the separation of business rules from core programming, available in both human and machine readable formats.
- (11) Align to, and advance increasingly, in MITA maturity for business, architecture, and data.
- (12) The agency ensures alignment with, and incorporation of, industry standards adopted by the Office of the National Coordinator for Health IT in accordance with 45 CFR part 170, subpart B: The HIPAA privacy, security and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with Federal civil rights laws; standards adopted by the Secretary under

section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.

(13) Promote sharing, leverage, and reuse of Medicaid technologies and systems within and among States.

(14) Support accurate and timely processing and adjudications/eligibility determinations and effective communications with providers, beneficiaries, and the public.

(15) Produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability.

(16) The system supports seamless coordination and integration with the Marketplace, the Federal Data Services Hub, and allows interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services as applicable.

(17) For E&E systems, the State must have delivered acceptable MAGI-based system functionality, demonstrated by performance testing and results based on critical success factors, with limited mitigations and workarounds.

(18) The State must submit plans that contain strategies for reducing the operational consequences of failure to meet applicable requirements for all major milestones and functionality.

(19) The agency, in writing through the APD, must identify key state personnel by name, type and time commitment assigned to each project.

(20) Systems and modules developed, installed or improved with 90 percent match must include documentation of components and procedures such that the systems could be operated by a variety of contractors or other users.

(21) For software systems and modules developed, installed or improved with 90 percent match, the State must consider strategies to minimize the costs and difficulty of operating the software on alternate hardware or operating systems.

(22) Other conditions for compliance with existing statutory and regulatory requirements, issued through formal guidance procedures, determined by the Secretary to be necessary to update and ensure proper implementation of those existing requirements.1. CMS determines the system is likely to provide more efficient, economical, and effective administration of the state plan.

The Secretary of the Department of Health and Human Services (HHS) may establish additional conditions in the future, subject to certain limitations. This flexibility will allow CMS to evaluate states' progress as well as evolving business processes on an ongoing basis and add more conditions as necessary. Importantly, any new conditions established under this provision will be limited to ensuring that states properly develop their systems in accordance with the existing statutory and regulatory framework.

The following are tips for specific conditions listed above.



**Number 10 (“Modularity Standard”)** – This condition requires the use of a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces (APIs); the separation of business rules from core programming; and the availability of business rules in both human and machine-readable formats. The commitment to formal system development methodology and open, reusable system architecture is extremely important to ensure that states can more easily change and maintain systems, as well as integrate and interoperate with a clinical and administrative ecosystem designed to deliver person-centric services and benefits.

Modularity is breaking down systems requirements into component parts. Extremely complex systems can be developed as part of a service-oriented architecture (SOA). Modularity also helps address the challenges of customization. Baseline Web services and capabilities can be developed for and used by anyone, with exceptions for specific business processes handled by a separate module that interoperates with the baseline modules. With modularity, changes can be made independently to the baseline capabilities without affecting how the extension works. By doing so, the design ensures that future iterations of software can be deployed without breaking custom functionality.

A critical element of compliance with this condition is providing CMS with an understanding of where services and code will be tightly coupled, and where the state will pursue a more aggressive decoupling strategy.

***RFP HELPFUL HINT***

To demonstrate the state’s approach to the Modularity Standard, the state should define, within the RFP, which components/functions of the MMIS will be procured as discrete modules, a strategy for how these modules will be integrated (i.e., SI vendor), and how changes should be managed to ensure the integrity of “modular independence” during the maintenance and operations period.

**Number 11 (“MITA Condition”)** – This condition requires states to align to and advance increasingly in MITA maturity for business, architecture, and data. CMS expects the states to complete and continue to make measurable progress in implementing their MITA roadmaps. Already the MITA investments by federal, state, and private partners have allowed us to make important incremental improvements to share data and reuse business models, applications, and components. CMS strives, however, to build on and accelerate the modernization of the Medicaid enterprise that has thus far been achieved.

***RFP HELPFUL HINT***

States should share as part of the RFP, or as part of a Bidders’ Library, the MITA Maturity Model Roadmap from the MITA 3.0 State Self-Assessment (SS-A), provided to CMS as part of the Advanced Planning Document (APD) process. This document will be updated on an annual basis. As part of the RFP, states should require that vendors demonstrate how the proposed solution(s) improve the state’s MITA maturity defined in the state’s roadmap. Additionally, states should consider, when sequencing modular implementation/replacement, that the procurement includes a sequencing plan that considers cost, benefit, schedule, and risk.

States should also share as part of the RFP, or as part of a Bidders’ Library, a concept of operations and business work flows (developed as part of the MITA 3.0 SS-A) for the different business functions of the state to advance the alignment of the state’s capability maturity with the MITA Maturity Model (MMM). *As a reminder, states should work to streamline and standardize*

*these operational approaches and business work flows to minimize or eliminate customization demands on technology solutions and optimize business outcomes.*

**Number 12 (“Industry Standards Condition”)** – This condition requires states to ensure alignment with, and incorporation of, industry standards: HIPAA security, privacy, and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with federal civil rights laws; standards adopted by the Secretary of HHS under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.

CMS must ensure that Medicaid infrastructure and information system investments are made with the assurance that timely and reliable adoption of industry standards and productive use of those standards are part of the investments. Industry standards promote reuse, data exchange, and reduction of administrative burden on patients, providers, and applicants.

***RFP HELPFUL HINT***

The state must identify all industry standards relevant to the scope and purpose of the project and produce development and testing plans to ensure full compliance. States must also have risk and mitigation strategies in place to address potential failures to comply.

The RFP should ask vendors to specify how the proposed solution(s) comply with applicable standards identified by the state, including best practices of the U.S. Digital Services Playbook (<https://playbook.cio.gov/>), and how compliance can be verified during design, development, and implementation (DDI) and maintained during the Operations Phase.

**Number 13 (“Leverage Condition”)** – Promotes solution sharing, leverage, and reuse of Medicaid technologies and systems within and among states. States can benefit substantially from the experience and investments of other states through the reuse of components and technologies already developed, consistent with a service-oriented architecture, from publicly available or commercially sold components and products, and from the use of cloud technologies to share infrastructure and applications.

***RFP HELPFUL HINT***

For the alternatives analysis completed as part of producing the APD to secure enhanced funding, states should consider existing state systems and infrastructure that may be leveraged, other states’ systems and services, commercially sold components and products, and the use of cloud technologies. The RFP should identify existing state systems that will be leveraged and how they will be leveraged, and encourage bidders to propose alternative solutions that demonstrate reuse of developed technologies available in the Health IT marketplace that are configurable to meet the state’s requirements. Where a state elects to use a commercially sold component or product, or to reuse another state’s provided system, the RFP should provide descriptive detail and encourage bidders to identify how they would approach integration.

**Number 14 (“Business Results Condition”)** – Systems should support accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public. The degree of automation of business functions, the end-user and customer

service experience, and measured service levels are factors to assess as part of measuring the effectiveness of the solution(s).

Ultimately, an effective and efficient system supports and enables an effective and efficient business process, producing and communicating the intended operational results with a high degree of reliability and accuracy.

***RFP HELPFUL HINT***

The RFP should describe the business processes the system and/or services being procured must support, including the Key Performance Indicators and the Service Level Agreements (SLAs) that will be used to measure outcomes to determine if successful outcomes are achieved.

***Number 15 (“Reporting Condition”)*** – Solutions should produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability.

***RFP HELPFUL HINT***

States can leverage the data information architecture component of their MITA 3.0 SS-A to define business requirements that support the Reporting Condition. Systems should be able to produce, and to expose electronically, the accurate data that is necessary for oversight, administration, evaluation, integrity, and transparency. Reporting requirements include necessary federal reports (including program development and operations performance metrics), system transaction audit trails, Minimum Acceptable Risk Standards (MARS) reports, program integrity - The Surveillance and Utilization Review Subsystem (SURS), financial transactions and management reports, waiver reports, and any state-specific reporting requirements the effective and efficient program management and to promote effective customer service and better clinical management and health services to beneficiaries.

***Number 16 (“Interoperability Condition”)*** – Systems must ensure seamless coordination and integration across applicable state and federal systems, including Eligibility, Medicaid systems, Health Insurance Marketplaces, and health information exchanges (HIEs), as well as allow interoperability with public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services.

***RFP HELPFUL HINT***

The RFP must articulate requirements that systems be built with the appropriate architecture and use standardized messaging and communication protocols to preserve the ability to exchange data efficiently, effectively, and appropriately with other participants in the health and human services enterprise. States should require as part of the RFP that vendors demonstrate how integration and interoperability will be achieved between existing systems and new modules and system components that are implemented as a state-built solution, commercial off-the-shelf (COTS), or as reused from another state’s provided solution.

**Alignment with Other Conditions for Enhanced FFP for the Design, Development, Installation, or Enhancement of an MMIS:** To qualify for 90 percent FFP for state expenditures for the design, development, installation, or enhancement of an MMIS, a state must also ensure that the RFP is consistent

with procurement and system requirements described in 42 CFR 433.112(b) (1) through (b) (9). Requirements in 42 CFR 433.112(b) (10) through (b) (16) are described above under “Alignment with Standards and Conditions for Medicaid IT.”

## **b. State Technology Standards**

OPTIONAL section: for states to insert state-specific technology requirements language and discuss ownership, consult ownership considerations as identified in the April 2015 Notice of Proposed Rule Making (NPRM) of software and other contracting considerations.

### **2.1 System Integrator Considerations**

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No additional considerations need to be made at this time.

### **2.2 IV&V Vendor Considerations**

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The set of guidance and expectations resulting from a state’s implementation of the RFP Helpful Hints in this this Technology Standards section should be included in the Scope of an IV&V RFP. Required IV&V RFP language includes: “They [the IV&V vendor] will review and analyze all applicable and available documentation for adherence to accepted, contractually defined industry standards.” This section of the *Uniform RFP Guide* contractually defines technical standards that the IV&V contractor will assess as part of completing progress reports and criteria checklists.

### 3. Scope of Work

This section defines the tasks, activities, and requirements to be performed during the period of performance. This is a core component of the RFP agreement between the procuring agency and the selected vendor.

Detailed requirements should describe what the state desires and required service levels. The vendors responding to the RFP should describe how the proposed solution (and staffing model) meets these requirements. To open competition and innovation, allow vendors to use their expert judgment to propose their model of how to complete the work.

The following defines the types of requirements that may be included in the scope of work, and are inclusive of technical and operational requirements:

- *Business Requirement (BR)* – A BR is a statement of the functions needed to accomplish the business objectives. It is the highest level of requirement, developed through the dictation of policy and process by the business owner.
- *Functional Requirement (FR)* – An FR is a statement of an action or expectation of what the system will take or do. It is measured by concrete means like data values, decision making logic, and algorithms. Business rules are included in this category.
- *Nonfunctional Requirement (NR)* – An NR is a technical requirement that focuses on the specific characteristics that must be addressed to be acceptable as an end product. NRs have a focus on messaging, security, system performance, and system interaction, but are not testable within the modules interface.

Sample language in this section should require that the replacement of the legacy MMIS shall be through an integration solution that demonstrates modularity, with limited custom development (within each modular component), conforms to MITA principles and the CMS Standards and Conditions for Medicaid IT, and achieves CMS certification. States should consider including a requirement that the vendor will work with and support the state's procured Independent Verification and Validation (IV&V) contractor. Additionally, states should consider including a requirement that the vendor will support the state in preparation and support for certification life cycle milestone reviews held between the state and CMS.

To maximize sharing of available components, the system integrator must be empowered, not limited. In order to maximize sharing of components, it may be necessary for the system integrator to do a great deal of development and configuration: to design and implement modules, system components, data definitions, and module interfaces using IT techniques enabling reuse and interoperability; to design and implement inter-module/system interfaces, with data translation as needed to support integration and interoperability with existing interfaces; and to design and implement data and business rule conversion, as necessary, to enable reuse of and integration with an existing module.

Additionally, it is a best practice to include CMS certification requirements applicable to the system or system component(s) being procured.

Within any RFP, the following high-level items must be addressed, as identified in Chapter 11 of The State Medicaid Manual:

- Statement of the purpose and scope of the specific work and/or services to be performed, including a period of performance within which you expect to have the work performed
- Listing and description of the reference material available to the contractor for use in preparation of proposals and/or in performance of the contract
- Statement of contract termination procedures
- Standard format and organization for the proposals, including both work to be performed and cost statements
- Explanation of the proposal evaluation criteria and the relative importance of cost or price, technical, and other factors for purposes of proposal evaluation and contract award
- Description of the nature and extent of involvement of Medicaid agency personnel during the contract, including the name and title of the project officer
- Description of the supplies, clerical support, computer time, work space, etc., that will be made available by the state, if applicable
- Statement that the prime contractor is responsible for contract performance, whether or not subcontractors are used
- Requirement that the contractor's personnel resources to be assigned to the contract be identified
- Requirement for a schedule of proposed work (work statement), including well-defined milestones
- Requirement for a breakout of the total cost to perform the contract, including the costs for individual phases or areas of the work statement
- Requirement for a statement of corporate financial stability and/or for a performance bond
- Statement that the proposed contract will include provisions for retention of all ownership rights to the software by the state, if designed, developed, installed, or enhanced with FFP. (See 42 CFR 433.112 (b)(5) and (6), and 45 CFR 95.617(a))
- Advanced Planning Document Checklist

**Questions to Consider Internally:**

- *Does the RFP show how the system must ensure seamless coordination and integration with the Eligibility Determination System, and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services?*
- *Is the Medicaid Enterprise promoting the sharing, leveraging, and reuse of Medicaid technologies and systems within and among states?*
- *Does the RFP show how the system must support accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public?*
- *Does the RFP show how the system must produce transaction data, reports, and performance information that would contribute to program monitoring and evaluation, continuous improvement in business operations, meeting established Key Performance Indicators, and transparency and accountability?*
- *Based on the number and complexity of requirements and deliverables specified in the RFP, does the state have sufficient staff dedicated to the project to review and approve them? Are the deliverables required truly relevant to our success and not just "shelf files"? If the state is not able to review deliverables in a timely fashion, the overall project schedule will suffer.*

- *Is the DDI methodology so structured or prescriptive that the state may not benefit from a vendor's proven processes, tools, and procedures?*
- *Is the work plan to be submitted in the proposal outlined in enough detail to provide the state a good basis on which to build when the contract is awarded?*
- *Has the state provided enough detail so that a vendor can adequately scope integration points and be successful?*
- *For carved-out services (i.e., provider credentialing, Decision Support System, pharmacy rebate, care/case management), is there a clear delineation of services so that requirements defined in this procurement do not overlap with requirements that are part of another vendor's contract?*
- *If moving into a managed care model or already in a managed care arrangement, has the state asked for the "right" services (i.e., Managed Care Organization [MCO] performance analytics, relevant claims processing for just the remaining fee-for-service population)?*
- *When creating the timeline, does the state provide a sufficient period to allow both the vendor and state staff to prepare for the implementation period, as well as ensuring all of the state staff are prepared?*
- *Do the requirements define "what" the state needs without specifying "how" the requirement must be met? Requirements that prescribe the exact method for how they are to be met may prevent vendors from leveraging the capabilities of their solutions and may require custom development, increasing the cost to the state without increasing value.*
- *Are the implementation and operation phases and the expectations for each phase clearly defined? Consider specifying exit criteria for each phase to define specifically the conditions that must be met for that phase to be determined complete.*
- *Is each requirement listed only once in the statement of work, or are some repeated in various sections of the RFP? Repeating requirements forces vendors to provide the same response multiple times and requires the state evaluators to review those repetitive responses. For requirements that apply to multiple functional or programmatic areas, consider utilizing cross-references to ensure that all relevant areas are addressed in a single response.*
- *Has sufficient evaluation of COTS or modules intended for use been performed against the state's business processes, functional requirements, and IT infrastructure to confirm that integration of the COTS or module will require only configuration and not customization?*

### **3.1 System Integrator Considerations**

This section defines the tasks, activities, and requirements to be performed by the SI during the period of performance. The scope of work (SOW) is a core component of the RFP and resulting agreement between the procuring agency and the selected SI.

Detailed requirements should describe *what* the state desires and performance standards. The SI vendors responding to the RFP should describe *how* the proposed solution, staffing model, and management approach meet these requirements. To encourage competition and best value to the state, SIs should use their experience, expertise, and understanding of the requirements to propose their solution, rather than the state telling the SIs how to meet the requirements.

Based on the state's current project management, technical infrastructure, and procurement strategy, the state should consider the type of project management and type of integration services required. Wherever possible, the state should leverage existing SSA and/or procurement strategies to guide decision making.

### **RFP HELPFUL HINT**

Each state's level of internal and other contractor support is different. Accordingly, states should perform a gap analysis of required SI capabilities and use the analysis to define the new SI's role in the enterprise.

The following list defines types of requirements that **may** be included in the SOW. This list is not exhaustive but represents a common set of services that states may need (based on the assessment described above). The items in this list assume that each module vendor is going to have its own native system integration capability for deploying its module(s) and that each vendor's native capability will interact directly with the SI. These are broad categories of services, and each state should consider its individual needs.

#### **Planning Services**

- Vision, strategy, assistance in developing goals and objectives
- Concept of Operations
- Enterprise functional and non-functional needs analysis
- Continuity of operations and disaster recovery planning
- Architectural & engineering decomposition
- Communications planning
- Organizational change management, identify stakeholders and owners for each module and business area, assess stakeholder and owner needs, measure change adoption, administer reinforcement mechanisms

#### **Management Framework Services**

- Enterprise design, pattern and portfolio management
- Enterprise architecture, modelling and integration
- Enterprise technical roadmap orchestration with sequencing and transitioning plan
- Enterprise functional and non-functional requirements
- MITA strategy, align to-be and Standards and Conditions for Medicaid IT goals to module integration and certification plans, validate plans against MITA Maturity Roadmap, identify deviations from MITA strategy, manage issues and communication with MITA business process owners
- Development life cycle
- Enterprise management of master integrated schedule, scope, change control, risk management, and quality assurance

#### **Functional Implementation Services**

- Standards selection
- Master data management, identity and access management
- Document management
- Integration services
- Business architecture and modeling, business rules engine
- Information architecture and modeling

#### **Technical Implementation Services**

- Environment / infrastructure



- Network services
- Portal, module portal
- Enterprise service bus, adapters, meta data repository, transfer engine, process orchestration engine, dashboard, batch engine
- Identity management
- Platform services layer, data services layer, master data
- Enterprise services registry
- Standards selection
- Security architecture and framework
- Application Programming Interface (API) management and governance, publish and promote APIs, automate and control connections, monitor traffic, provide memory management and caching mechanisms, manage governance platform, API subscriptions, API promotion meta-data and design checkpoints and synchronize with Service-Oriented Architecture (SOA) governance and business strategy and goals

#### **Module Integration**

- Advise source selection committee, assess modules for fit within enterprise architecture (EA) and integration platform,
- Validate open APIs and standards, fit/gap assessment documentation, inform configuration-over-customization decisions throughout project life cycle
- Develop master data conversion, migration and test plans and associated procedures and standards,
- Define test acceptance criteria and standards enforcement,
- Oversee module vendor integration and deployment activities,
- Assist in module integration as required for modules vendors without sufficient native integration capabilities.

#### **Certification Involvement**

- Participate in and support certification activities with state, CMS and IV&V, and monitor necessary modifications

#### **RFP HELPFUL HINT**

Be sure to cross-reference the services to be included in the SI RFP with those that are performed internally or are in other RFPs or existing contracts, including strategic consulting services, PMO, quality assurance, IV&V, and module vendor services. Due to the similarity of many activities, it is easy to duplicate work activities, which will lead to confusion, complexity, and contractual and relationship issues. It is better to get the scopes of work among vendors ironed out before releasing the SI RFP.

Sample language in this section could require that the SI have experience integrating a multi-vendor platform. However, because modularity is so new to Medicaid IT, as is the role of the SI, at least early on, the state may not want to require MMIS SI experience in a multi-vendor environment. Language requiring MMIS SI experience may limit competition. Medicaid Eligibility and Enrollment (E&E) experience may be required to show knowledge of Medicaid and the environment. The language should focus on high-level requirements categories, activity streams, and the SI's role in them. Project phases should be clearly defined, with precise demarcation between the DDI and the operations and turnover phases.

### **Questions to Consider Internally:**

- *Has all the appropriate background material been included in the state's procurement library or the RFP? Are drawings and graphics available to help offerors understand the EA, concept of operations, integration platform, and other important components, frameworks, and plans? Has the state performed a comprehensive and detailed review of current state and other contract capabilities to determine what SI roles are absent but necessary? If current contract capabilities are going to be phased out in favor of the SI, are the timelines and turnover requirements clearly defined in the RFP?*
- *Is it clear in the RFP how changes to the architecture will be made and by whom (state-controlled, SI-controlled, or both)? (For example, one state decided that only the state was authorized to make changes to the enterprise architecture (EA).)*
- *Has the state done an analysis of similar services among state departments and other vendors and prepared a roles and responsibilities matrix for the RFP?*
- *Is the procurement strategy for the replacement MMIS or E&E system documented, socialized within the state enterprise, and clear as to where one vendor's module ends and the others begin?*
- *Are the procurements being conducted in a logical order to ensure that the SI is installed at the right time to meet its requirements?*
- *Do the requirements define "what" the state needs without specifying "how" the requirements should be met?*
- *Are the implementation, operation, and turnover phases and the expectations for each phase clearly defined? Have exit criteria been specified for each phase so that offerors know when each phase officially ends?*
- *Is the order in which modules will be certified clearly defined? Are the SI's requirements and role during certification clearly defined?*
- *Are the performance standards and key performance indicators (KPIs) directly related to the SI's authority and span of control?*
- *Have escalation procedures been identified so that offerors understand how and generally how long it will take to resolve issues that cannot be resolved between the SI and module vendors?*
- *Does the RFP provide sufficient detail about the modules to be procured and implemented to allow the SI to propose a high-level project management schedule?*
- *Based on the number and complexity of requirements and deliverables specified in the RFP, does the state have sufficient staff dedicated to the project to review and approve them? Are the times required for review and approval specified so that offerors can develop realistic plans?*
- *Has the state specified a System Development Life Cycle (SDLC) methodology, or is it going to use the SI's SDLC? If the former, is the SDLC documentation available to offerors? If the latter, does the RFP require sufficient detail to evaluate the SDLC's fit with industry standards, and is it clear that the SI will be required to share its SDLC with the composite vendor team?*
- *Has the state provided enough detail about state and external entity stakeholders to give the SI sufficient information to plan for stakeholder engagement in the project?*
- *Does the RFP provide a realistic timeline for the systems and operations that will be retired after new modules are implemented? Do the systems and operations targeted for retirement have turnover plans, and have they been made available to offerors? Is the SI's role in their retirement clearly defined?*

- *Does the RFP provide sufficient detail about the modules to be procured and implemented to allow the SI to propose a high-level project management schedule?*
- *Does the RFP require the SI to cooperate with and provide necessary information to the IV&V contractor?*
- *Does the RFP address communication and cooperation and how to resolve issues between the SI and module vendors?*

To maximize sharing of available components, the SI should be empowered to work with module vendors to provide alternate scenarios for deploying their modules. This might require the SI to take a hands-on role in the integration of modules. RFP language should provide for flexibility in adjusting the SI's role in situations warrant. Any changes to the SI scope may be handled through the project's change management process. Conversely, it is important to communicate to module vendors the SI's role and require corresponding flexibility. The more the state creates an environment where flexibility and open communication are encouraged and managed, the better the relationships among state participants and the composite vendor team will be.

### **3.2 IV&V Vendor Considerations**

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This section defines the tasks, activities, and requirements to be performed by the IV&V Vendor during the period of performance. The scope of work (SOW) is a core component of the RFP and resulting agreement between the procuring agency and the selected IV&V Vendor.

Detailed requirements should describe *what* the state desires and performance standards. The IV&V vendors responding to the RFP should describe *how* the proposed solution, staffing model and methodology meet these requirements. To encourage competition and best value to the state, IV&Vs should use their tools, templates, experience, expertise, and understanding of the requirements to propose their solution. Requesting samples of reports templates and redacted IV&V deliverables from previous engagements is appropriate.

Based on the state's current project management, technical infrastructure, and procurement strategy the state should consider the use of a Base Catalog of potential IV&V services to select the specific tasks and subtasks the IV&V vendor is to propose and ultimately deliver. A sample Base Catalog is attached as a separate document. Depending on the implementation strategy, SDLC chosen, the budget available, and the frequency of IV&V reporting/assessments, States should select those tasks and subtasks that meet their needs.

The following list contains types of requirements that **may** be included in the scope of work. This list is not exhaustive but represents a common set of services that states may need (based on the assessment described above).

1. *IV&V Project Management*
2. *Planning Oversight*
3. *Project Management*
4. *Quality Management*
5. *Requirements Management*
6. *Operating Environment*

7. *Development Environment*
8. *Software Development*
9. *System and Acceptance Testing*
10. *Data Management*
11. *Training*
12. *MECL Services and Certification*

In item 12 it is required to have IV&V actively participate in milestone reviews. This helps CMS reviewers understand the IV&V assessment eliminating time-consuming rounds of clarifications. It also helps the IV&V vendor understand specifics of CMS expectations for future milestone reviews so they can help the state be better prepared.

## 4. Cost Model and Budgeting Specifications

This section addresses the cost model and budgeting specifications within the RFP. It provides guidance to vendors in terms of the type of procurement the state is considering in the project phase (DDI), and the alignment of operational cost model goals to the state's Medicaid vision. The goal of this portion of the procurement is to promote competition, obtain best value in terms of cost and deliverable, and maximize the likelihood of RFP award and project success.

### Questions to Consider Internally:

- *Has the state considered value- and performance-based pricing models?* The incentive aspects of value-based pricing offer states an effective tool that rewards vendor creativity, innovation, and “extra effort.” The most rewarding concepts for value-based pricing include pricing models offering additional revenue-generating opportunities or the potential for cost savings or cost avoidance. To realize the financial rewards associated with a value-based model, the contract terms must include performance metrics as well as the formulas used to achieve an incentive payment. When employing this model, it is also important to develop an incentive payment structure that aligns to predefined levels or performance tiers. When contracts include performance tiers, the contractor is incentivized to do more than meet minimum contract requirements. Performance tiers must encourage the contractor to explore innovative solutions in order to reap the financial rewards associated with this model.
- *Has the state considered including a limited pool of hours for use during DDI to cover changes/enhancements?* This would require vendors to price optional additional resource costs in the proposal by labor category, to be deployed only after review and approval by the change control board and the state's project manager. This pre-established pool of hours with established rates provides CMS-approved hours for scope management if needed.
- *Has the state considered transaction pricing above a minimum to be included in fixed price?* Such transaction pricing could allow for a single amount per transaction above the minimum, or the state could establish multiple tiers if there is the potential for wide variation. Examples include:
  - Claims processes
  - State-initiated adjustments processed
  - Provider enrollments/re-certifications
  - Prior approvals processed

## **4.1 System Integrator Considerations**

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CMS requires the 22 conditions to be met as part of the APD process (see final rule issued 12/2015—Mechanized Claims Processing and Information Retrieval Systems (90/10)). Conditions such as key staffing, mitigation plans, documentation, and alternative hardware could be key deliverables for the SI and costs developed appropriately.

### **Questions to Consider Internally:**

- *If the SI is to have an ongoing role after implementation, has the state considered including a pool of hours for use during operations and maintenance to cover configuration and customization efforts? This would require vendors to price resource costs in the proposal by labor category, to be deployed only after review and approval by the change control board and the state's project manager.*

## **4.2 IV&V Considerations**

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Under regulation at 45 CFR 95.626, Independent Verification and Validation (IV&V) may be required for any major Medicaid IT project. Therefore, when planning and budgeting through the APD process the State must consider the expanded role of the IV&V detailed in the MECT and the number of given Medicaid IT projects that are concurrently running at any given time for which an IV&V are required.

### **Questions to Consider Internally:**

- *If there is more than one Medicaid IT Project happening concurrently is it the States expectations to cover ALL projects with one IV&V Vendor? In this case the State would need to make sure the vendors have the ability to price the project for the true amount of work and not be locked into a few key staff. An alternative method to dealing with this would be to plan for IV&V services each project. Another method would be to break apart the costs for groupings of IV&V services such as project management services, modular development services etc.*
- *Has the State considered any expansion of the services listed in the MECT for the IV&V by using either an established rate-card or an additional pool of hours dedicated to support? This would require the vendor to provide a rate-card for staff and a pool of hours that could be utilized to support the State in the event that areas of review and reporting or oversight need to be expanded.*

## 5. Project Management and Governance

This section provides guidance regarding the project management and governance aspects of the project, the state resources available for these activities, and the state governance model as it relates to the project and MMIS operations.

### a. State Project Governance

Define the state's project governance structure, including project key staff assigned and their respective roles on the project. Also, define the escalation path for resolving risks and issues, levels of responsibility for oversight of the project, and resources dedicated to support the project.

### b. Vendor Project Management

This subsection should include requirements for how the vendor needs to demonstrate how they will manage the project, and include language around working with other prime vendors and the IV&V contractor. If this effort requires the successful contractor to collaborate in any way, or cooperate with another contractor, the state should require the contractor to create/execute an associate contractor agreement.

#### **Questions to Consider Internally:**

- *Are there state standards for project management or templates that are required by procurement law to be incorporated into the project?* Ask vendors to propose the standard project management methodology and existing project management documentation they utilize to implement the solution being proposed. Consider identifying in the RFP key state personnel (positions, not names) committed to the implementation project, such as business and operations informational, technical, and systems; hierarchy of approval and resolution of issues; etc.
- *What additional staffing (outside of the vendor staff) is essential for success?* Consider any personnel from other state departments/divisions/agencies; other stakeholders; other business partners; independent contractors and suppliers of services that are integral to the project (for example, IV&V, quality assurance, auditors, etc.).
- *Are there any possible gaps in state staffing for the project?* If so, determine who will fill in the gaps, and how.
- *How will issues and risks be escalated, when, and to whom?* Identify any requirements for project management reporting, status meetings, executive-level meetings, or other project management coordination and reporting mechanisms.
- *What information and what level of detail is required for the project schedule submitted with the proposal? How often will the project schedule be updated?*
- *How will the state's PMO obtain situational awareness of each project's status, and with this information, make decisions and take effective action across the projects?*
- *How will the state's PMO monitor vendor compliance with state standards and with the U.S. Digital Services Playbook during DDI and while in operations?*
- *How will the state's PMO align its release schedule with that of COTS vendors, who will each have their own feature roadmap?*
- *How will the state's PMO monitor vendor effort applied to COTS integration versus customization?*

## **5.1 System Integrator Considerations**

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The role of the SI in the Enterprise Project Management Office, MMIS Project PMO, and state's governance process and with current and future module vendors must be well defined and clearly articulated in all RFPs (not just in the SI RFP). It is important that all parties understand the SI's role and how each party will interact with the SI. Likewise, the SI RFP must be able to present a clear picture of how the SI will interact and integrate with the state and its vendors and the state decision-making and governance bodies.

## **5.2 IV&V Considerations**

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The role of the IV&V in the EPMO, MMIS Project PMO, and State's governance process and with current and future module vendors is one of independence, oversight, monitoring, and reporting. The MECT clearly lays out the duties of the IV&V service provider to review the project and MMIS system processes and progress in areas including, but not limited to, the following:

- Progress against budget and schedule
- Risk management
- Inclusion of state goals/objectives and all federal MMIS requirements in requests for proposal and contracts
- Adherence to the state's software development life cycle (SDLC)
- Incorporation of the standards and conditions for Medicaid IT into design and development
- Reasonability, thoroughness, and quality of MITA self-assessment, concept of operations, information architecture, and data architecture
- Reflection of the state's MITA goals and plans into actual MMIS design and development
- Configuration management that is robust and includes state or developer configuration audits against configuration baseline
- Change management
- Adherence to service level agreements

The IV&V would work independently from each of the individual vendors providing modules/services to the State but needs to collaborate with the state and the state's vendors' partners to work towards the project's success.

### **Questions to Consider Internally:**

- *How will the role of the PMO and the IV&V overlap for things such as risk management and change management?*

## 6. Key Personnel

This section provides guidance regarding proposed key personnel. When developing the RFP, consideration should be given to matching qualifications to needs, ensuring availability of key staff when required and that the number sought is needed, as well as whether and where there could be flexibility and defined procedures surrounding such flexibility. Competition may increase and costs be reduced when there is the appropriate balance between ensuring that the state's needs are met without becoming too prescriptive.

Thoughtful review of the business, informational, technical, and operational needs, processes, and goals during the very first stages and throughout the project will set the state on a path to acquiring the key personnel with the best qualifications, at the time in the project when they are needed.

The State Medicaid Manual, Section 11266, bullet point 9, states the following:

*“The RFP must include at a minimum: Requirement that the contractor's personnel resources to be assigned to the contract are identified;”*

Per 45 CFR § 95.626 ((c),

*“The acquisition document and contract for selecting the IV&V provider (or similar documents if IV&V services are provided by other state agencies) must include requirements regarding the experience and skills of the key personnel proposed for the IV&V analysis. The contract (or similar document if the IV&V services are provided by other state agencies) must specify by name the key personnel who actually will work on the project. The acquisition documents and contract for required IV&V services must be submitted to the Department for prior written approval.”*

At the first stages of consideration of the project, while reviewing the business, informational, and technical needs, processes, and goals within the scope of the project, ensure that the state considers the following:

### **Questions to Consider Internally:**

- *What vendor(s) key personnel are essential for success? When the project includes multiple vendors, consider the timing and coordination of key personnel for each vendor as well as any required coordination among the vendors, state, and other stakeholders.*
- *What are the specific qualifications for the key personnel needed for the actual scope and purpose of the project(s) within this RFP? What are the definitive, essential requirements for the key personnel? Consider allowing vendors to define staff requirements commensurate with the vendor's implementation and operation methods (this may be informed by state procurement rules).*
- *Do the number and qualifications of key personnel reflect the project's scope? Does the number match what is essential for the project? Does the number reflect the state's and other project partners' total staffing and expertise for the project? Consider limiting named key staff to the positions relevant for implementation (elevate operations-related positions to “key” at a designated period prior to deployment).*
- *Has the state considered flexibility in RFP-defined qualifications, which could promote the best pool of candidates? Would the state allow named key staff to offset college degree requirements*



*with comparable job experience based upon Department of Labor or some other defined guidelines?* This could result in more consistent and competitive bids from all vendors and a larger pool of qualified candidates. For example, the New York proposal allowed at least two or four years of specified experience in lieu of a degree for various key positions.

- *When asking for individual resumes and related information, has the state considered at what stage(s) of the project each of the vendor's key personnel is required; for example, operations?* For key personnel not required during the initial stages of the project, consider specifying alternatives for when and how the winning vendor would propose such key personnel. This would allow consideration, review, and selection of candidates closer to the stage when they are needed; thereby providing more up-to-date selection options and reducing the risk that named key staff are no longer available when needed. For example:
  - Require vendors to submit “sample resumes” for such delayed key positions, with actual candidates submitted prior to the stage when the position is required. State approval would be required for proposed candidates. For example, the New York MMIS RFP specified that the transition manager name and resume was not requested for bidders' proposals, and the position did not need to be available at the contract start date.
  - Allow a process to modify requirements for such key personnel, based on what has been learned in the project to date.
  - What requirements for location of staffing, including key personnel, have been specified in the RFP? Consider that during DDI, a cost-effective approach is to allow much of the DDI/configuration work to be done in a vendor's onshore centralized location rather than requiring all work to be done onsite. If the vendor is following Scrum development methodology, it would be appropriate for the vendor's location to be near the state's business and project leaders.
  - What procedures have been prescribed in the RFP to ensure that any change(s) in key personnel during the project meet the state's needs?

## **6.1 System Integrator Considerations**

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Aside from senior client-facing account management positions, the state should strongly consider allowing the SI to base key personnel staffing model on its detailed project management plan (PMP) and schedule that have been developed using the SI's methodologies and best practices. SI projects are dynamic, and the personnel required in one phase can change quite a bit in the next phase. If the key personnel requirements are too prescriptive, the SI may be forced to contrive personnel (such as combining positions that rely on different skill sets and competencies), thereby adding cost and risk to the project. By requiring the SI to base its key personnel staffing model on its best practices (as embodied in its PMP and schedule), the state obtains a deeper level of buy-in on key personnel, because the SI can base staffing on its proven practices.

## **6.2 IV&V Considerations**

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CMS has provided guidance through language in both 45 CFR § 95.626 and in the Medicaid Enterprise Certification Life Cycle guidance which addresses IV&V personnel – both Key and otherwise.

First, 45 CFR § 95.626 (c) addresses the information related to IV&V provider Key Personnel that must be included in both the acquisition document and the resulting contract. That language is as follows:

*45 CFR § 95.626 (c): The acquisition document and contract for selecting the IV&V provider (or similar documents if IV&V services are provided by other state agencies) must include requirements regarding the experience and skills of the key personnel proposed for the IV&V analysis. The contract (or similar document if the IV&V services are provided by other state agencies) must specify by name the key personnel who actually will work on the project. The acquisition documents and contract for required IV&V services must be submitted to the Department for prior written approval.*

Next, in its Medicaid Enterprise Certification Life Cycle guidance, CMS provides standard language for states to include in their IV&V RFPs / contract modifications related to conflicts of interest which impact both the firm responding as well as the staff being proposed. The CMS contract language related to personnel is highlighted in **bold**.

***First, technical independence requires that the IV&V services provider organization, its personnel, and subcontractors are not and have not been involved in the software development or implementation effort or in the project's initial planning and/or subsequent design. Technical independence helps ensure that IV&V review reports are free of personal or professional bias, posturing, or gold plating.***

While CMS is specific regarding conflict of interest and information which should be included in the acquisition document related to key personnel, CMS does not establish specific qualifications which must be met by key personnel. Rather, that is left to the state to determine.

As states consider requirements for key personnel, take into account the fact that knowledge of past MMIS implementations becomes less important for key personnel as states begin to implement modular solutions with more of an agile approach. This new approach may warrant greater expertise in environments that focus more on the provision of integration services and the management of multiple vendors and less with prior MMIS implementations. Also, give consideration for your needs for specific expertise that the project may need, such as security, which may be beneficial for the review of particular artifacts but may not require a full time team member.

## 7. Project Performance Standards

The section outlines the project performance standards for all phases of the project, as well as any associated penalties or damages, as applicable. Major considerations in this section include identification of the critical measures of successful project performance and how incentives or penalties can be used to ensure that performance standards are achieved and maintained throughout the project. As a guide, performance standards should be:

- Focused on the results most important to the success of the project
- Clear
- Concise
- Unambiguous
- Measurable
- Reasonable/attainable
- Not overly punitive or duplicative
- Appropriate for:
  - The services being provided
  - This specific type of contract (performance-based, fixed-price, deliverables-based)

### **Questions to Consider Internally:**

- *What performance standards are applicable and desired for the DDI period? Which apply during operations?* Clearly delineate performance expectations and standards applicable to each phase of contract performance.
- *Are the SLAs measurable? Do they address the points that are the most important to the overall health of our contract and system? Are the means of measuring SLAs clearly defined?*
- *Are penalties or incentives to be included as a part of the contract? If so, what are they? What is the structure and process for imposing them? Identifying any dollar amounts in the RFP allows vendors to understand the full financial picture and risks within the project and to price them accordingly. As outlined in 8, Contract Standards, providing a mechanism for vendors to take exception or propose modification allows for negotiation while providing an even playing field for all bidders.*
- Assemble all performance standards in a single location in the RFP for ease of reference and evaluation and to ensure that all requirements are spelled out and understood.
- Specific considerations/questions for the operations period:
  - *What is most important to the state? What is the protection being sought?* Performance standards, or SLAs, are most effective when limited to only those items critical to the success of a state Medicaid program and the benefit of its stakeholders. Fewer than 20 performance standards/SLAs can typically achieve this goal. Consider placing a monthly cap on SLA penalties and/or waiving SLAs for a period immediately after the new system goes live to allow for a stabilization period.

### **7.1 System Integrator Considerations**

In a modular environment, more than one vendor will be responsible for deliverables and phases. It is important that the state clearly define and articulate the individual and shared responsibilities of the SI and for the module vendors and their shared responsibilities, including system security and its administration, with the SI. The state must also define its process for monitoring, measuring, and managing these shared responsibilities and governing decisions that are made with respect to performance, value, and penalties. Keep in mind that parsing responsibilities and SLA coverage for multiple vendors can be challenging. Financial penalties can be difficult to parse unless there is a very detailed level of which vendor is responsible for the failure of which system component. Such a multivendor sharing arrangement assumes that logs of each of these components are being kept to construct which vendor failed where.

Considerations for designing project performance standards for system integrator scope include *What scope of services will the system integrator procurement include, and what are the critical outcomes needed from each scope area?* For example, if the programmatic assistance scope area includes project management support, in what ways will this support be deemed successful?

## **7.2 IV&V Considerations**

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- The modular MMIS system presents several new/unique opportunities for the IV&V vendor. Contract direction should be included guiding the IV&V on its role and reporting relationship in the multi-vendor environment. Specific guidance and perhaps incentives should be given for the IV&V to identify and avoid project delays across module vendor proactively. Focus and coordination with the SI should also be called out to the IV&V. Encourage the IV&V to be flexible and price for a multi-phased certification schedule to avoid change order impact on themselves and the project later.
- The State should also consider the IV&V vendor role and commitment in CMS certification of the final modular system. As the role now depends on periodic project sampling, keeping the IV&V engaged till the successful conclusion should be reinforced. Contract tools could be leveraged to do so. A final IV&V bonus payment or additional letter of recommendation/endorsement after CMS certification should be considered. Such language should hold the IV&V harmless if CMS certification fails for reasons outside the IV&V's oversight.

## 8. Contract Standards

This section provides information regarding the nature of the contract to be executed as a part of the procurement. It is recommended that states provide all contract terms and conditions, which are anticipated to be included in any resulting contract as a part of the procurement process. This includes standard terms and conditions, as well as CMS regulations. This can be achieved by including a sample contract from the state's procurement office.

The following items must be covered, as identified in Chapter 11 of the State Medicaid Manual:

- Statement of contract termination procedures
- Statement that the prime contractor is responsible for contract performance, whether or not subcontractors are used
- Requirement for a statement of corporate financial stability and/or for a performance bond
- Statement that the proposed contract will include provisions for retention of all ownership rights to the software by the state, if designed, developed, installed, or enhanced with FFP (See 42 CFR 433.112 (b)(5) and (6), and 45 CFR 95.617(a))
- Depending on the contract, other requirements identified under 42 CFR 434 (Contracts) may also apply.

### Questions to Consider Internally:

- *What terms and conditions are applicable based on the nature of the services/system being procured?* Contractual language should be reasonable based on project size, scope, and purpose. Items such as actual damages, liquidated damages, performance and bid bonds, SLAs, payment retention, and general contract terms should protect the state and vendor.
- *Identify contract terms and conditions that are non-negotiable and permit vendors to provide comments or take exceptions on other terms.* Submission of any exceptions or concerns with the proposal will allow the state to assess whether a contract with a bidder is likely to result. Due to the complexity of MMIS contracts, a final contract negotiation provides for an agreement that works best for the specific partnership between the state and selected vendor. As a part of the negotiations, assess which items are of most importance to protect the state; avoid treating every term as equally important.
- *Is a bid or performance bond required by procurement law? If not required, consider whether the amount being requested is appropriate for the nature of the work and will provide the protection sought by the inclusion of a bond.* Unreasonably high bonds can limit competition and inflate costs without providing the state with additional protection.
- *Is a payment retention or holdback required by procurement law? If included, what is the appropriate amount to protect the state?* Consider alternatives through the payment structure to avoid holdbacks, which can inflate prices through vendors including costs of financing in their pricing and can create performance risks during contract execution.
- *Are the software license requirements consistent with standard practices in the software industry, as well as with the nature of the system/services being procured?* As there is an effort to move to more COTS-based and Software-as-a-Service solutions, requiring vendors to sign non-negotiable or proprietary licensing agreements often precludes competition, as product vendors cannot sign up to the required conditions. Starting with end-user license agreements provided by software vendors creates a more commercially acceptable RFP open to compliance.

- *Can the contract be extended to include other state agencies/programs?* Consider that many states have expanded use of their MMIS to support other programs (i.e., corrections).
- *If the developed software or IT solution is intended for sharing with other states, does the contract and software licensing support this state intent?*
- *If the state intends to reuse developed software or an IT solution shared by another state, does the contract and software licensing support this state intent?*
- *How will risk/accountability be distributed in a multi-vendor environment, such as among the MMIS and other module DDI vendors and the system integrator?* Consider all contracts need to include language that ensures cooperation among vendors and successful delivery. Contract language should speak to specific scope obligations related to a multiple-vendor arrangement.
- *To what degree does the system integrator have contractual accountability for the implementation of modules?* Consider the state’s procurement approach and policies. For example, where an implementation must be coordinated with a claims administrator/fiscal agent that oversees “core” MMIS operations, the system integrator should be responsible for integration of the separately procured modules.

### **8.1 System Integrator Considerations**

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No additional considerations need to be made at this time.

### **8.2 IV&V Considerations**

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CMS has required IV&V RFP and contract language that is to be included in IV&V RFPs and contracts. This language is found in Appendix C of the current MECT posted on Medicaid.gov.

## 9. State Procurement Process

This section provides the guidelines under which the procurement will be conducted. It outlines the rules regarding contact and communication with the state, the overall timeline for the procurement including applicable due dates for materials, the process for submitting questions, identifies appropriate state procurement requirements, and often includes the submission requirements.

This section is critical to a successful procurement process by establishing a common, unbiased framework for all vendors participating in the process. It is critical that all applicable procurement regulations be incorporated and understood when structuring this section. It establishes clear expectations for all vendors to ensure a fair process and reduces the risk of procurement protests.

Other elements of the procurement process may not be included in the specific Procurement Process or Instructions section but may be reflected in the Evaluation Criteria.

### a. CMS Required Language

As outlined in Section 2, Chapter 11 of The State Medicaid Manual includes the following items:

- Listing and description of the reference material available to the contractor for use in preparation of proposals and/or in performance of the contract
- Standard format and organization for the proposals including both work to be performed and cost statements
- Explanation of the proposal evaluation criteria and the relative importance of cost or price, technical, and other factors for purposes of proposal evaluation and contract award

There are many considerations and questions to consider when structuring the overall procurement process. The questions below assume that the state has already determined the scope of services to be procured and are focused more on the process itself. A thorough understanding of procurement law in the state and what is and is not permissible within the procurement guidelines is critical to structuring the overall process. Coordination between the business/program team and the procurement organization or department will facilitate the overall process by aligning the business needs to be met and structuring the procurement process to help ensure those needs will be addressed in the procurement. Some considerations are outlined below:

- Assess what information is needed from vendors and streamline the response structure to avoid submission of duplicative information. By associating the requested information with the evaluation criteria, vendors can focus on what is most important to the state, resulting in responses that are easier for evaluators to assess against the state business needs that are to be met through procurement.
- *Is the relevant CMS review (E&E) or certification (MMIS) checklists included or at least referenced?*
- *Are the required artifacts listed in MECT Appendix B listed?*
- *If the state expects its vendors to support it throughout the CMS review life cycle, is that clearly stated?*
- *Do you want to limit the number of pages in the responses overall or for some sections of the response? Identify realistic page limitations per response structure and specify those sections*

excluded from page limits. Anticipated page limits should be included in a draft RFP for vendor comment.

- *Is the RFP clear in how you expect vendors to reply to requirements listed in the SOW in relation to Functional, Technical, and Fiscal Agent requirements included in attachments (i.e., Medicaid Enterprise Certification Life Cycle [MECT], checklists, etc.)? Consider how to help ensure that vendors understand how to address the SOW so as not to duplicate responses and overtax or confuse reviewers. Don't be vague: If vendors are to write to the scope of work AND the requirements listed in, say, the Functional Requirements section of an RFP, say so.*
- *Based on how the state has defined the evaluation criteria, is the scoring aligned with what is being asked for in the proposal response, and does the scoring methodology reflect a weighting that demonstrates what is most important to the state?*
- *Have the points been appropriately divided between technical approach and costs (when applicable) to select the best value solution? Or does the scoring result in "the lowest price wins"?*
- *Are multiple ongoing procurements related to the system or services being procured occurring in other states at the same time? This should be considered when assessing the overall time to release and respond to RFPs.*
- *Considering state resource availability, what is a realistic timeline for the procurement process? It is best to not try to work backward from a "we must award by" date, which can set unrealistic expectations with both internal and external stakeholders. Other timeline considerations include a decision on permitting multiple rounds of questions/answers during the process, as well as determining if a rolling question/answer period will be used. Permitting multiple rounds of questions and setting a realistic timeline for submission of questions allows vendors to perform a more thorough analysis of the RFP and identify questions or concerns, resulting in a higher quality offering/solution and a higher probability of overall successful project execution.*
- *Does the state envision including system demonstrations or oral presentations as part of the procurement process? Including the guidelines for this in the RFP as well as ensuring adequate time for state activities between proposal submission and scheduling of the events in the procurement timeline provides a level playing field and adequate time for preparation on both sides.*
- *If including demonstrations or oral presentations, will these be held before or after proposal review and evaluation? How will they be factored into evaluations – separately scored or as part of the technical evaluation score?*
- *What are the preferred (and permissible) forms of proposal submission? Is a predominately electronic submission permissible? If paper/hard copy submissions are required, how many copies are needed? It is worth considering that, for many people, electronic submissions are easier to review and evaluate, while recognizing that a small number of hard/paper copies may be required for contractual/legal purposes.*
- *What materials are available or can be assembled to form the procurement library? Material could include items such as historical performance and trend data, MITA SS-A results, the APD, internal and external interfaces, operations volumes (i.e., claims, prior authorizations, providers, members by program, etc.), and state staffing models. Providing this library of information allows questions and strategies to be developed, which results in a more competitive procurement and allows vendors to prepare more comprehensive responses.*



## **9.1 System Integrator Considerations**

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The timing of the SI RFP should be early enough to inform the state of considerations and/or requirements to ensure interoperability among modules, but following the finalization of the full procurement/replacement strategy so that the SI may adequately scope the statement of work.

## **9.2 IV&V Considerations**

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If the IV&V independence is accomplished by having IV&V report through a different state organization, department, or agency; that entity's procurement process needs to be accommodated.

# Appendix 1 – Model Language Samples

## 1. State Procurement Objectives

The following are examples in recent MMIS procurements for vision and business objectives that provide clear pictures of the vision and objectives for the procurement. Please note that the term “objectives” is often used to articulate the overall vision, and the term “goal” is often used to define specific business objectives.

### State Vision

**Example 1:** *The goal of this procurement is to obtain a Replacement MMIS that has the information infrastructure, tools, and services necessary to efficiently administer the [state Medicaid] programs, and other programs in the [state Medicaid Enterprise] supported by the MMIS, to improve member health outcomes, and assist in the delivery of member-centric and cost-effective care in an environment of dynamic health care system transformation. It will have the capabilities to promote informed and timely decision-making, both at the policy administration level and at the point of care, while promoting service coordination, transparency, and accountability.*

*The Replacement MMIS will:*

- *be the information gateway for all stakeholders;*
- *take advantage of automation and paperless transactions;*
- *facilitate data access and exchange in real-time while ensuring privacy and security; and*
- *be designed to accommodate current and future business methods.*

*Data in disparate systems will be integrated to reduce redundancy and compartmentalization, improve information exchange, and services will be shared to ensure data accuracy and validity.*

*(Source: New Jersey Request for Proposals 14-X-22996, 2013)*

**Example 2:** *With this RFP, [state] seeks to procure a modular MMIS, as well as a FA and/or a system integrator to support some or all of the MMIS. Following are [state’s] goals for the modular MMIS:*

- *Provide information management tools and business partners to assist [state and/or Agency name that owns the contract] in effectively managing the state Medicaid program*
- *Support monitoring the performance of [Medicaid program name] MCOs*
- *Use a modular approach to create a framework that is aligned with MITA Version 3.0 and supported by a Service-Oriented Architecture (SOA) and unified data governance. [state and/or agency name that owns the contract] expects this modular approach to result in low-risk MMIS compliance and more efficient customer service*
- *Meet the CMS Standards and Conditions for Medicaid IT and promote the use of industry standards for information exchange and interoperability, providing a seamless business services environment for [state and/or Agency name that owns the contract] users*
- *Supports the state in maintaining eligibility for FFP for the design, development, installation, and enhancement of mechanized claims processing and information retrieval system as specified under 42 CFR 433.112 by proposing a modernized system which meets the conditions within the federal regulation.*

*(Source: Kansas Request For Proposals EVT0003406, 2014)*

**Example 3:** *The Agency’s objective for this procurement is to maintain the current business model of the cohesive [state or agency that owns the contract] with “best-of-breed” contractors co-located with Agency staff at a common facility. Co-location of Agency staff and [state or agency that owns the contract] contractors will continue to yield significant efficiencies for the IME, allowing the agency to continue to provide a highly effective level of service for both members and providers alike. The [state or agency that owns the contract] is not unlike the conceptual view of the operation of a managed care organization (MCO) or health maintenance organization (HMO). This strategy allows the state to retain greater responsibility for the operation and direction of healthcare delivery to Medicaid members in [state].*

*(Source: Iowa Medicaid Enterprise System and Services Request for Proposals, 2013)*

**Example 4:** *The Department’s vision for managing public health care encompasses the following goals and objectives:*

<p><b><i>Reduce Administrative Burden for the Provider</i></b></p>	<p><i>The Department is committed to making changes that will make it easier for health care providers to enroll, participate, and be reimbursed in its programs. The Department is taking steps to streamline the enrollment process through the adoption of standards, alignment with other programs, and automation of processes. A main objective in this area is to simplify the combination of program, policy and operational constraints to payment.</i></p>
<p><b><i>Eliminate Administrative Barriers to Enrollment and Expand Coverage</i></b></p>	<p><i>One of the key health care initiatives of the current administration is to expand health care coverage to all eligible New Yorkers. The Department has a goal to remove administrative barriers that delay and prevent some eligible citizens from receiving health care benefits. The objective is to identify and make changes to administrative processes that are used to determine eligibility and to support the implementation of Federal health care reform.</i></p>
<p><b><i>Accommodate Benefit Flexibility to Provide Member Services</i></b></p>	<p><i>The capability to accommodate new benefits, service rules, and edits into operations and systems quickly is a critical component to realizing the vision to effectively align program benefits with beneficiaries. Inherent in this endeavor is the need to share clinical information at the point-of-service to enable the identification of beneficiaries for new benefit programs and to better manage high need and high cost services. The introduction of COTS products is critical to developing the capability to implement software and procedural enhancements in a timely and cost effective manner.</i></p>
<p><b><i>Buy value – quality, cost effective care – for Medicaid beneficiaries</i></b></p>	<p><i>The Department envisions the development of patient centric health care delivery programs that will provide quality, cost effective health care. This will begin to be achieved as the Department moves to predictive modeling, patient centric utilization management, care and case management, the adoption of a medical home model, and increasing patient education and counseling.</i></p>
<p><b><i>Integrate Electronic Health Care Records into Benefit Management</i></b></p>	<p><i>The electronic exchange of health care information is the centerpiece for realizing a number of health care management improvements. The ability to share detail clinical information at the point-of-service is at the center of a new generation of health care programs that effectively match the right services</i></p>

	<i>with the right people at the right time.</i>
<b>Implement Medicaid Rate Reform – Pay for Performance</b>	<i>The Department has taken the initial steps in developing Pay for Performance initiatives which link compensation to the quality of outcomes, standardized quality measures or the extent to which specific goals are achieved. The Department understands that in order to continue to create and effectively evaluate Pay for Performance outcomes, more specific clinical data is needed. The Department envisions reforming Medicaid rates to: encourage care in the right setting; buy value and high quality, cost effective care; and, reinforce health planning and policy priorities.</i>

*(Source: New York Request for Proposals. Replacement Medicaid Management Information System (R-MMIS) Fiscal Agent Services Project FAU Number 1002031048, 2010)*

## **Business Objectives**

**Example 1:** *Critical technological objectives of this RFP include the procurement of:*

- 1. A true Service Oriented Architecture (SOA) platform which will bring interoperability of service-based modules, preferably as licensed products, to support DHS’ modernization and continual enterprise evolution without restricting its ever-changing business needs*
- 2. A highly configurable and flexible platform that will be an enabler of the expansion of technological capabilities to other state and federal agencies*
- 3. An enterprise solution that is designed at its core to allow Commercial-Off-The-Shelf (COTS) products be installed, integrated, and upgraded through scheduled releases*
- 4. Software modules that are implemented and modified by user configurations, not through constant custom coding that will result in yet another one-off MMIS*

*(Source: Arkansas Request For Proposals, AME MMIS Core System and Services, 2013)*

**Example 2:** *The state considers this RFP as foundational to the state’s transformation of the Medicaid enterprise. The Key Objectives are defined in Table 1. The state encourages the contractor to periodically reference the Key Objectives and to utilize the information located in this RFP’s Resource Library to enhance the contractor’s proposal response.*

**Table 1**  
**Key Objectives**

Identifier	Description
<i>T1.1</i>	<i>Deliver the Centers for Medicare &amp; Medicaid Services (CMS) criteria defined in the Medicaid Enterprise Certification Toolkit (MECT) v 2.01</i>
<i>T1.2</i>	<i>Leverage where appropriate the state’s existing investments in information technology, systems and services, and third-party relationships operating as part of the Medicaid enterprise</i>
<i>T1.3</i>	<i>Comply with the CMS Standards and Conditions for Medicaid IT released April,</i>
<i>T1.4</i>	<i>Advance the organizational productivity and analytical capabilities of the Medicaid enterprise to promote cost reduction and MITA process maturity</i>
<i>T1.5</i>	<i>Support the advancement of payment reform methodologies</i>
<i>T1.6</i>	<i>Participate in the state’s Medicaid domain information exchange goals</i>

T1.7	<i>Deliver the Project in accordance with the contractor's contractual obligations</i>
T1.8	<i>Support Arkansas' business process improvement objectives as defined in its MITA State Self-Assessment (SS-A).</i>

*(Source: Arkansas Request For Proposals, AME MMIS Core System and Services, 2013)*

**Example 3:** *With this RFP, the State of Kansas seeks to procure a modular MMIS, as well as a FA to support some or all the MMIS. The following are KDHE's goals for the modular MMIS:*

- *Meet the Kansas Medicaid Information Technology Architecture (MITA) 3.0 objectives using the existing Kansas Service-Oriented Architecture (SOA). Meet the Centers for Medicare and Medicaid Services (CMS) Standards and Conditions for Medicaid IT and promote the use of industry standards for information exchange and interoperability, providing a seamless business services environment for KDHE users.*
- *Provide information management tools to assist KDHE in effectively managing the state Medicaid program, business processes, and provide a system designed to accommodate the information needs and business methods of today and tomorrow.*
- *Implement eight module components, provided by one or more contractors, to modernize or replace the existing MMIS. For the purposes of this RFP, the term module is used to describe a collection of functionality that can reside in any physical location and is a functional grouping of capabilities that will be implemented, tested, and certified as a single group of system functionality.*
- *Kansas is looking for a system that can handle clinical data, encounter and claim processing, and multiple payment methodologies.*

*(Source: Kansas Request For Proposals EVT0003406,2014)*

**Example 4:** *The [state project name] project's leadership has established the following guiding principles, which will serve as the backdrop for this procurement. All decisions will be assessed against these principles on an ongoing basis to ensure that risks are mitigated appropriately, the procurement is successful, and that clients, the provider community and other stakeholders experience minimal impact.*

**Adaptability:** *Implement a flexible, rules-based, modular, configurable solution to enhance decision-making and increase management efficiencies.*

**Business Intelligence and Data Analytics:** *Implement business intelligence and data analytic services to enable accurate, real-time data and reporting that will meet changing business and management needs. The solution should be enterprise centric, which would enable other health care and program data typically not found in a legacy system to support enterprise decision-making.*

**Service Focused:** *Structure the procurement to focus on the delivery of services to provide an enhanced customer service experience for providers and clients.*

**Performance-Based Contract:** *Implement an incentive-based contract management structure that enables the department to manage to performance-based service levels for the contractor, without substantial increased cost to mitigate offeror risk.*

**Information Sharing:** Implement a solution that provides an easy to access and comprehensive “one-stop-shop” for providers.

**Realistic Project Schedule:** Structure the scheduled project activities to ensure a quality procurement and a successful implementation of the contracted services and supporting technology.

In addition to the guiding principles identified by department leadership, the following objectives have been defined:

**Maximize Enhanced Federal Funding:** Maximize qualification for enhanced Federal Financial Participation (FFP) for MMIS development, implementation, and operations.

**Ensure Federal Standards Compliance:** Comply with the Centers for Medicare & Medicaid Services (CMS) requirements.

**Obtain Federal Certification:** Implement project management controls for the development and implementation for all systems to ensure CMS certification. Contractors will receive financial incentives for supporting timely CMS certification in order for the department to fully qualify for enhanced federal funding.

**Integrate with Statewide IT Systems:** Ensure that the MMIS is designed for integration with the state’s Medicaid eligibility system (CBMS), Health Information Exchange, and Health Insurance Exchange as envisioned through the Affordable Care Act, and subsequent federal policies and regulations.

(Source: Colorado Department of Health Care Policy and Finance, Core MMIS and Supporting Services Request for Proposals)

## 2. Technology Standards

The following are examples in recent MMIS procurements for language demonstrating and/or requiring adherence to CMS Standards.

**Example 1:** MITA Condition; Modularity Condition:

**Pg. 59 Section 5.1.4.2 Conceptual Modular Development Model**

The Contractor(s) are encouraged to submit proposals offering a best in class solution and approach under direct accountability to the state for all phases. All proposed solutions will be comprised of proven, advanced technologies coupled with exceptional professional services to support the state’s key objectives and transformation goals. All contractors are encouraged to submit proposals demonstrating:

- An evolution to the MITA framework (technology architecture (TA), information architecture (IA), and business architecture (BA))
- Fulfillment of all the proposed solution(s) requirements outline in this RFP (in part, or whole).
- Compliance with all applicable state and federal laws, rules, regulations, guidelines, policies and procedures
- The ability to adapt to change and respond to changes in the health care industry
- The ability to learn and adapt to new challenges and paradigms and provide utilities or services that integrate with health care on an enterprise wide level
- A verifiable record of accomplishment of successful, similar implementations of proposed solutions within a defined timeframe.

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5.2.6.1	2	Will provide diagrams and narratives in the EMP (see 5.2.2.7) for engineering the project components within the data center computing environments (applicable options only). Illustrate the different types of computing environments (as defined in this RFP). Include the following: a) Technical Architecture (TA) b) Information Architecture (IA) c) Network/Communications Architecture d) Exchange data services (enterprise shared services) e) Interfaces f) Performance management system monitoring operations.
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5.2.7.1	10	Will participate in modernization data projects testing events as follows: test defect identification, root cause analysis, and resolution activities related to information architecture (includes legacy data interfacing components), and computing environments. The preceding testing events are in addition to delivered modernization project systems, subsystems, components, and services preproduction activities.
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5.2.7.1	75	Will provide the information architecture specifications (IAS) that includes the physical architecture for the Medicaid enterprise's information strategy and data definitions that comply with and support the requirements of the business architecture (BA) and technical architecture (TA) specifications using the state modernized and
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		<i>Contractors leveraged assets.</i>
5.2.7.1	76	<i>Will provide in the contractor(s) proposal ISP and specifications intended for the state's Phase II – Modernization MMIS and Phase III - Operations. Include narratives and diagrams of the logical and physical data models, data dictionaries, and preconfigured business rules for computing environment initialization. The information architecture may include files, databases, repositories, operational data stores, transaction data stores, reporting repositories, parameter files, reference files, and reference information and other sources as provided by the Contractor.</i>

*(Source: Kansas Request For Proposals EVT0003406,2014)*

Additional Documents/Resources Available:

- [HIPAA Administrative Simplification](#)
- [Privacy and Security Standards – NIST Special Publications](#)
- [MITA – Medicaid Information Technology Architecture](#)
- [Enhanced Funding Requirements: Seven Conditions and Standards](#)
- [MECT – Medicaid Enterprise Certification Toolkit](#)



### 3. Scope of Work

**Example 1:** *The contractor shall have sole responsibility and accountability for all Replacement MMIS requirements and services mandated by the contract. The contractor shall assemble a solution that meets the requirements of the RFP comprised of the MMIS modules and components described below, and must supply professional services.*

*The Replacement MMIS shall be an integration of existing and proven solutions with very limited custom development, must conform to MITA principles, the CMS Standards and Conditions for Medicaid IT, and achieve CMS certification. The RFP seeks a solution comprising best-of-breed Commercial-Off-The-Shelf (COTS) products, based on a modular approach, seamlessly integrated as part of a Service-Oriented Architecture (SOA) and supported by professional services. The following sections describe the functions comprising the replacement MMIS.*

*(Source: New Jersey MMIS RFP 2014)*

#### **Example 2 (System Integrator Language):**

##### **Florida Medicaid Enterprise System Procurement Strategy**

The Florida MES procurement strategy is organized into three phases:

Phase I: Develop MES Infrastructure – Strategic Enterprise Advisory Services, Enterprise Service Bus and Enterprise Data Warehouse

Phase II: Enterprise Services Integration

Phase III: Module Acquisition

##### ***Phase I***

##### ***Strategic Enterprise Advisory Services***

*The Agency will first procure the services of a systems integrator, also referred to as the Strategic Enterprise Advisory Services (SEAS) vendor in this document. The SEAS vendor will provide the expertise needed to develop the framework for the MES in accordance with the CMS Standards and Conditions for Medicaid IT, including MITA 3.0, and facilitate the interoperability of business and technical services across the MES.*

##### ***Phase II***

##### ***Enterprise Services Integration***

*Integrated business and IT transformation, with business services integrated with technical services through SOA informed by the SEAS vendor, will follow over time. Integration of existing functionality and technology infrastructure in the current Medicaid Enterprise will also require significant effort and resources. The purpose of this phase is to integrate business and technical services and data from various modules in the Medicaid Enterprise. The completion of this phase will leverage an architecture that enables the reengineering of critical Medicaid business processes, particularly those focused on managed care eligibility and enrollment under SMMC. With a shared data model and data normalization, the SOA will result in elimination of complex interfaces prone to data redundancy, information delays, and data incompatibility issues. Service infrastructure completed in the previous phase should achieve true plug-and-play capabilities of services and interoperability that will drive improved services to stakeholders, and provide for further modular development.*

##### ***Phase III***

##### ***Module Acquisition***

*This phase includes the acquisition of the modular components in collaboration with the SEAS vendor, and is subject to adjustments as future federal mandates and guidance are provided. The*

*term “module” has been defined by CMS to mean a packaged, functional business process or set of processes implemented through software, data, and interoperable interfaces that are enabled through design principles in which functions of a complex system are partitioned into discrete, scalable, reusable components. Any proposed IT functionality can reside in any physical location and is a functional grouping of capabilities that can be implemented, tested, and certified as a single group of capabilities based on the final guidance from CMS.*

*The MMIS modules procured by the Agency will connect through the ESB and EDW to ensure interoperability and data integration, and represent services that can be replaced individually or in logical groups at lower risk, cost, and duration. The Agency will initially procure MMIS modules based on the priority developed in strategic planning with the SEAS vendor. Acquisition of the priority modules are subject to healthcare IT industry availability. The MMIS modules given priority are the components of the MES for which improvements are most needed in order to support decision making and components that provide the Agency with strategic advantages if they are procured as modules.*

*(Source: [http://www.fdhc.state.fl.us/medicaid/Operations/Fiscal/FA\\_Procurement\\_Activities.shtml](http://www.fdhc.state.fl.us/medicaid/Operations/Fiscal/FA_Procurement_Activities.shtml))*

## 4. Cost Model and Budgeting Specifications

**Example 1:** The state of Kansas sought to procure a modular MMIS, as well as a Fiscal Agent (FA) and/or a system integrator to support some or all the MMIS. In providing its cost models, the state provided incentive plans, the options for negotiations, and change orders based on innovation that could potentially reduce operating costs.

### *Incentive Plans*

*KDHE may elect to pursue an incentive plan. KDHE in conjunction with the PNC, and Contractor(s) personnel may, as time and resources allow, develop an incentive plan during the Phase II - Modernization.*

### *Payment Modifications*

*The Phase III - Operations pricing schedules require pricing for the five years of operations. Payment for subsequent years shall be negotiated should the state elect to utilize the contract extension year(s). These requests may be made up to one time annually. Payment for subsequent years shall be negotiated should the state elect to utilize the contract extension year(s). This requirement is in adherence with the SMM 2080.11.*

### *Negotiated Changes*

*The state is very interested in promoting innovation that shall lower processing costs and the cost of operating the MMIS in general. To this end, the state may share, at the state's discretion, in the cost and benefit of developing innovative solutions if the Contractor(s) can show how operating costs would be lowered because of the investment. These opportunities shall be dealt with on a situation-specific basis. This requirement is in adherence to SMM 2080.11.*

[\(Source: Kansas Request For Proposals EVT0003406, 2014\)](#)

## 5. Project Management and Governance

**Example 1:** The following model language from the recent Colorado MMIS RFP addresses the state organization and oversight entities:

*3.5.2. The project organization is as follows:*

*3.5.2.1. Executive Sponsor(s): Consists of members of the Department. Executive Sponsor(s) will oversee the Core MMIS and Supporting Services implementation and provide overall direction for the COMMIT project. Executive Sponsor(s) have final decision making authority related to the project.*

*3.5.2.2. Claims Systems and Operations Division's Project Management Office (PMO): A unit within the Claims Systems and Operations Division that manages various projects for the Department. It coordinates, manages, and oversees projects as well as sets agency-wide standards, practices, and policies for project execution. The PMO oversees the Department's projects including the COMMIT project (RFPs and resulting contracts), 5010/NCCI/ICD-10 efforts, as well as regular updates to the state's existing MMIS and process improvement projects.*

*3.5.2.3. MMIS Project Manager: Part of the Department's PMO and will oversee the MMIS Implementation and Operations project and the Contract for the Department, and will work with the Contractor to provide day-to-day coordination of all project tasks. The MMIS Project Manager will be the primary point-of-contact for the Contractor to the Department.*

*3.5.2.4. Purchasing Services Section: Oversees the solicitations for the Department and is the main point of contact for this procurement.*

*3.5.2.5. Independent Verification and Validation (IV&V) Contractor: The Department will identify resources to support IV&V services for this Contract.*

*The Department will act as a liaison between its Contractor(s) and other agencies and stakeholders. The Department will help facilitate communication between the parties to ensure the COMMIT project has a successful transition and implementation. The Department's COMMIT Project Manager will act as the primary contact point for the Contractor's account manager and will escalate necessary issues and risks to the appropriate Department stakeholders. The Department's COMMIT Project Manager will also coordinate the participation of Department and state stakeholders in Contractor sessions and meetings throughout the term of the Contract.*

*(Source: [Colorado Department of Health Care Policy and Financing, Solicitation # HCPFRFPKC13COREMMIS, Core MMIS and Supporting Services Request for Proposals](#))*

**Example 2:** The following language is from the recent New York MMIS RFP and addresses expectations for the project management and governance:

*Develop and execute a Project Management Plan (PMP) within the first 30 calendar days of contract award, approved by the Department that is based upon industry best practices and standards. The PMP shall include:*

- *Quality Management*

- *Scope Management*
- *Requirements Management*
- *Issue Management*
- *Risk Management*
- *Change Management*
- *Configuration Management*
- *Performance Management*
- *Communication Management*

*Develop and maintain a project work plan in Microsoft Project that includes each phase of the project that is resource loaded and includes both contractor and Department activities. The work plan shall adhere to industry best practices and standards for project management, and be broken down into Work Breakdown Structures (WBS), including key tasks, milestones, resources, deliverables, and task dependencies.*

*Establish and staff a Program Management Office (PMO) that manages the PMP and reports directly to the Department Project Management group. The PMO shall also integrate with other relevant state contractors and entities.*

*Use a project management tool accessible by state staff, in addition to the contractor's team, that includes the following capabilities:*

- *Issue and Risk Management*
- *Scope Management*
- *Configuration Management*
- *Change Management*
- *Action Item Management*

*This tool must maintain project information for the full life cycle of the project.*

*Make all project management documentation available online to Department and contractor staff, including, but not limited to the PMP, work plan, status report, and status meeting agenda and minutes.*

*Develop, produce, and maintain a certification plan that defines the contractor's approach to federal MMIS certification. It must describe the processes and procedures that will be used to manage certification requirements throughout the Planning and Implementation Phase; manage the certification activities; processes and procedures that will be used to create the certification documents and assist during the CMS visit; and how these activities are integrated with the contractor's project management system. The plan must define the contractor's approach and plan for preparing for certification and performing activities including but not limited to:*

- *Completing the initial update of the certification checklists in Attachment F of this RFP*
- *Completing Certification Phase Deliverables*

- *Validating MMIS functionality against the certification checklists, creating the Certification Checklist Traceability Deliverable, and maintaining the certification checklists*
- *Developing and assembling documents that will be used to support the certification process and review*
- *Performing a certification readiness test*
- *Assisting the Department in preparing for and conducting the CMS certification site visit*
- *Responding to CMS inquiries during and after the site-visit*

*Deliver detailed training during the project initiation task, on the contractor's processes to be used to complete the scope of work. This training must be specific to the quality management, risk management, scope management, project management and SDLC methodologies proposed by the contractor. This training must transfer knowledge, to Department staff, of the contractor's project management methodologies in order to participate in creating and reviewing required deliverables and orient Department technical staff and Department contractor staff in configuration management, requirements management and overall design and development programs so that they can productively participate in the deliverable production and review process.*

*Maintain a project facility for this contract within a ten (10) mile radius of the NYS Capitol building. The facility shall provide adequate workspace for contractor project management, departmental liaison, design, development, and implementation leads, provider relations and member relations staff as well as designated state staff.*

*(Source: [New York Request for Proposals. Replacement Medicaid Management Information System \(R-MMIS\) Fiscal Agent Services Project FAU Number 1002031048, 2010](#))*

## 6. Key Personnel

**Example 1:** The state allowed vendors to propose multiple individuals for different job duties.

*5.7.1. The Department does not require DDI activities to be performed within Colorado, or by staff located in Colorado. However, a local site with facilities within one (1) mile of the Department shall be provided for collaboration, project planning, and other DDI activities as needed will be required for all contract stages.*

*5.7.3. The Contractor's key personnel are expected to be located locally (within one (1) mile of the Department), but will allow key personnel working on DDI activities to be located outside of Colorado during the implementation contract stages if the DDI activities are also performed outside of Colorado.*

*6.1.2. The Department has identified a list of key job duties that are required throughout the various project phases over the contract term. These job duties shall be performed by key personnel, but can be shared amongst key personnel roles (i.e., does not necessarily require separate people) where practical and allowed. The account manager, systems manager, and fiscal agent operations manager job duties cannot be shared by the same key personnel.*

*6.1.4. Other key personnel shall be identified in the offeror's proposal indicating the contractor's commitment to team stability. As commitment and continuity are important factors in success of the contract, the Department will consider assignment of highly qualified key personnel to any additional positions as a commitment to reduce risk under the contract. The proposed staffing plan should be focused on retaining both quality staff and knowledge.*

*(Source: [Colorado Department of Health Care Policy and Financing, Solicitation # HCPFRFPKC13COREMMIS, Core MMIS and Supporting Services Request for Proposals](#))*

## 7. Project Performance Standards

The following structure from a recent New York RFP provides a good template for laying out performance standards and penalties or incentives:

### Project Performance Standards – DDI Phase

Example 1:

<b>Performance Management Measures</b>			
<i>Identifier</i>	<i>KPI</i>	<i>Performance/Service Level</i>	<i>Assessed Payment/Recoupment</i>
T16.3	Status Reporting	The contractor, in a manner acceptable to state, must provide a monthly status report within five state work days after the end of the calendar month.	Five hundred dollars (\$500) per state work day the Status Report is not received or is unacceptable to the state.

(Source: Arkansas Request For Proposals, AME MMIS Core System and Services, 2013)

### Project Performance Standards – Operations

Example 2:

Within fifteen (15) calendar days of the end of each month of operations, the contractor shall be required to produce and deliver a report card on its actual performance. All contract and performance standard requirements identified in this RFP shall be part of the report card. There shall be two (2) sections to the report card, see example below. The first section shall address all contract and performance standards identified in Sections 40.12.5 and 40.12.6 within this RFP and shall not be subject to forfeiture of retainage as defined in Section 40.12.1 within this RFP. The second section shall address any and all performance standard requirements identified in Section 50 within this RFP or offered in the contractor's proposal that are not identified in Sections 40.12.5 and 40.12.6 within this RFP.

The [state] intends, thirty (30) days prior to each quarter, to identify twenty-five (25) performance standards of the new [Medicaid] Operations, Maintenance, and Modification Phases and shall use these performance standards to review the contractor's actual performance.

NOTE: THIS REPORT CARD FOR EXAMPLE PURPOSES ONLY.

#### **Table 1 – [MMIS] Report Card**

##### **MONTHLY REPORT CARD**

##### **REPORT CARD PERFORMANCE REQUIREMENT Performance This Month**

##### **SECTION 1**

The contractor shall ensure there will be no delays or interruptions in the operation of the [MMIS] and related services caused by any failure, act, or omission of the contractor. **MEETS**

##### **SECTION 2**

##### Performance Standard 1:



*Files: System shall be available for inquiry and update per the terms of the contract. The contractor shall produce a report that shows the number of hours and minutes each day the system is available.*

**MEETS**

Performance Standard 2:

*A. Imaging: Select ten (10) claims weekly. Compare the date on the source document to the TCN date. Images shall be created within twenty-four (24) hours of receipt. MEETS*

Performance Standard 3:

*B. Sample ten (10) images a month. Record the time required to retrieve a record systematically.*

**MEETS**

Performance Standard 4:

*C. Electronic Claims Submission: System shall be available for receipt and adjudication of claims twenty-four (24) hours per day, seven (7) days per week, except during Commonwealth-approved scheduled downtime. MEETS*

**PERFORMANCE STANDARD 5: MEETS**

**40.12.6.7 Timeliness of Claims Processing—Performance Standards**

*The Contractor shall meet the following requirements:*

- 1. Adjudicate ninety-five percent (95%) of all clean claims for payment or denial within thirty (30) calendar days of receipt.*
- 2. Adjudicate ninety-nine percent (99%) of all clean claims for payment or denial within ninety (90) calendar days of receipt.*
- 3. Adjudicate all non-clean claims within thirty (30) calendar days of the date of correction of the condition that caused the claim to be unclean.*
- 4. Adjudicate all claims within twelve (12) months of receipt, except for those exempted from this requirement by Federal timely claims processing regulations.*

**40.12.6.8 Timeliness of Claims Processing—Reduction in Compensation**

*The [state] may reduce compensation up to ten thousand dollars (\$10,000.00) for each failure to meet any of the requirements set forth in Section 40.12.6.7 during the first month.*

*The [state] may reduce compensation up to twenty thousand dollars (\$20,000.00) assessed for each failure to meet any of the requirements set forth in Section 40.12.6.7 within this RFP in consecutive, subsequent months.*

*(Source: Kentucky Medicaid Enterprise Management System and Fiscal Agent Replacement Request for Proposals, Feb. 2013)*

**Example 3:**

<b>Service Level Agreement</b>	<b>Definition</b>	<b>Damages</b>
<b>Technical Architecture</b>		
<i>Production Environment Hours of System Availability</i>	<i>Ensure that all contractor, state, provider, member, and other stakeholder elements of the production environment are operational and available without interruption 24 hours a day, seven days a week, except</i>	<i>\$1,000 per minute penalty for disruption in production environment.</i>

	<i>for scheduled state approved downtime.</i>	
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**Example 4 (System Integrator Language):**

The following model language is an excerpt from an MMIS solution RFP for a state Medicaid agency. This is an example of project management-related language that could be leveraged to address the performance requirements for similar requirements for a system integrator.

<i>Applicable RFP Section</i>	<i>Priority</i>	<i>Requirement</i>	<i>Other Notes and/or Performance Standards</i>
<i>7.2 – Project Management and Reporting</i>	<i>1</i>	<i>As defined in the Communication Management Plan, develop and provide standards and templates for all documentation and communication for review and approval by the Department. Documentation and communication includes: -Weekly Status Reports. Monthly Status Reports. System Generated Reports. Meeting Agendas. Meeting minutes.</i>	<i>Adhere to the Deliverable submission, review, and approval process as described and approved by the Department within the Configuration Management Plan.</i>
<i>7.2 – Project Management and Reporting</i>	<i>1</i>	<i>As defined in the Communication Management Plan, maintain complete and detailed records of all meetings, System Development Life Cycle documents, presentations, project artifacts, and any other interactions or Deliverables related to the project described in the contract and make such records available to the Department upon request, throughout the life of the contract.</i>	<i>Adhere to the deliverable submission, review, and approval process as described and approved by the Department within the Configuration Management Plan.  NOTE: Once under contract, the Department will have access to proprietary contractor material that will be treated as confidential as described in the contract.</i>

*(Source: Colorado RFP for Core MMIS and Supporting Services)*

## 8. Contract Standards

The following model language is from an RFP for a COTS solution for a Health Insurance Marketplace and was crafted in consultation with CMS/CCIIO. This language can be applied to MMIS procurements.

### Example 1:

#### **Intellectual Property**

##### **(a) [State] Ownership Rights.**

*Notwithstanding anything to the contrary contained herein, [state] shall have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal Financial Participation. This clause is only intended to ensure that [state] has all of the ownership rights that are required to be maintained by the state or local government under 45 C.F.R. Section 95.617(a) (subject to the limitations set forth in Section 45 CFR Section 95.617(c)) and 45 C.F.R. Section 92.34.*

*[state] shall own all right, title and interest in and to (i) [state]'s confidential information, (ii) [state]'s intellectual property, (iii) Work Products (not including contractor technology for purposes of this section) and the configurations, (iv) the System "look and feel" (to the extent such "look and feel" is original to the System) and product specifications of [state], (v) all [state] documents and/or policies included in the System, and (vi) all data input and/or stored by users on the system.*

*Notwithstanding Section 1(a)(ii), [state] shall not own and Contractor reserves all right, title and interest in and to: (1) Pre-existing software, (2) contractor technology, (3) Contractor intellectual property, (4) modifications and enhancements of pre-existing software and other contractor technology, or (5) standard configurations included with, and other uses of, commercially available software to the extent that the license for such software does not allow Contractor to provide [state] such rights.*

##### **(b) Transfer of Ownership.**

*Contractor shall take all actions necessary and shall transfer ownership of all work product (not including contractor technology for purposes of this section) and the configurations (not including contractor technology for purposes of this section) upon its delivery. Contractor further agrees, upon [state]'s request, to take all actions necessary to transfer to [state] any ownership rights necessary to ensure [state] has all ownership rights reserved to [state] by Section 1(a).*

*Contractor shall provide to [state] copies of specified, available work product and the configurations upon [state]'s request. As between the Parties, all work product (not including contractor technology for purposes of this section) and the configurations (not including contractor technology for purposes of this section) shall be deemed works made for hire of [state] for all purposes of copyright law, and copyright shall belong solely to [state]. In the event that any work product (not including contractor technology for purposes of this section) or the configurations (not including contractor technology for purposes of this Section) is adjudged to be not a work made for hire, contractor agrees to assign, and hereby assigns, all copyright in such work product to [state]. Contractor shall, at the expense of [state], assist [state] or its nominees to obtain copyrights, trademarks, or patents for the work product (not including contractor technology for purposes of this section) and the configurations in*

*the United States and any other countries. Contractor agrees to execute all papers and to give all facts known to it necessary to secure United States or foreign country copyrights and patents, and to transfer or cause to transfer to [state] all the right, title and interest in and to the work product (not including contractor technology for purposes of this section) and the configurations. Contractor also agrees to waive and not assert any moral rights it may have in any of the work product (not including contractor technology for purposes of this section) and the configurations.*

**(c) Data.**

*Notwithstanding anything to the contrary contained herein, all plan data, provider network data, and other Data provided by insurance carriers to [state] or Contractor for purposes of the Project shall remain the property of such insurance carriers. From time to time as necessary [state] will obtain the consent of insurance carriers to permit the use by [state], Contractor and Users of such insurance carrier's data on the System.*

*All Data, including all consumer data and/or carrier data stored by Contractor hereunder shall be stored exclusively at locations within the continental United States.*

*Contractor shall provide [state] with a copy of all data which is on the equipment used for the system within five (5) business days of a request from [state]. Contractor shall provide such data to [state] up to four (4) times per year at no additional cost to [state]. Contractor shall provide such data to [state] on magnetic [or electronic] media in a format acceptable to [state].*

*(iv) Except to the extent that Contractor shall be required to retain such information under Section [reference Record Retention clause] hereof, at the end of the Term of this Contract Contractor shall delete or destroy all Data that is owned by [state] pursuant to this Section 1(c), provided, however, Contractor shall not be required to delete such Data from its electronic data archives that are retained solely for emergency back-up and recovery purposes so long as such Data is promptly and permanently deleted in the event such archives are ever accessed for recovery purposes.*

**(d) Licenses to [State].**

*Contractor hereby grants to [state] nonexclusive licenses to: (1) use and access remotely the System and the Hosting Services, (2) use and access the Software, and (3) use, demonstrate and reproduce the Software (provided in Object Code) solely for [state]'s internal purposes. With respect to Third Party Software, Contractor will either (i) cause [state] to be granted nonexclusive license rights from third parties, including Subcontractors, or (ii) procure such rights for itself such that [state] may enjoy use of any third party software embedded or integrated into the Software and the System. Contractor agrees to procure, at its sole cost and expense, all such rights for [state]. To the extent needed, the licenses granted in this Section 1(4) are granted as of the date of delivery to or availability for [state] and continue through the entire Term of this Agreement, provided, however [state] shall have the right to retain a copy of the Software (in Object Code) solely for archival purposes.*

**(e) Licenses to Contractor.**

*[state] hereby grants to Contractor, subject to any restrictions applicable to any third-party materials embodied in the Work Product, a perpetual, nontransferable, non-exclusive worldwide, royalty-free, paid-up right and license to use, copy, modify and prepare derivative works of the Work*

*Product for purposes of Contractor's business, including the right to sublicense. Contractor shall indemnify, defend, and hold harmless [state] from and against any and all losses, liability, claims, actions, damages, penalties, costs, fees or expenses, including, without limitation, legal fees and expenses, arising from or caused by any act or omission of Contractor, its officers, employees, agents, or Subcontractors related to Contractor's exercise of the rights and licenses described in this Section. Contractor shall require that any recipient of any [state] Confidential Information which is contained in such Work Products be kept confidential comparably to Contractor's obligations in this Agreement to keep confidential such Confidential Information.*

**[STATE] GRANTS NO WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON- INFRINGEMENT FOR THE WORK PRODUCT.**

*Contractor shall apprise, through its license agreements or otherwise, any other party to which Contractor provides such Work Product that [state] provides no warranty, express or implied, for such Work Product. In no event will Contractor be precluded from independently developing for itself, or for others, anything, whether in tangible or non-tangible form, which is competitive with, or similar to, the Deliverables. In addition, Contractor will be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of providing the Services.*

*(Source: Mississippi Health Insurance Marketplace Contract)*

**Example 2 (System Integrator Language):**

The following model language is from an RFP an MMIS solution for a state Medicaid agency. This language can be leveraged to address system vendor cooperation with state agencies and with state contractors and subcontractors. This should be included in both SI contractor and solution/module contractors' contracts:

*Section 4.03 Cooperation with HHSC and state administrative agencies.*

*(a) Cooperation with HHSC contractors.*

*CONTRACTOR agrees to reasonably cooperate with and work with the state's contractors, subcontractors and third-party representatives as requested by HHSC. To the extent permitted by HHSC's financial and personnel resources, HHSC agrees to reasonably cooperate with CONTRACTOR and to use its best efforts to ensure that HHSC's other HHSC Programs contractors reasonably cooperate with CONTRACTOR.*

*(b) Cooperation with state and federal administrative agencies. CONTRACTOR must ensure that CONTRACTOR personnel will cooperate with HHSC or other state or federal administrative agency personnel at no charge to HHSC for purposes relating to the administration of HHSC programs including, but not limited to the following purposes:*

- (1) The investigation and prosecution of fraud, abuse, and waste in the HHSC programs;*
- (2) Audit, inspection, or other investigative purposes; and*
- (3) Testimony in judicial or quasi-judicial proceedings relating to the Services under the Agreement or other delivery of information to HHSC or other agencies' investigators or legal staff.*

*(Source: Texas HHSC Uniform Contract Terms and Conditions, Texas Medicaid Management Information System Takeover RFP, 2015)*

## 9. State Procurement Process

Within this section, state-specific procurement regulations will govern the majority of the structure and language used. The following provides an outline from the Utah MMIS Replacement RFP for the sections covering the material as well as a few sample language excerpts:

### Example 1:

#### **4 PROCUREMENT BACKGROUND**

##### **4.1 ISSUING OFFICE AND RFP REFERENCE NUMBER**

##### **4.2 OVERVIEW OF PROCUREMENT PROCESS**

*The major steps of the procurement process are as follows:*

- *The proposal must be submitted electronically via BidSync and via hardcopy, see section 6 for the specific requirements.*
- *Proposals must be received by Division of Purchasing by the submission deadline. Proposals not meeting the submission deadline will be rejected.*
- *Proposals meeting the submission deadline will be screened to ensure that they meet the mandatory submission requirements.*
- *Technical proposals will be evaluated by a committee selected by the Division of Medicaid and Health Financing.*
- *Final Cost proposal evaluation is restricted to those Vendors who meet the minimum technical requirements.*
- *Final scores will be compiled and a recommendation will be made to the Director of the Division of Medicaid and Health Financing.*

##### **4.3 CONTRACTING OFFICER**

*With the exception of oral presentations and interviews scheduled by the State, the Division of Purchasing is the sole point of contact from the date of release of this RFP until the selection of the successful Vendor. All questions and requests for clarification must be submitted via the BidSync System.*

##### **4.4 MANDATORY LETTER OF INTENT TO BID**

##### **4.5 WAIVER TO CONTINUE CONTACT WITH DMHF**

*Any Vendor (including sub-contractors) having contact with DMHF individuals for normal operation activity, under any other contract currently in place with DMHF or the Office of Inspector General of Medicaid Services (OIGMS) must request a waiver to continue such contact with DMHF or OIGMS. The letter requesting this waiver must be received by the Division of Purchasing at the location described in Section 6 by the letter deadline defined in section 1.2.*

##### **4.6 QUESTIONS REGARDING THE RFP**

*All questions must be submitted through BidSync. Answers will be given via the BidSync site.*

##### **4.7 WEB SITE**

##### **4.8 ORAL PRESENTATIONS**

##### **4.9 PURPOSE OF ORAL PRESENTATIONS**

*The sole purpose of such oral presentations provides Vendors an opportunity to clarify their technical proposal, provide an overview of the merits of their technical proposal, answer questions or concerns raised by the state in the course of reviewing the technical proposal, and assist the state in verifying the capabilities of the Vendors. It also provides an opportunity for the state to question the Vendor's team about the experience, expertise, and qualifications that they bring to the Project. Information gathered during oral presentations will be used in evaluating and scoring technical proposals.*

#### **4.10 QUESTIONS AND OTHER REQUIREMENTS FOR ORAL PRESENTATIONS**

*The Vendor is not permitted to enhance or modify their original technical proposal during oral presentations. Vendors shall not attend, in whole or in part, presentations by their competitors, nor shall Vendors interfere with the oral presentations of their competitors. Each potential Vendor shall ensure that key individuals whom it bids for the Utah SYSTEM project will attend all or part of its oral presentation. Specific questions will be asked and requests for clarification of the Vendor's technical proposal will be made as the state deems appropriate. Vendors may be asked clarifying and follow-up questions by evaluators. Vendors may be asked questions regarding individual qualifications and perceptions about how they will contribute to the Utah project and interact with the state project team. Responses made during the oral presentations will be considered a part of the Vendor's proposal.*

*During the oral presentations, Vendors shall not discuss or reveal any information contained in their cost proposal and shall not discuss the merits or qualifications of their competition. For the oral presentations, the state may, at its discretion, establish such procedures and rules of conduct as it may deem appropriate, and the state may enforce such procedures and rules of conduct.*

#### **4.11 KEY PERSONNEL INTERVIEWS**

*The state reserves the right to conduct interviews of the bidders key personnel proposed to work on the Utah SYSTEM project.*

### **5 RULES OF PROCUREMENT**

#### **5.1 ACCEPTANCE OF TERMS AND CONDITIONS**

#### **5.2 AMENDMENTS TO THE RFP**

#### **5.3 COST OF PREPARING THE PROPOSAL**

#### **5.4 DISPOSITION OF PROPOSALS**

#### **5.5 PROTECTED INFORMATION**

*Provides Utah specific guidelines regarding what information can be marked proprietary and the steps vendors must take to protect any portion of their proposal.*

#### **5.6 NO CONTINGENT FEES**

#### **5.7 INDEPENDENT PRICE DETERMINATION**

#### **5.8 REFERENCE CHECKS**

#### **5.9 SUBMISSION OF INFORMATION CONCERNING ANOTHER VENDOR**

#### **5.10 GIFTS AND KICKBACKS**

### **6 PROPOSAL SUBMISSION REQUIREMENTS**

...

*In addition to the electronic submission via BidSync, one (1) original, two (2) identical hard copies, seven (7) e-readers and fourteen (14) universal serial bus (USB) flash drive copies of the Technical Proposal along with all attachments searchable in Microsoft Word or portable document format (PDF) must be submitted. In addition to the electronic BidSync submission, one (1) original, two (2) identical hard copies, and three (3) flash drive copies of the Cost Proposal along with all attachments searchable in Microsoft Word or PDF must be submitted.*

*The Technical Proposal will include technical, professional, and corporate information as well as a transmittal letter. For a full discussion on required contents and format of the Technical Proposal, see Section 11 TECHNICAL PROPOSAL INSTRUCTIONS below.*

*The Cost Proposal will contain the cost and pricing data for the contract and the appropriate pricing schedules. Section 12 COST PROPOSAL INSTRUCTIONS provides a full discussion of the submission requirements for the Cost Proposal and Pricing Schedules.*

...

#### **6.1 PROPOSAL AMENDMENTS AND RULES FOR WITHDRAWAL**

#### **6.2 STATE'S RIGHT TO REJECT**

**Example 2:** The following representative language is also from the Utah RFP and outlines the evaluation process:

**13 PROPOSAL EVALUATION**

*DMHF will conduct an evaluation of Vendors’ proposals based on the procedures described in this section. The evaluation will consist of the following steps:*

- Step I – Initial evaluation of cost proposals;*
- Step II – Evaluation of mandatory requirements for technical proposals;*
- Step III – Evaluation of technical proposals;*
- Step IV – Evaluation of cost proposals;*
- Step V – Oral presentations and site visits (Optional);*
- Step VI – Ranking of proposals; and*
- Step VII – Selection and award.*

*The contract resulting from the procurement award becomes effective upon signature by the responsible state officials and approval by CMS.*

*DMHF will appoint an Evaluation Committee (Committee) to support the evaluation process. The Committee will include state staff representing such areas as information technology (IT), MMIS operations, finance, and Medicaid policy. The Committee will be responsible for reviewing and scoring the proposals received in response to this RFP and staging oral presentations for those Vendors qualifying as finalists. The Committee will then rank Vendors based on each Vendor’s combined technical and cost scores and present their findings to the DMHF Director for a recommendation to the Purchasing Officer for contract award.*

*Authorized state and federal officials who are not committee members may observe the evaluation and selection processes. The state reserves the right to alter the composition of the Committee.*

**13.1 STEP I – INITIAL EVALUATION OF COST PROPOSALS**

**13.2 STEP II – EVALUATION OF MANDATORY REQUIREMENTS**

*A detailed checklist of what would be evaluated in this step was provided in the RFP.*

**13.3 STEP III – EVALUATION OF TECHNICAL PROPOSALS**

*The evaluation of technical proposals will involve individual review and assignment of points based on each Vendor’s response for the following rating categories. The rating categories disperse a maximum of 700 points for each technical proposal. The criterion for evaluating each category is included in this Section. The categories and possible points for each category are shown below:*

<i>Rating Category</i>	<i>Points</i>
<i>Corporate Background and Experience</i>	<i>180</i>
<i>Project Organization and Staffing</i>	<i>140</i>
<i>Technical Approach</i>	<i>200</i>
<i>Project Management and Quality Assurance</i>	<i>100</i>
<i>Work Plan and Schedule</i>	<i>80</i>
<i>Total</i>	<i>700</i>

*Any technical proposal that contains pricing information will be disqualified. The following paragraphs describe the evaluation criteria supporting each evaluation category.*

Detailed criteria were provided in the RFP but removed here for space in each of the following categories.

**13.3.1 Corporate Background and Experience (180 Points)**



*The state will evaluate the experience, performance, corporate resources, and corporate qualifications of the Vendor and any sub-contractor(s). The evaluation criteria for Corporate Background and Experience are:*

**13.3.2 Project Organization and Staffing (140 Points)**

*The project organization and staffing response should include detailed criteria to evaluate the Vendor's overall organization for the project, the qualifications of key personnel, the experience with the proposed technology and the past performance of the company and the proposed staff. The Committee will also evaluate the adequacy of the staffing plan to support the project timetable. The evaluation criteria for the Vendor's Project Organization and Staffing are:*

**13.3.3 Technical Approach (200 Points)**

*The Vendor's technical approach will be evaluated including the Vendor's response to Sections 10, 11.5, 14.4.2, 14.4.3, its System Development Life Cycle (SDLC) methodology, its approach to incremental implementation, its requirements traceability approach, integration of technology with the state's IT environment, and its knowledge transfer approach. The evaluation criteria for the Vendor's technical approach include:*

**13.3.4 Project Management and Quality Assurance (QA) (100 Points)**

*This part of the evaluation assesses the Vendor's approach to project management and QA in relation to the Vendor's past experience in meeting project contractual obligations. The evaluation criteria for the Vendor's Project Management and QA approach include:*

**13.3.5 Work Plan and Schedule (80 Points)**

*The Vendor's draft work plan should include a detailed work plan with resources, schedules and contingencies. It should also contain a narrative of the project effort, deliverables, and controls instituted to control the proposed work schedule. The evaluation criteria for the Work Plan and Schedule include:*

**13.3.6 Assigning Point Values to Technical Proposals**

An explanation of each of the steps identified above was also included but not included here for space.

(Source: Utah MMIS Replacement RFP)