



State of Vermont
Agency of Human Services

Request for Proposal

Solicitation
Medicaid Enterprise Solution

Procurement Contact
John McIntyre

Submission Due Date:
February 7, 2011 – by 3:00 PM EST

This page is intentionally blank.

Table of Contents

Section	Page Number
---------	-------------

Contents

Section 1 – Overview and General Information	1
1.1 – Description of Procurement Intent.....	1
1.2 – Schedule of RFP Events.....	2
1.3 – Mandatory Vendors’ Conference.....	3
1.4 – How to Submit Questions about the RFP and Sole Point of Contact	3
1.5 – Proposal Acceptance Discretion	3
1.6 – Tax and Insurance Certification.....	3
1.7 – Business Registration Requirements.....	4
1.8 – Worker’s Compensation; State Contracts Compliance Requirement.....	4
1.9 – Cost of Response Preparation	4
1.10 – Evaluation Criteria	4
1.11 – Contract Information.....	5
1.11.1 – Cost Proposal	5
1.11.2 – Contract Negotiation Process.....	5
1.11.3 – Contract Award.....	5
1.11.4 – Contract Terms and Period	5
1.11.5 – Location of Work.....	7
1.11.6 – Termination for Default	7
1.12 – How to Invoice the State of Vermont	7
1.13 – Independent Review by State of Vermont	8
1.14 – Financial Penalty for Failure to Perform	8
1.15 – Offshore Outsourcing.....	8
1.16 – How RFP Amendments and Notices Will be Published.....	8
1.17 – Conflict of Interest	8
1.18 – Non-Collusion.....	9
1.19 – Right to Inspect Place of Business and/or Business	9
1.20 – Performance Bond Requirement.....	9
1.21 – Statement about Prime and Partners	9
1.22 – Statement about Bid Protests	9
1.23 – Budget Information as Maximum Amount Available for Project	10
1.24 – Service and Performance Level Requirements	10
1.25 – Federal Match	11
1.26 – Information Debriefing	11
Section 2 – Statement of Purpose and Background Information	13
2.1 – Purpose of Procurement.....	13
2.2 – Background Information.....	14
2.2.1 – Department of Vermont Health Access	14
2.2.2 – Global Commitment to Health Waiver	16
2.2.3 – Choices for Care Waiver.....	17
2.2.4 – Medicaid Vermont Chronic Care Initiative	18
2.2.5 – Blueprint for Health	18
2.2.6 – Other Relevant Programs and Departments.....	19

Table of Contents

Section	Page Number
2.3 – Vermont Health Care Reform	20
2.4 – Currently Outsourced Services	22
2.4.1 – APS Healthcare Midwest (Care Management)	22
2.4.2 – Hewlett-Packard (Fiscal Agent)	23
2.4.3 – MAXIMUS, Inc. (Member Services)	24
2.4.4 – MedMetrics Health Partners (Pharmacy Benefit Manager)	26
2.5 – Current Staffing Configurations - Mix of State Staff and Outsourced Services..	27
2.6 – Technology	30
2.6.1 – History and Background Information on Current MMIS Technology	31
2.6.2 – AHS Related Major Projects and Systems	31
2.7 – Vision for the Future Medicaid Enterprise Solution	33
2.7.1 – The New MES Vision	37
2.7.2 – MITA Principles and Vision	39
2.7.3 – Service Oriented Architecture Vision	40
2.7.4 – Description of Data Warehouse / Decision Support System Vision	42
Section 3 – Scope of Work	45
3.1 - Overview	45
3.1.1 – MES Procurement Overview	45
3.1.2 – Approach to the Scope of Work Response	46
3.2 – Staffing Considerations	49
3.2.1 – Staffing Roles and Responsibilities	50
3.3 – The MES Architectural Environment	51
3.3.1 – SOA Compliant Environment	51
3.3.2 – MES Architectural Environment Requirements Overview	53
3.4 – The MES Solution	56
3.4.1 – Business Requirements Overview	58
3.5 – On-Going Support for the MES	81
3.6 – The MES Implementation Services and Project Management	84
3.6.1 – Project Management and Planning Approach	85
3.6.2 – Project Initiation	88
3.6.3 – Requirements Analysis and Validation	89
3.6.5 – System Design	91
3.6.6 – MES Construction and Unit Testing	91
3.6.7 – Integration and System Testing	92
3.6.8 – User Acceptance Testing and Operational Readiness Testing	93
3.6.9 – Organizational Change Management	94
3.6.10 – Training	95
3.6.11 – Implementation	96
3.6.12 – Post-Implementation Evaluation and Certification	97
Section 4 – Vendor Response Content and Format	99
4.1 – Vendor Eligibility to Participate	99
4.1.1 – Prime Contracting Vendor	99
4.1.2 – Subcontractors	99

Table of Contents

Section	Page Number
4.1.3 – Vendor Qualifications	100
4.1.4 – Performance Record.....	100
4.2 – Submission Guidelines.....	100
4.2.1 – Letter of Intent to Bid	100
4.2.2 – Proposal Preparation	101
4.2.3 – Proposal Submission Requirements.....	101
4.2.4 – Proprietary Information	102
4.2.5 – Proposal Submission Instructions	102
4.2.6 – Certification of Bid	104
4.3 – Proposal Content and Sequence.....	104
4.3.1 – Proposal Sequence	104
4.3.2 – Letter of Transmittal	106
4.3.3 – Vendor Contact Information	107
4.3.4 – Executive Summary	107
4.3.5 – Financial Information.....	108
4.4 – Multiple Bids	108
4.5 – Error Corrections	108
4.6 – Additional Vendor Materials	109
4.7 – Truth and Accuracy of Representations.....	109
4.8 – Updates to RFP and Amendments	109
Section 5 – Evaluation Criteria and Contractor Selection	110
5.1 – Evaluation Overview	111
5.2 – Evaluation Team	112
5.3 – Evaluation of Proposals	112
5.4 – Vendor Selection and Evaluation.....	112
5.5 – Finalist Scripted Presentations	112
5.6 – Successful Vendor	113
5.7 – Federal and State Approvals	113
Section 6 – Exhibits	115
Section 7 – Appendices.....	117

Table of Contents

Section	Page Number
---------	-------------

List of Tables

Table 1.1: Expected RFP Schedule.....	2
Table 2.1: Vermont Medicaid Programs.....	15
Table 2.2 - MITA Vendor and State Staff Distribution in the Performance of MITA Business Processes.....	27
Table 2.3: MES Factors	34
Table 2.4: Existing Business Functionality to be Exposed for New MES	37
Table 2.5: Systems in the Advanced Planning Stage to be Used by the MES Vendor	38
Table 3.1: Section and Response Form Guide.....	47
Table 3.2: Business Relationship MITA Area.....	59
Table 3.3: Care Management MITA Area.....	61
Table 3.4: Contractor Management MITA Area	63
Table 3.5: Member Management MITA Area.....	66
Table 3.6: Operations Management MITA Area.....	70
Table 3.7: Program Integrity MITA Area.....	74
Table 3.8: Program Management MITA Area.....	75
Table 3.9: Provider Management MITA Area.....	79
Table 4.1: Vermont MES Proposal Sequence Guide.....	104
Table 5.1: Anticipated Timeline for Scripted Presentations.....	113

List of Figures

Figure 2.1: Conceptual Interoperability Capability	40
Figure 2.2: MITA Enterprise Business Service Integration Diagram.....	41
Figure 3.1: VT AHS MITA/SOA-Based Enterprise.....	52

Section 1 – Overview and General Information

1.1 – Description of Procurement Intent

This is an open and competitive Request for Proposal (RFP) with the purpose of procuring a full service Medicaid Management Information System (MMIS) and currently outsourced services, to be referred to as the Medicaid Enterprise Solution (MES) hereafter. The State is seeking qualified partners to help realize its strategy for a robust and innovative replacement, aligned with Medicaid Information Technology Architecture (MITA) requirements for a service oriented architecture (SOA) solution, including an improved and modernized information system, MITA aligned business processes, and associated outsourced services (e.g. Fiscal Agent).

The State intends to establish a public and private collaborative partnership with the Vendor to jointly develop the desired MES. Vendors are encouraged to propose innovative solutions that encompass any combination of outsourced services, either more or less than are utilized currently. Emphasis should be placed on the most cost-effective and efficient suite of systems and services that allow the State to fully meet the needs of its citizenry now and into the future. The State will only contract with one Vendor as the prime contractor responsible for the solution even if the solution is made up of multiple products and subcontractor offerings.

Vendors are asked to propose a comprehensive solution including the systems and services that will meet the State objectives as described throughout this RFP.

This RFP provides the following information by section:

- ☐ Section 1 – An overview of the procurement intent and process, timelines, and legal requirements for responding
- ☐ Section 2 – A statement of purpose and background for the current Agency of Human Services (AHS) programs, initiatives, systems, and outsourced contracts
- ☐ Section 3 – Scope of work and the specific requirements regarding the products, and services to be procured, as well as information on business and technical requirements found in Section 7
- ☐ Section 4 – Instructions for the Vendor response to the RFP including the content, sequence, and format requirements
- ☐ Section 5 – Explanation of State’s criteria and process for evaluating proposed Vendor solutions
- ☐ Section 6 – Exhibits providing supplemental information for the Vendor’s reference including the following documents: VT Sample Contract, Agency Enterprise Architecture Analysis, VT AHS Organizational Chart, MITA Gap Assessment Summary, VT Fast Facts, and VT MES Glossary of Terms
- ☐ Section 7 – Appendices including all of the required response documents

The State retains the right to amend this RFP at any time. The State has the right to withdraw the RFP or repost the RFP in the future at its sole discretion. Any information obtained during the bidding process including proposals, evaluation notes, and other materials, will be considered confidential and not subject to inspection or production until a contract is executed between the final selected Vendor and the State.

The objectives of this RFP are to procure:

- ☐ A new MES that is SOA and MITA compliant and supports the State of Vermont vision for health care
- ☐ Implementation services and project management support services
- ☐ MITA aligned operational services including, but not limited to, services traditionally referred to as Fiscal Agent (FA) and Pharmacy Benefit Management (PBM) services

1.2 – Schedule of RFP Events

The expected timetable, including the Proposal Due Date and other important dates, are set forth below. The name of any Vendor submitting a proposal will become a matter of public record on the Proposal Due Date.

Table 1.1: Expected RFP Schedule

Event	Date / Time
RFP Published	On or about November 24, 2010
Mandatory Vendors' Conference	December 8, 2010 - See Section 1.3 for details
RFP Questions from Vendors Due	December 8, 2010, 2010 – By 5:00 PM EST
VT Responses to Questions Posted	On or about December 16, 2010
Letter of Intent to Bid Due	December 21, 2010 - By 5:00 PM EST
Invitational Pre-Bid Demonstrations	January 3, 2011 – January 31, 2011
Proposals Due	February 7, 2011 – by 3:00 PM EST
Finalist Selections	March 4, 2011
Finalist Scripted Presentations	March 8 – March 31, 2011
Independent Review by Department of Information and Innovation (DII)*	April 1 – May 31, 2011
Contract Negotiation Period	May 16 – June 30, 2011
Contract Start Date	July 1, 2011

* Following the selection of a proposal for contract award, the selected proposal will be the subject of an independent review before a contract can be negotiated.

If a Vendor fails to meet a deadline in the submission or evaluation phases or objects to the dates for performance of the Scope of Work, the State may reject the Vendor's proposal.

1.3 – Mandatory Vendors' Conference

In-person participation in the Vendors' conference by at least one representative from interested parties is mandatory. The Vendors' conference time and location will be posted on the website.

1.4 – How to Submit Questions about the RFP and Sole Point of Contact

Any Vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing no later than the date listed in Section 1.2 – Schedule of RFP Events. Questions may be e-mailed or sent via US Mail to the Purchasing Agent listed at the end of this section.

Any objection to the RFP or to any provision of the RFP that is not raised in writing on or before the last day of the question period is waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site www.bgs.vermont.gov/purchasing/bids. Every effort will be made to have these available soon after the question period ends, contingent on the number and complexity of the questions.

All communications concerning the RFP are to be addressed in writing to the attention of the Purchasing Agent listed below. The Purchasing Agent is the sole contact for this proposal. Actual contact with any other party or attempts by bidders to contact any other party could result in the rejection of their proposal.

Purchasing Agent: John McIntyre
Address: 10 Baldwin Street
Montpelier, Vermont 05633-7501
Telephone Number: 802-828-2210
E-mail Address: john.mcintyre@state.vt.us

1.5 – Proposal Acceptance Discretion

The State of Vermont reserves the right to accept or reject any or all proposals, in whole or in part, as deemed to be in the best interest of the State.

1.6 – Tax and Insurance Certification

To expedite any contract which might ensue, each proposal submitted shall certify, on the Certificate of Compliance form provided in Section 7, Appendix S - VT Certificate of

Compliance, that the Vendor is in compliance with the tax laws and insurance requirements of the State of Vermont.

1.7 – Business Registration Requirements

Prior to award of a contract to the selected Vendor, that Vendor must be registered with the Vermont Secretary of State's office and must obtain a Vendor's Business Account Number issued by the Vermont Department of Taxes.

Vermont Secretary of State: <http://www.sec.state.vt.us/tutor/dobiz/forms/fcregist.htm>

Vermont Department of Taxes: <http://www.state.vt.us/tax/business.shtml>

1.8 – Worker's Compensation; State Contracts Compliance Requirement

The Department of Building and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for the total projects costs exceeding \$250,000.00, requires that bidders (i.e., Vendors) comply with the following provisions and requirements.

(a)(1) Bidder is required to self report detailed information including information relating to past violations, convictions, suspensions, and any other information related to past performance and likely compliance with proper coding and classification of employees requested by the applicable agency.

The bidder is required to report information on any violations that occurred in the previous twelve (12) months.

(a)(2) Bidder is required to provide a list of subcontractors on the job along with listing any subcontractors to a subcontractor and by whom those subcontractors are insured for worker's compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

The bidder must complete the Worker's Compensation; State Contracts Compliance Requirements Forms 1 and 2 included as Appendix T in Section 7.

1.9 – Cost of Response Preparation

The Vendor shall be solely responsible for all expenses incurred in the preparation of a response to this RFP and shall be responsible for all expenses associated with any pre-bid presentations, scripted demonstrations, contract, or other negotiations given as a result of their response to this RFP.

1.10 – Evaluation Criteria

A review team, comprised of select individuals and staff from the State, will be charged with evaluating proposals based on the criteria put forth in Section 5. During the evaluation process the State may contact Vendors for the purpose of obtaining clarification

of their response. The State may, at its discretion, select finalists who would be required to travel to Vermont (at their own expense) to provide a presentation or scripted demonstrations to the evaluation committee. The State may, at its sole discretion, re-score related evaluation factors for one or more Vendors after any interviews, presentations, or software demonstrations. See Section 5 – Evaluation Criteria and Contractor Selection for more detailed information about the evaluation process.

1.11 – Contract Information

All agreements and their modifications, if any, must be approved by the State in writing and executed by both parties for any to take effect.

1.11.1 – Cost Proposal

This contract is a fixed price contract, with incentive and penalty payments. Vendors must identify fixed prices for the proposed products and services described in Section 3 – Scope of Work. The cost proposal response forms are included as Appendix M in Section 7.

1.11.2 – Contract Negotiation Process

Upon completion of the evaluation process, the State may select one or more Vendors with which to negotiate a contract, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision is in the best interest of the State. In the event the State is successful in negotiating with the Vendor, the State will issue a notice of intent to award. In the event the State is not successful in negotiating a contract with a selected Vendor, the State reserves the option of negotiating with another Vendor.

1.11.3 – Contract Award

Awarding of the contract will be made under the provisions of Vermont Statutes and Administrative Bulletins. Awards will be made in “the best interest of the State of Vermont”. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time during the first year of the contract if such award is deemed to be in the best interest of the State. All other considerations being equal, preference will be given to resident bidders of the State and/or to products raised or manufactured in the State.

1.11.4 – Contract Terms and Period

The selected Vendor will sign a contract with the State to complete the agreed upon Scope of Work at the prices submitted in its proposal and/or negotiated and agreed to by both parties. This RFP and the Vendor’s response can become part of the contract. This contract will be subject to review throughout its term. The State will consider contract cancellation upon a determination that a Vendor is in violation of any portion of the agreement, including an inability by the Vendor to provide timely deliverables and services agreed upon in the contract.

The State anticipates having a signed contract with the Vendor by June 30, 2011.

Vendors planning to submit a bid are advised of the following:

- ❑ The State of Vermont expects the Vendor to agree to standard State provisions for contracts and grants outlined in a sample contract contained in Section 6, Exhibit A – VT Sample Contract, of this RFP. Particular attention should be given to Attachments C and F of the sample contract.
- ❑ Exhibit A – VT Sample Contract, contains several standard State contract attachments. The following represent standard State contract provisions and are included in Exhibit A:

Boilerplate Contract – Contract for Services

- Attachment A - Specifications of Work to be Performed
- Attachment B – Payment Provisions
- Attachment C – Standard State Provisions for Contracts and Grants
- Attachment D – Modification of Insurance Requirements
- Attachment E – Business Associate Agreement
- Attachment F – Customary Contract Provisions of the Agency of Human Services

Supplemental Documents – Provided at Contract Signing

- Attachment H – Offshore Outsourcing Questionnaire
- Attachment I – Certificate of Compliance
- Attachment J – Tax and Insurance Certification Form
- Attachment K – Worker’s Compensation; State’s Contracts Compliance Requirements

Vendors will also be required to submit a Letter of Credit and agree to specific performance standards and liquidated damages provisions. A sample Letter of Credit, and sample performance standards and liquidated damages provisions are included in Exhibit A – VT Sample Contract.

- ❑ In addition, Software License and Maintenance Support Agreements are required. A separate software license and maintenance support agreement consistent with the restrictions noted in this section will be required for all major software and hardware, if any, are proposed for this project.
- ❑ All contracts are subject to review and approval by the Attorney General and Secretary of Administration.
- ❑ Once awarded, the term of the Contract would customarily be specified under the conditions of Vermont Administrative Bulletin 3.5. However, due to the nature of the procurement and the Centers for Medicare & Medicaid Services (CMS) preferences,

the term of the contract is expected to be negotiated. Based upon the length of term agreed upon by the Vendor and the State of Vermont, AHS will seek a waiver of contract length from Bulletin 3.5 conditions. The Agency may renew all or part of this contract subject to the terms of the applicable waiver, satisfactory performance of the Contractor and the needs of the State of Vermont. The Vendor must follow the cost proposal instructions contained in Section 7, Appendix M.

- ❑ The Vendor shall guarantee that their rate offerings, over the term of the contract, are comparable to other customers of similar size and requirements. If offerings are rendered to a comparable customer which improve the pricing agreed to in the contract, the Vendor agrees to apply those same discounts and offerings to the State of Vermont.
- ❑ The State of Vermont has no legal authority to indemnify a Vendor and will not consider additional limitations of liability either for the primary contract or any related software or hardware agreements that the Vendor wishes the State to sign, and those issues are not negotiable. Vendors who are not legally able to enter into a contract under those circumstances should not submit a bid.

1.11.5 – Location of Work

As a general rule, project work will be performed in Vermont at a location in the general vicinity of Burlington/Waterbury Vermont and approved by the State. The Vendor's cost proposal must contain a line item to address the cost of office space, but the State reserves the right to provide office space and remove the associated proposed cost from the total bid. Vendors must provide computers, workstations, internet connectivity, and all other equipment and materials required for their personnel to effectively perform the Scope of Work as proposed.

The State assumes that any solution will require interconnectivity between existing State network and any hosted portions of the MES. Prior to connecting any computer equipment to the State's network, the Vendor must obtain written approval from the AHS Chief Information Officer and have completed a fully executed contract including a business associate agreement with the non-disclosure agreement. Approval may be given once connectivity requirements have been presented and the Vendor demonstrates compliance with the State's policies and requirements, including security requirements.

1.11.6 – Termination for Default

If the State determines that the Vendor has either refused or failed to perform any aspect of the work contracted with such diligence as to ensure its timely and accurate completion, the State may, by providing written notice to the Vendor, terminate the Vendor's right to proceed with part or all of the remaining work.

1.12 – How to Invoice the State of Vermont

All contract invoices are to be rendered by the Vendor on the Vendor's standard billhead and forwarded to the State Project Director. The Vendor's proposal must clearly specify

the address for submitting payments. All payments are to be based on the payment schedule agreed to in the contract.

1.13 – Independent Review by State of Vermont

Vermont Statute (3 V.S.A. § 2222 (g)(1) requires that all information technology contracts with a value of \$500,000 or more must undergo an “independent review” by an uninvolved party who is engaged by the State Chief Information Officer to review the decision of the contracting agency in its selection of a particular information technology proposal. The cost of the independent review is borne by AHS. This review includes the following elements:

- ☐ Acquisition cost assessment
- ☐ A technology architecture review
- ☐ An implementation plan assessment
- ☐ A cost analysis and a model for benefit analysis
- ☐ A procurement negotiation advisory services contract

1.14 – Financial Penalty for Failure to Perform

If the Vendor fails to adequately perform the Scope of Work, the State may impose a financial penalty. Imposition of this penalty in no way alters or impacts the State’s right to terminate the contract.

1.15 – Offshore Outsourcing

All Vendors are required to complete the Offshore Outsourcing Questionnaire incorporated in this RFP in Section 7, Appendix U - VT Offshore Outsourcing Questionnaire, as part of the bid to inform the State regarding any services which will be provided under a contract resulting from this RFP that will be performed through offshore outsourcing.

1.16 – How RFP Amendments and Notices Will be Published

RFP amendments and notices will be posted on the State websites only. It is the responsibility of the Vendors to download amendments and notices. The website is www.bgs.vermont.gov/purchasing/bids.

1.17 – Conflict of Interest

Each proposal shall include a statement indicating whether or not the Vendor, subcontractor, or any individuals working on the contract has a possible conflict of interest (e.g., employed by the State of Vermont), and if so, the nature of that conflict. The State reserves the right to cancel the contract award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the Vendor. The State’s determination regarding any

questions of conflict of interest shall be final.

1.18 – Non-Collusion

The State of Vermont is conscious of and concerned about collusion. It should therefore be understood by all that in signing the bid and contract documents they agree that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, all bidders should understand that this paragraph might be used as a basis for litigation.

1.19 – Right to Inspect Place of Business and/or Business

The State may conduct on-site visits to the Vendor's firm or customers where the Vendor is performing a comparable service to evaluate the Vendor's capacity to perform the contract. A Vendor must agree, at risk of being found non-responsive and having its proposal rejected, to provide the State reasonable access to relevant portions of its work sites. Individuals designated by the State will conduct the site inspection at the State's expense.

1.20 – Performance Bond Requirement

The Vendor shall deliver to the State a Performance Bond(s) within 30 days of a signed contract of fifteen (15%) percent of the total contract as security for the due performance and observance by the Vendor of all of the terms and conditions of the Contract with the State. The Vendor shall maintain Performance Bond(s) at all times during the term of the contract and for any extensions

If the Vendor shall fail to perform and observe any of the terms and conditions of the Contract, the State shall be entitled to demand payment of the entire guaranteed amount under the then-applicable Performance Bond.

The Vendor shall ensure that prior to expiration of a Performance Bond a new Performance Bond is in effect to continue coverage. A Performance Bond shall always be in force, with no gaps in coverage. All Performance Bonds must be available to the State.

1.21 – Statement about Prime and Partners

The State will only contract with a prime Vendor and partnership arrangements are acceptable.

1.22 – Statement about Bid Protests

The State provides that a prospective Vendor may file a protest in connection with this RFP or subsequent award of an agreement. The Vendor protesting the procurement decision of the State will need to prove in its protest claim that the State committed a sufficiently material error in the evaluation process to justify invalidation of a proposed award.

The State has no obligation to delay an award based on a protest. The State reserves the right to make an award when it is in the best interest of the State to do so.

A protest must be received, in writing by the Purchasing Agent within ten days after the Notice of Intent to Award the contract is issued. Protests must include the following information:

- ☐ The name, address, and telephone number of the protesting Vendor
- ☐ The signature of the Vendor's representative
- ☐ Identification of RFP and/or award at issue
- ☐ A detailed claim describing grounds of the protest including copies of relevant documents
- ☐ The form of relief requested

All bidding Vendors will be notified of any protest. The State will issue a written response to the protest. A copy of the decision will be furnished to the Vendor by certified mail or another method that provides evidence of receipt.

1.23 – Budget Information as Maximum Amount Available for Project

In consideration of the services to be performed by Vendor, the State agrees to pay Vendor, in accordance with the payment provisions specified in the contract.

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Vendor will be paid for products or services both contracted for and actually performed, up to the maximum allowable amount specified. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, will be specified in the final agreement.

1.24 – Service and Performance Level Requirements

Service levels and performance by the successful Vendor shall meet or exceed the service levels included in the contract with the State. Unless otherwise stated, it is understood that the Vendor will measure and report monthly service levels to the State.

The State desires a balanced approach to contract management. In accordance with current State of Vermont policy and procedures, the contract will include performance measures concerning operational activities. The specific measures and standards will be determined during the contract negotiation process. These measures may include both the possibility of bonuses for superior performance, and penalties for inferior performance.

1.25 – Federal Match

Section 1903(a), (b), (d) of Title XIX of the Social Security Act provides annual Federal Financial Participation (FFP) determinations for operation of mechanized claims payment and information retrieval systems approved by the United States Department of Health & Human Services (DHHS). Up to ninety percent (90%) FFP is available for MES-related development costs receiving prior approval by DHHS and CMS. The new Vermont MES must, throughout all phases of the contract period, meet requirements for the maximum allowable Federal Financial Participation and meet all certification and re-certification requirements established by DHHS. Contractual penalties for failure to meet all requirements established by DHHS for maximum allowable FFP will result in the Vendor being liable for FFP losses and penalties to be negotiated with the contract. In addition the Vendor must meet all relevant federal and state regulations.

1.26 – Information Debriefing

At the conclusion of the contract term the State may, at its discretion request an information debriefing from the Vendor. The debriefing may consist of lessons learned, suggested improvements, and other pertinent information on how to promote, manage, and support the Vendor and operations.

This page is intentionally blank.

Section 2 – Statement of Purpose and Background Information

The State of Vermont currently contracts with Hewlett-Packard (HP) for Medicaid Management Information System (MMIS) and Fiscal Agent (FA) services, MedMetrics Health Partners (MedMetrics) for pharmacy benefit management (PBM) services, MAXIMUS, Inc. (MAXIMUS) for member services, and APS Healthcare Midwest (APS) for care management services. Other outsourced services are utilized. For example Ingenix performs retrospective utilization analysis for the Program Integrity area, External Quality Review services, and some data aggregation and analysis for rate-setting.

The Agency of Human Services (AHS) is seeking qualified partners to help realize the vision of modernizing the technology architecture with a service oriented architecture (SOA) environment and Medicaid Information Technology Architecture (MITA) aligned business processes by replacing the current MMIS. The AHS information technology infrastructure is composed of multiple, discrete, independent applications that overlap in functionality and service to Medicaid beneficiaries. This aging information technology architecture creates operational inefficiencies and can no longer support the programmatic needs of the State.

The objectives of this Request for Proposal (RFP) are to procure:

- ☐ A new Medicaid Enterprise Solution (MES) that is SOA and MITA compliant and supports the State of Vermont vision for health care
- ☐ Implementation services and project management support services
- ☐ MITA aligned operational services including, but not limited to, services traditionally referred to as FA and PBM services

This section contains information describing the purpose of the MES procurement, as well as background information on the Agency's existing systems and operations. The discussion of the current environment presents specific goals and initiatives that AHS intends to realize with the implementation of MES. This section also presents projects and initiatives currently underway across the Agency and their potential impacts on the MES project phases.

2.1 – Purpose of Procurement

The State of Vermont is seeking to replace its existing MMIS with an integrated suite of systems and related services that will streamline the administration of its health care programs. This new MES requires expanding the current concept of a traditional MMIS focused on claims payment to become a system that not only processes claims, but is also able to process clinical and administrative data in order to provide a comprehensive view of all beneficiaries for all federal and State of Vermont health care programs administered by the AHS enterprise. The underlying technology of the MES must be based on MITA principles including SOA. Solutions that are not SOA will not be considered.

Technology is a key component in the realignment of AHS business processes to achieve a member-centric focus for the Medicaid Enterprise. This is captured in several State initiatives currently underway. The Challenges for Change initiatives, which were introduced by Vermont's State Legislature, frame the overarching AHS technology vision. As a result, AHS has developed a working version of the Agency Enterprise Architecture Analysis that will modernize its information technology management and support capability. The new MES and any associated technical components must adhere to the framework provided within the AHS Enterprise Architecture.

Descriptions and updated reports on the Challenges for Change initiative can be found at the following link: <http://www.leg.state.vt.us/jfo/Challenges%20for%20Change.htm>.

The working version of the AHS Enterprise Architecture can be found in Section 6, Exhibit B – Agency Enterprise Architecture Analysis.

2.2 – Background Information

AHS is the single State agency receiving federal Medicaid payments made to the State of Vermont. AHS consists of the following Departments:

- ☐ Department for Children and Families (DCF)
- ☐ Vermont Department of Health (VDH)
- ☐ Department of Corrections (DOC)
- ☐ Department of Disabilities, Aging and Independent Living (DAIL)
- ☐ Department of Mental Health (DMH)
- ☐ Department of Vermont Health Access (DVHA)

For an AHS organization chart see Section 6, Exhibit C.

Within the Agency, the DVHA manages the majority of the Medicaid programs. Other departments within AHS also participate in Medicaid program service delivery, policy definition, and cost-sharing.

2.2.1 – Department of Vermont Health Access

DVHA administers nearly all of the publically funded health care programs for the State of Vermont. The majority of the funding is through Medicaid and is authorized under two Centers for Medicare & Medicaid Services (CMS) approved 1115 Demonstration waivers. Several finance streams are outside the waiver programs and include information technology enhancements, Disproportionate Share Hospital (DSH) payments, and the Children's Health Insurance Program (CHIP) services. In addition, DVHA administers the State's health care reform efforts including health information technology (HIT) and health information exchange (HIE) activities in Vermont, and Blueprint for Health.

DVHA's mission is to:

- ☐ Provide leadership for Vermont stakeholders to improve access, quality, and cost-effectiveness of health care.
- ☐ Assist health care beneficiaries in accessing clinically appropriate health services.
- ☐ Administer Vermont's public health insurance system efficiently and effectively.
- ☐ Collaborate with other health care system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

A brief description of the State's health care programs is listed in the table below:

Table 2.1: Vermont Medicaid Programs

Benefit	Program Description	Members
Medicaid	Medicaid is a health insurance program that provides low-cost or free coverage for individuals with low incomes and with disabilities.	73,000
Dr. Dynasaur	Dr. Dynasaur is a program that provides low-cost or free health coverage for children. Dr. Dynasaur incorporates within its coverage groups the State CHIP program for uninsured children.	23,000
Vermont Health Access Plan (VHAP)	VHAP is a health insurance program for low income uninsured adults 18 years and older.	27,000
Prescription Assistance	The State of Vermont has several prescription assistance programs to help uninsured Vermonters and those with insurance, such as Medicare, pay for prescription medicines.	17,250
Choices for Care (Long-term Care Medicaid)	Choices for Care program provides long-term care services at home, in residential care homes, or in nursing facilities.	3,500
Catamount Health Premium Assistance Program	Catamount Health offers comprehensive, quality health coverage at a reasonable cost and is offered, in cooperation with the State of Vermont, by Blue Cross Blue Shield Vermont and MVP Health Care. Catamount Health is designed for Vermonters age 18 or older and families who are not eligible for existing state-sponsored coverage programs, and who have been uninsured for 12 months or more, or have recently lost their insurance because of a life change such as a divorce or loss of a job. Premium	10,000

Benefit	Program Description	Members
	assistance is provided by the State, and administered by DVHA, for individuals with incomes of 300% of the Federal Poverty Level (FPL) or less.	
Employer-Sponsored Insurance (ESI) Premium Assistance	For individual's eligible for VHAP or Catamount Health Premium Assistance who have access to employer sponsored insurance, DVHA provides premium assistance for them to enroll in their employer's plan if it is more cost effective for the State.	1,600

In cooperation with CMS, Vermont has two Section 1115a Medicaid waivers used to manage its Medicaid programs. These waivers are Global Commitment to Health and Choices for Care. These two waivers allow the State to increase the access to quality health care to the uninsured, the underinsured, and Medicaid beneficiaries; and require special reporting, unlike other States.

2.2.2 – Global Commitment to Health Waiver

During the fall of 2005, the State received approval from CMS for a Section 1115 Medicaid waiver known as the “Global Commitment to Health”. The waiver allowed the State to fundamentally restructure the Medicaid program using public health and Medicaid managed care models and imposed a multi-year aggregate cap on the amount of federal funding available for acute care services for the Medicaid population. The State exchanged the risk of operating under a capped funding arrangement for the opportunity to maintain and expand the populations served in Vermont, and use more flexible and non-traditional approaches to service delivery, payment, and financial models in the Medicaid program. Through this waiver, DVHA operates using a managed care model and adheres to the Medicaid Managed Care regulations for global commitment operations, while maintaining a more traditional state Medicaid unit role for Choices for Care, CHIP, and DSH operations. The goals of the demonstration are to:

- ☐ Increase access to health care for Vermonters
- ☐ Contain costs
- ☐ Maintain and improve the quality of health care

To the extent that Vermont achieves savings using the managed care model, investments can be made to financially support programs in four federally approved categories of operations:

1. Reduce the rate of uninsured or underinsured in Vermont.
2. Increase the access of quality health care to uninsured, underinsured, and Medicaid beneficiaries.
3. Provide public health approaches to improve the health outcomes and the quality of life for the Medicaid eligible individuals in Vermont.

4. Encourage the formation and maintenance of public-private partnerships in health care.

Vermont designed this 1115a waiver to put in place a series of health coverage options to achieve the goal of universal access to health in the State, while providing the flexibility necessary to administer its publicly supported health care programs in a beneficiary-centered and fiscally sustainable manner. The five-year waiver term began in October 2005 and allows the State to deviate from traditional federal Medicaid law and regulations in the following key ways:

- ☐ Imposes a global cap on federal funds.
- ☐ Allows DVHA to use a managed care model for service delivery.
- ☐ Allows the State to use federal Medicaid funds for health care investments that are not traditionally covered in a Medicaid state plan.
- ☐ Provides flexibility to manage benefits, increase cost sharing, and limit enrollment for optional and expansion populations with some limits.

The State of Vermont is currently in the process of renewing the waiver to continue the current operations in the same manner. At the same time, the State will be preparing for a transition to the requirements in the Affordable Care Act (ACA) and exploring how the State may demonstrate management of dual eligible (Medicaid and Medicare) beneficiaries under new CMS demonstration programs.

Procurements related to system enhancements, such as claims processing and eligibility, are not included in the budget neutrality cap presented within the waiver. Therefore, Vermont retains the opportunity to receive enhanced funding offered by CMS. Global Commitment to Health Waiver documents can be accessed at:

<http://hcr.vermont.gov/financing/medicaid>.

2.2.3 – Choices for Care Waiver

This 1115a Long-term care Medicaid waiver, Choices for Care encompasses all of the State's long-term care Medicaid services for elderly or physically disabled Vermont adults. The premise of the waiver is choice and access, providing beneficiaries with equal access to either nursing facility care or home and community-based services, consistent with their choice. The program wraps an individualized package of community supports around a person in their home, assists people with everyday activities at home, and funds enhanced residential care or nursing facility care as needed. Providers include a network of private non-profit entities such as Adult Day Centers, Area Agencies on Aging, Assisted Living Residences, Home Health Agencies, Nursing Facilities, and Residential Care Homes.

Programs and clinical operations are managed by DAIL, while DVHA processes claims, extraordinary relief, and other payments authorized by DAIL under the Choices for Care program.

Documents related to the operational protocol of the Choices for Care Waiver can be found on the DAIL website at <http://dail.vermont.gov/>.

2.2.4 – Medicaid Vermont Chronic Care Initiative

The State is using the flexibility possible through the Global Commitment to Health Waiver to implement a chronic care management program for Medicaid beneficiaries. The Vermont Chronic Care Initiative (VCCI) is a care coordination and management program to improve the health outcomes of Medicaid beneficiaries by addressing the increasing prevalence of chronic illness in the Medicaid population. The VCCI exemplifies the Chronic Care Model in action and emphasizes evidence-based, planned, integrated, and collaborative care for beneficiaries who exhibit high-prevalence chronic disease states, high expense, and utilization. The VCCI is comprised of two components that work interchangeably: 1) eighteen DVHA care coordinators working in specific regions of the State to provide direct support to Medicaid beneficiaries with complex needs and coordinate closely with the primary care providers; and 2) a contract with APS to provide primarily telephonic support to identified beneficiaries with less intensive needs.

The DVHA VCCI supports and aligns with other State health care reform efforts, including the Blueprint for Health. Ultimately, the VCCI aims to improve health outcomes by supporting better self-care and lowering health care expenditures through appropriate utilization of health care services. It is designed to take a holistic approach by evaluating both the physical and behavioral conditions, as well as the socioeconomic issues, that are often barriers to health improvement. The VCCI partners with Blueprint Community Health Teams (CHT), providers, hospitals, community agencies, and other AHS departments to support a patient-focused model of care committed to health care systems improvement, efficient coordination of services, and enhanced patient self-management skills.

2.2.5 – Blueprint for Health

The Vermont Blueprint for Health is a vision, a plan, and a statewide partnership pilot project to improve health and the health care system for Vermonters. The Blueprint provides the information, tools, and support that Vermonters with chronic conditions need to manage their own health as well as information that doctors need to keep their patients healthy. The Blueprint is working to change health care to a system focused on preventing illness and complications, rather than reacting to health emergencies.

The Blueprint for Health is defined as the State's plan for a chronic care infrastructure, prevention of chronic conditions, and chronic care management programs, and includes an integrated approach to patient self-management, community development, health care system and professional practice change, and information technology initiatives. It is mandated to become a state-wide service that will encompass pediatric care with an incentive based payment structure.

One goal of the Blueprint is that Vermont will have a Chronic Care Information System (CCIS) that supports statewide implementation of the Blueprint for both individual and population-based care management. The Blueprint has entered into agreements with the Vermont Information Technology Leaders (VITL) for data services and with DocSite for the medical disease registry to provide access to information for physician's offices statewide. Populating the registry automatically with clinical data available in electronic format is essential to provider participation and use. Health plan data is essential to ensure completeness and accuracy of the information in the registry and evaluate Blueprint outcomes. It is expected that data from the MES will be exchanged with Blueprint. Further information about the Blueprint initiative can be found at:
<http://healthvermont.gov/blueprint.aspx>.

2.2.6 – Other Relevant Programs and Departments

Over fifty percent of the Medicaid program funds are administered through programs in Departments outside of DVHA. These include, but are not limited to behavioral, mental health, and skilled nursing services for children and families, services for individuals with developmental disabilities, serious and persistent mental illness, substance abuse services, and early periodic screening, diagnosis and treatment (EPSDT) administrative claims. In addition, DCF processes the eligibility for all health care benefits.

In the following sections the participation of other Departments and Agencies will be described.

2.2.6.1 – AHS Department and Agency Participation

Department for Children and Families - The State's eligibility and enrollment for Medicaid and all public assistance programs are administered by DCF. Economic Services Division (ESD) conducts all eligibility determinations regarding applications for State supported financial and health care benefits. There are over 200 eligibility categories for health care programs. DCF is responsible for updating and maintaining eligibility information in the State's eligibility and enrollment system (ACCESS). Health Insurance Premium Payments are currently processed in the ACCESS system. The data is distributed to the State's MMIS and other current Medicaid Enterprise applications

Department of Disabilities, Aging and Independent Living - DAIL is responsible for all community-based long-term care services for older Vermonters, individuals with developmental disabilities, traumatic brain injuries, and physical disabilities.

DAIL administers all Medicaid-funded programs that provide individualized services to older Vermonters and people with disabilities, including Medicaid waiver services for older Vermonters, people with developmental disabilities and traumatic brain injuries, children and adult personal care/attendant services, high technology nursing, and other Medicaid services. DAIL works with DCF and DVHA to implement the Choices for Care Waiver program. As part of the Medicaid Enterprise, DAIL submits service data to the MMIS, ensures that provider payments are generated through the MMIS, uses both the MMIS and

ACCESS for eligibility information, and requires data for reconciliation and tracking of service data.

Department of Mental Health - DMH administers mental health programs across the State through multiple programs, including Medicaid. They are responsible for both adult and children's services. They ensure that citizens have access to mental health services and that citizens in need of mental health services are able to obtain those services. Some services for Medicaid clients are fee-for-service and others paid through a capitation rate. DAIL and DVHA work with DMH to coordinate care for individuals at risk.

Direct services are provided by private, non-profit service providers called Designated Agencies located throughout the state. By statute there is one Designated Agency (DA) in each geographic region of the State that is responsible for ensuring needed services are available through local planning, service coordination, and monitoring outcomes within their region.

Vermont Department of Health - VDH sets the State's public health priorities and works with DVHA to help realize public health goals within the population served by DVHA. VDH works closely with DVHA on clinical initiatives with the goal of working to reduce medical costs in the State through the agency's Global Commitment to Health program waiver. These programs include EPSDT and dental care initiatives to children across the State.

2.2.6.2 – Vermont Department of Education

The Medicaid School Based Health Services Program is used by the State to generate Medicaid reimbursement for medically related services provided in accordance with an Individual Education Plan (IEP). Schools bill Medicaid directly for services and receive a monthly grant award from the Department of Education based on the claims submission to Medicaid.

2.2.6.3 – Providers

The Medicaid Enterprise includes many different types of providers across the State. This includes, but is not limited to individual practitioners and specialists, physician groups, health plans, pharmacies, durable medical equipment (DME) providers, vision, dental, DAs, and Federally Qualified Health Care Centers (FQHCs).

2.3 – Vermont Health Care Reform

In 2006, Vermont enacted comprehensive health care reform that created over 36 separate initiatives focused on improving access (e.g. Catamount Health and premium assistance programs), increasing quality (e.g., Blueprint for Health, community wellness grants, hospital report cards), and containing health care costs. The 2006 legislation adopted the following principles as a framework for reforming health care in Vermont:

- ☐ It is the policy of the State of Vermont to ensure universal access to and coverage for

essential health services for all Vermonters. All Vermonters must have access to comprehensive, quality health care. Systemic barriers must not prevent people from accessing necessary health care. All Vermonters must receive affordable and appropriate health care at the appropriate time in the appropriate setting, and health care costs must be contained over time.

- ❑ The health care system must be transparent in design, efficient in operation, and accountable to the people it serves. The State must ensure public participation in the design, implementation, evaluation, and accountability mechanisms in the health care system.
- ❑ Primary care must be preserved and enhanced so that Vermonters have care available to them; preferably, within their own communities. Other aspects of Vermont's health care infrastructure must be supported in such a way that all Vermonters have access to necessary health services and that these health services are sustainable.
- ❑ Every Vermonter should be able to choose his or her primary care provider, as well as choosing providers of institutional and specialty care.
- ❑ The health care system will recognize the primacy of the patient-provider relationship, respecting the professional judgment of providers and the informed decisions of patients.
- ❑ Vermont's health delivery system must model continuous improvement of health care quality and safety, and therefore, the system must be evaluated for improvement in access, quality, and reliability and for a reduction in cost.
- ❑ A system for containing all system costs and eliminating unnecessary expenditures must be implemented for the health of the Vermont economy, and must aid in reducing administrative costs, reducing costs that do not contribute to efficient, quality health services, and reducing care that does not improve health outcomes.
- ❑ The financing of health care in Vermont must be sufficient, fair, sustainable, and shared equitably.
- ❑ State government must ensure that the health care system satisfies the principles in this section.

Additional legislation has been enacted in each subsequent year since 2006 to supplement these initial reforms. DVHA is responsible for overseeing the implementation of these broad reforms that stretch across all Vermont health care stakeholders inside and outside of state government.

During the 2010 session, Vermont lawmakers passed a health care bill requiring the legislature to contract with a consultant to create three design options for establishing a universal health care system. One of three plan designs to be submitted for implementation must be a single payer system, a second shall include a public option for insurance coverage, and a third design option to be determined by the consultant, according to Act 128 of 2007, the "Universal Access To Health Care Act." Dr. William Hsiao of Harvard

University was awarded the contract to develop the design options and recommendations. Dr. Hsiao will present to the legislature and the new Governor early in 2011.

More information about these reforms can be found at: <http://hcr.vermont.gov/>.

2.4 – Currently Outsourced Services

The current Medicaid Enterprise includes many outsourced service companies that provide specialized support and information systems to the State of Vermont. The major DVHA contracts are:

- ☐ APS Healthcare Midwest (Care Management Services)
- ☐ Hewlett-Packard (Fiscal Agent Services)
- ☐ MAXIMUS, Inc. (Member Services)
- ☐ MedMetrics Health Partners (PBM Services)

The impact of this array of outsourced services is a non-integrated MMIS system that cannot support a fully realizable MITA business structure and meet the needs of the evolving business and technological environment needs of the State of Vermont.

A brief description of each is provided in the following sub-sections.

2.4.1 – APS Healthcare Midwest (Care Management)

APS currently holds a personal services contract with AHS to provide health and disease management services. Under this contract APS collaborates with DHVA to perform assessment administration and intervention services for select members determined to be “at-risk”. This contract is due to expire on June 30, 2011 but may be extended up to three additional years.

APS uses its own system, CareConnection to identify and track cases in the performance of its contractual duties. They perform the following services for beneficiaries in at-risk categories:

- ☐ Population Stratification, including collaboration with DHVA to:
 - Select beneficiaries for the chronic care initiative.
 - Assign beneficiaries for care coordination.
- ☐ Targeted disease-specific self-management consumer mailings.
- ☐ Telephonic nurse support from 8:00 a.m. through 6:00 p.m. Monday through Friday, except holidays.
- ☐ Face-to-face disease management.
- ☐ Reporting on activities and population health status.

Beneficiaries are selected for the VCCI by using APS's Total Risk Score (TRS) and/or the Johns Hopkins' Adjusted Clinical Groups (ACG). APS currently provides care coordination services for approximately 3,000 Medicaid eligible beneficiaries with the goal of becoming self-managing or being referred to appropriate support services within twelve months.

Beneficiaries with chronic conditions in the medium and low risk categories may be contacted twice a year to determine status via an interactive voice recognition (IVR) system. Beneficiaries who, upon contact, request immediate assistance are transferred to the contractor staff to respond to questions and complete a general assessment to determine if there is need for intervention services.

APS currently provides three community health coaches serving in various locations around the State. These community health coaches provide face-to-face interventions with beneficiaries classified as "very high" and "high risk".

The State has chosen a program monitoring partner that will review operations, results, and outcomes associated with the programs in which APS participates.

APS is a part of the Medicaid Enterprise and they are required to interface with the MMIS, the PBM, and DocSite to obtain data. In the MITA environment these services are a part of the Care Management and Program Management business areas. The MES vendor will be responsible for incorporating these services into the MITA structure and working with DVHA to re-engineer these business processes into the most efficient and cost-effective model. The MES Vendor may opt to continue to outsource them.

In addition, under the mandates of Blueprint for Health, chronic care management will be expanded statewide and encompass pediatric care utilizing an incentive-based payment structure. DVHA would like to see seamless integration of the clinical, administrative and member data for all of its business partners in the Medicaid Enterprise serving beneficiaries in all of their programs.

2.4.2 – Hewlett-Packard (Fiscal Agent)

HP provides traditional Fiscal Agent services for the State of Vermont. The contract is scheduled to expire in December 2013.

The primary purpose of the Fiscal Agent is to ensure timely and accurate receipt and processing of claims, resulting in payment to providers. HP currently pays all provider claims, including the pharmacy claims. MedMetrics, the current PBM, processes point of service (POS) pharmacy claims and transfers the claims file to HP for further processing and payment.

In the MITA environment, the services provided by the current Fiscal Agent and PBM

would be split among the Operations Management, Provider Management, Program Management, Program Integrity, and Member Management areas. These services include:

- ☐ Enrolling providers and maintaining provider data.
- ☐ Maintaining current beneficiary information by receiving and applying updates from the State's eligibility system and maintaining a current and accurate database of beneficiary information.
- ☐ Maintaining current reference information to support timely and accurate claims processing, including posting updates from interface files and online updates.
- ☐ Maintaining service authorization information by maintaining a current and accurate database of authorization information from which claims adjudication and payment will be determined.
- ☐ Accepting, adjudicating, adjusting, and voiding claims submitted by the provider community, including pharmacy claims.
- ☐ Pricing and paying claims to providers of services. The priced claims will result in payment to the providers.
- ☐ Maintaining financial records for all providers of services including remittance advice reporting, check issuance, financial adjustments, 1099 reporting, and other activities associated with financial management.
- ☐ Performing program integrity analysis and reporting including performing analysis of MES data to identify patterns of service and report abnormalities.
- ☐ Providing decision support and ad hoc reporting capabilities which are flexible and capable of providing predefined queries and reports, including program management reports. The decision support system must also have strong ad hoc query and reporting capabilities.
- ☐ Performing contract management to ensure that they remain compliant with the contractual requirements and execute corrective action to gain compliance when deficient.

The MES vendor will be responsible for incorporating these services into the MITA structure and working with DVHA to re-engineer these business processes into the most efficient and cost-effective model. The MES must seamlessly integrate pharmacy claims and services into the Medicaid Enterprise to reduce redundancies and inefficiencies in the system and build a rich repository of consistent data. The MES Vendor may opt to continue to outsource these services.

2.4.3 – MAXIMUS, Inc. (Member Services)

DVHA contracts with MAXIMUS, Inc. for member services as well as using the internal capacity of the eligibility system (ACCESS) for some enrollment and premium functions. Since 1995, DVHA and MAXIMUS have collaborated to develop work plans, policies,

procedures, and systems to provide outreach, enrollment activities, and member services to Medicaid beneficiaries. MAXIMUS provides helpline operations, outreach, and education to potential enrollees, and assistance to those inquiring about Medicaid health programs.

The current contract with MAXIMUS expires June 30, 2011.

MAXIMUS is responsible for informing the eligible population and other interested individuals about state health care programs, policies, and benefits. MAXIMUS' member services activities support and assist members. These activities include assistance in resolving billing issues, understanding notice letters from the State, answering questions regarding premium payments or prior authorizations, and education of beneficiaries on other available services. They act as DVHA's agent to respond to beneficiary questions, application requests, and refer cases to the appropriate programs.

The Member Services contractor performs ongoing enrollment and education activities, project coordination, technical analysis, data collection quality assurance, and reporting tasks, which include:

- ☐ Telephone access for members and other interested parties, including:
 - Live telephone support by trained staff during normal business hours, Monday through Friday except for holidays.
 - Teletypewriter (TTY) communication, relay service, and language translation, as specified by the State.
 - Establishing and maintaining sufficient toll-free phone lines to support member inquiries.
- ☐ Outreach activities to provide information to members, providers, and other interested parties regarding the State's health care programs, including:
 - Maintaining and updating the State's enrollment kits.
 - Coordinating outreach efforts with community agencies and advocacy groups.
 - Arranging and conducting group meetings.
- ☐ Education activities to provide information about program policies and benefits to individuals, enrollees, and benefits counselors.
- ☐ Enrollment Activities to assist members with health plan enrollment.
- ☐ Other activities, including:
 - Processing of beneficiary requests for fair hearings.
 - Reporting on activities performed.
 - Providing member handbooks.
 - Tracking and reporting on calls.

- Tracking of complaints, grievances, and appeals.
- Updating member data in the MMIS.
- Notifying DCF of changes in household information.

MAXIMUS is a part of the Medicaid Enterprise and they access information in the MES. In the MITA environment these services are primarily a part of the Member Management business area. The services also touch the Operations Management and Program Management business areas when responding to benefits administration, premium payments, health plan enrollment, and claims payment activities. The MES vendor will be responsible for incorporating these services into the MITA structure and working with DVHA to re-engineer these business processes into the most efficient and cost-effective model. The MES Vendor may opt to continue to outsource them.

2.4.4 – MedMetrics Health Partners (Pharmacy Benefit Manager)

DVHA contracts with MedMetrics of Worcester, Massachusetts as the PBM for Vermont's programs. MedMetrics is a non-profit, full-service pharmacy benefit manager wholly owned by Public Sector Partners (PSP) and affiliated with the University of Massachusetts Medical School and the University of Massachusetts Memorial Medical Center. MedMetrics was selected as DVHA's PBM contractor through a competitive bid process in 2005. The current contract with MedMetrics runs through December 31, 2012.

MedMetrics is responsible for managing and operating the Pharmacy POS for the State's programs, managing the Supplemental Drug Rebate program, and working collaboratively with the Drug Utilization Review Board to manage the formulary for the State.

MedMetrics performs the following services for DVHA:

- ☐ Operation of a Clinical Call Center twenty-four hours per day seven days a week.
- ☐ Managing the Preferred Drug List (PDL).
- ☐ Coordinating Drug Utilization Review Board activities.
- ☐ Administering the State Maximum Allowable Cost (SMAC) program.
- ☐ Accepting POS drug claims according to the rules of coverage under Vermont programs.
- ☐ Providing mechanisms to support the application of generic and alternative drug requirements authorized by Title 18, Chapter 91 of the Vermont statutes.
- ☐ Transmitting program requirement messages to pharmacies as drugs are dispensed and claims are processed. These include eligibility verification, federal/state drug rebate requirements, coverage limitations, prior authorization needs, prospective and retrospective drug utilization review (DUR), and issue resolution.
- ☐ Coordinating and supporting the Drug Utilization Review Board activities.

- ❑ Managing the multi-state supplemental rebate program.
- ❑ Authorizing payments according to reimbursement rules.

Claims are submitted by pharmacies enrolled to provide benefits in Vermont's programs. As of June 2010, 258 pharmacies were enrolled and processing claims.

MedMetrics is a part of the Medicaid Enterprise. In the MITA environment these services are a part of the Operations Management, Program Management, and Provider Management business areas. In addition, the data collected in the current PBM system is essential to the Care Management, Member Management, and Program Integrity areas. There is great potential to reduce redundancies and improve efficiencies by tightly integrating these services, processes, and data into the MES. The MES vendor will be responsible for incorporating these services into the MITA structure and working with DVHA to re-engineer these business processes into the most efficient and cost-effective model. The MES Vendor may opt to continue to outsource them.

2.5 – Current Staffing Configurations - Mix of State Staff and Outsourced Services

Medicaid business processes are performed both by State staff in-house and by vendor staff through outsourced contracts. The chart below illustrates the current general service mix for MITA business areas performed in-house and outsourced by MITA business area. In most cases, AHS relies on vendor expertise to complete almost half of the business processes in many areas. The ability of the State of Vermont to ensure integrated services, contain costs, and rapidly address the needs of a changing environment is complicated by the current distribution of State and outsourced vendor staff. It is the intent of the State to procure a MES solution that provides the best proposed mix of State staff and outsourced services within the MITA framework. The general mix of staffing currently represented is not indicative of the State's preferences. The Vendor is encouraged to provide staffing and outsourced service compositions that reflect the best approach to providing the services efficiently and cost effectively.

The table below identifies the MITA business area and processes and whether Vermont staff or outsourced services perform the work. The green check ✓ indicates the primary source of staff/vendor that performs each activity. The red ✗ indicates business process is not performed.

Table 2.2 - MITA Vendor and State Staff Distribution in the Performance of MITA Business Processes

MITA Business Area and Process Title v2.01	Performed By	
	VT Staff	Vendor Staff
Business Relationship Management		
Establish Business Relationship	✓	✗
Manage Business Relationship	✓	✗

MITA Business Area and Process Title v2.01	Performed By	
	VT Staff	Vendor Staff
Terminate Business Relationship	✓	✗
Manage Business Relationship Communication	✓	✗
Care Management		
Establish Case	✓	✓
Manage Case	✓	✓
Manage Medicaid Population Health	✓	✗
Manage Registry	✓	✓
Contractor Relationship Management		
Produce Administrative or Health Services RFP	✓	✓
Award Administrative or Health Services Contract	✓	✗
Manage Administrative or Health Services Contract	✓	✗
Close-Out Administrative or Health Services Contract	✓	✗
Manage Contractor Information	✓	✗
Manage Contractor Communication	✓	✗
Perform Contractor Outreach	✓	✓
Support Contractor Grievance and Appeal	✓	✗
Inquire Contractor Information	✓	✓
Member Management		
Determine Eligibility	✓	✗
Enroll Member	✓	✓
Disenroll Member	✓	✓
Inquire Member Eligibility	✓	✓
Manage Applicant and Member Communication	✓	✓
Manage Member Grievance and Appeal	✓	✓
Manage Member Information	✓	✓
Perform Population and Member Outreach	✓	✓
Operations Management		
Authorize Referral	✓	✗
Authorize Service	✓	✗
Authorize Treatment Plan	✓	✓
Apply Attachment	✓	✓
Apply Mass Adjustment	✓	✓
Edit Claims Encounter	✓	✓
Audit Claims Encounter	✓	✓

MITA Business Area and Process Title v2.01	Performed By	
	VT Staff	Vendor Staff
Price Claim Value Encounter	✓	✓
Prepare Remittance Advice Encounter Report	✗	✓
Prepare Provider Electronic File Transfer (EFT) Check	✗	✓
Prepare Coordination of Benefits (COB)	✓	✓
Prepare Explanation of Benefits (EOB)	✗	✗
Prepare Home and Community Based Services Payment	✓	✗
Prepare Premium EFT	✓	✗
Prepare Capitation Premium Payment	✓	✗
Prepare Health Insurance Premium Payment	✓	✗
Prepare Medicare Premium Payment	✓	✗
Inquire Payment Status	✓	✓
Manage Payment Information	✓	✓
Calculate Spend Down Amount	✓	✓
Prepare Member Premium Invoice	✓	✗
Manage Drug Rebate	✓	✓
Manage Estate Recovery	✓	✗
Manage Recoupment	✓	✗
Manage Cost Settlement	✓	✗
Manage Third Party Liability (TPL) Recovery	✓	✗
Program Management		
Designate Approved Services and Drug Formulary	✓	✓
Develop and Maintain Benefit Package	✓	✓
Manage Rate Setting	✓	✗
Develop Agency Goals and Objectives	✓	✗
Develop and Maintain Program Policy	✓	✗
Maintain State Plan	✓	✗
Formulate Budget	✓	✗
Manage Federal Financial Participation (FFP) for MMIS	✓	✓
Manage Federal Medical Assistance Percentage (FMAP)	✓	✓
Manage State Funds	✓	✗
Manage 1099s	✓	✓
Generate Financial and Program Analysis	✓	✓
Maintain Benefits Reference Information	✓	✓
Manage Program Information	✓	✓

MITA Business Area and Process Title v2.01	Performed By	
	VT Staff	Vendor Staff
Perform Accounting Functions	✓	✓
Develop and Manage Performance Measures and Reporting	✓	✓
Monitor Performance and Business Activity	✓	✓
Draw and Report FFP	✓	✓
Manage FFP for Services	✓	✗
Program Integrity		
Identify Candidate Case	✓	✓
Manage Case	✓	✓
Provider Management		
Enroll Provider	✓	✓
Disenroll Provider	✓	✓
Inquire Provider Information	✓	✓
Manage Provider Communication	✓	✓
Manage Provider Grievance and Appeal	✓	✓
Manage Provider Information	✓	✓
Perform Provider Outreach	✓	✓

The Vendors are requested to use this information to propose a staff and outsourced service mix that represents your best recommendations on combinations of staff and outsourcing to maximize effective and efficient business processes performance, cost effectiveness, and ensures adherence to the MITA framework.

2.6 – Technology

The current technology environment within AHS is based on legacy applications focused on the business needs of each Department or business area. It evolved over time and integration was completed on an as needed basis. AHS is taking the opportunity to re-examine its technology and develop a plan that will make application and information integration and management easier by creating a standardized SOA environment.

The critical applications for DVHA are the MMIS operated by HP (formerly EDS), PBM services operated by MedMetrics, MAXIMUS for member services, APS CareConnection system for care management, and the ACCESS eligibility and enrollment information obtained from DCF. The following provides background information on the State's technology environment and its plans to modernize and enhance its technology infrastructure.

2.6.1 – History and Background Information on Current MMIS Technology

The MMIS is a host-based system that no longer has the flexibility, functionality, or technical architecture to meet Vermont's future needs. The system was built on an architecture that reflected the technology of the day with a central mainframe environment and batch processing data model. To fulfill business needs, many processes and business functions rely on data that is captured, processed, stored, and retrieved in independent databases and spreadsheets. Data exchanges are completed via file transfer protocol (FTP) instead of automated integration processes. Data for Medicaid beneficiaries exist within other AHS databases such as DAIL and DMH. Since these records exist in different databases without automated data sharing or real-time data exchange across different processes within departments, AHS is unable to establish a member-centric view across the range of services provided by the State.

Additionally, many of the same business processes are being performed in multiple departments. Each department performs processes specific to its client-base or programs often using disparate systems to execute those processes.

Coordination among departments requires frequent communication via meetings, e-mail, and telephone conversations. The use of individual Microsoft Excel and Microsoft Access applications to support business functions and meet reporting needs serves as a substitute for integrated information technology applications and databases.

The legacy MMIS is the claims processing system for Vermont's Medicaid Program and includes services for Medicaid eligible individuals and expanded services for other Vermonters. These programs include insurance subsidies and incentive payments to support the Agency's focus on performance. In addition to processing claims, the MMIS also supports coordination of benefits, surveillance and utilization review, federal and management reporting, limited case management, and Member and Provider enrollment activities. The MMIS provides the basis for the administration of the Medicaid Program and captures payments to providers, services provided to members, and specific eligibility information that can be accessed by providers. While the MMIS supports the Medicaid services for all departments, it is an independent application based on DVHA's business processes. Other Departments' also maintain systems for their non-Medicaid interactions as well. HP provides Fiscal Agent services and manages the MMIS operation in support of the Medicaid program. MedMetrics provides point-of-service processing for prescription drugs and passes the claims to HP for payment. The current MMIS also processes claims for non-Medicaid programs, such as Ladies First, Children with Special Health Needs (CSHN), and other programs. DCF determines and maintains information on eligible beneficiaries and currently passes the information to HP.

2.6.2 – AHS Related Major Projects and Systems

In addition to the Medicaid-system projects described, AHS and its various departments are undertaking a number of technology and business projects which will result in significant innovations and upgrades to its information technology infrastructure and architecture. AHS has been scoping and defining the Enterprise Architecture for the Agency to ensure

future growth and efficiency needs are met. To this end, AHS is currently procuring SOA components consisting of an enterprise service bus (ESB), workflow management tools, rules engine, enterprise master person index (eMPI), and an identity management solution. By leveraging these SOA components, AHS intends to realize an environment that supports service orchestrations and data sharing across the Enterprise. These components will need to be built upon by and extended within the MES procurement.

The ACCESS system operated by DCF is the State's eligibility and enrollment system for all AHS public assistance programs including Medicaid. It also tracks all benefit delivery and provides a tracking and case management system for the Office of Child Support Enforcement. The system resides on a mainframe at the State's data center in Montpelier utilizing Software AG products. The underlying technology includes the ADABAS database management system and uses the Natural Language. ACCESS currently transmits an eligibility file to the MMIS on a daily basis. Some beneficiary management activities are recorded and tracked within this system.

DCF has restructured its service delivery model and has incorporated new technologies to gain efficiencies in eligibility determinations and benefit delivery. These technologies include imaging and document workflow, on-line application processing, call center, and voice response systems. The advances made by DCF/ESD will need to be incorporated into the new system and the AHS Enterprise Architecture.

AHS has started the process to replace ACCESS with a new system, Vermont's Integrated Eligibility Workflow System (VIEWS). The Agency intends to release the RFP for this new system in Q4 of 2010 with a scheduled implementation of December 2012. The alignment of the release of the RFP with the MES was planned to ensure close development of these two systems, as portions of what is currently in ACCESS may be provided within the member management portion of the new MES.

2.6.2.1 – Existing Data Warehouses

The Central Source for Measurement and Evaluation (CSME) data is the existing data warehouse for AHS. Currently, this repository captures and presents information at an aggregate level. One of the objectives of the data warehouse is to provide a view of an individual across all departments, including all services, authorizations, and programs.

In addition, there is a reporting / decision support copy of the current MMIS called Enhanced Vermont Ad Hoc (EVAH) operated by HP. This reporting data warehouse will need to be incorporated into the new MES solution, either by extending the functionality of our current systems or creating a new reporting / decision support solution.

The MES will need to provide data to feed and information to support the existing depictions and the future enhancements of the data warehouses. See Section 2.7.4 for a more detailed description of the future data warehouse needs.

2.6.2.2 – State Health Information Technology Plan

DVHA's Division of Health Care Reform is the recipient of HIE funding from the Office of the National Coordinator for HIT (ONC) and has responsibility for producing the *Vermont HIT Plan*. The plan is updated annually to reflect health care changes and opportunities for innovations. Further information about the HIT plan can be found at: http://hcr.vermont.gov/sites/hcr/files/Vermont_HIT_Plan_4_6_10-26-10_0.pdf.

VITL, a private non-profit organization, is the State's HIE organization and also serves as Vermont's Regional Extension Center (REC). The organization has established the Vermont Health Information Exchange Network (VHIEN).

The State of Vermont and VITL's vision of "a transformed health care system where health information is secure and readily available when people need it, positioning Vermont as a national example of high quality, cost effective care," reflects the State's comprehensive vision of HIT-powered health delivery system reform. In order to fully understand the scope of Vermont's HIT/HIE vision and the State environment, it is essential to understand the larger system reform agenda. Guiding legislation calls for a highly coordinated and integrated approach to health care statewide, with an emphasis on wellness, disease prevention, care coordination, and care management, and a particular focus on primary care.

VITL, in its role as the State HIE, facilitates the exchange of multiple types of transactions over service locations and across the State to allow access to clinical data, administrative data, and patient demographic data. Health care data from the Medicaid information system and other systems that collect data on Medicaid clients will be an essential component of the Vermont health insurance exchange. Additional information on VITL can be found at: <http://vitl.net/>.

DVHA is the State lead for HIT and HIE policy, planning, and oversight. VHIEN is operated under contract by VITL in close collaboration with the State. As such, DVHA seeks MES solutions that consider opportunities for integration with the VHIEN for support of both clinical and financial transactions.

2.7 – Vision for the Future Medicaid Enterprise Solution

The State has developed a new vision for the future MES to contend with the changing public health care environment. The State is in the process of ensuring adequate, affordable health care for all of its citizens. As a result, AHS is rethinking its technology, business processes, and information strategy in order to implement and support the changing environment. This process has spawned a number of agency initiatives and goals that shape this RFP. The State is seeking an innovative partner that can provide the knowledge, experience, and resources to implement this vision in a cost-effective manner.

The following table presents the initiatives that are driving the new MES vision.

Table 2.3: MES Factors

MES Factors	
Business Operations	
Change: Improve intra-agency coordination of services to achieve citizen-focused services	
Initiatives Underway	Vision
Standardization of business processes <ul style="list-style-type: none"> VT MMIS Vision Sessions DCF Economic Services Division Modernization (ESDM) and Strategic Transformation of Enterprise for Effective Realignment (STEER) Projects 	<ul style="list-style-type: none"> Common business processes should be consistent Seamless integration of applications/data <ul style="list-style-type: none"> One system <i>OR</i> Dynamic integration of data
Member-centric focus for Care and information <ul style="list-style-type: none"> VT MMIS Vision Sessions 	<ul style="list-style-type: none"> Ability to obtain a single, complete, real-time view of any beneficiary
Change: Provide cost-effective care to vulnerable citizens	
Initiatives Underway	Vision
<ul style="list-style-type: none"> VT Blueprint for Health VT Chronic Care Initiative Global Commitment for Care Waiver Choices for Care Waiver Waiver renewals and new applications 	<ul style="list-style-type: none"> To become an Accountable Care Organization Expansion of patient centered medical home to all of the State's communities
Change: Improve management reporting/decision support system (DSS)	
Initiatives Underway	Vision
<ul style="list-style-type: none"> CSME data warehouse Vermont Health Care Claims Uniform Reporting and Evaluation System (VHCURES) VT MES RFP 	<ul style="list-style-type: none"> To access configurable digital dashboards for management and decision-making To have a consolidated payment database from all health care providers To make decisions based on timely data
Change: Consolidate purchased services to integrate MES services and information	
Initiatives Underway	Vision
Financial Operations (aka Fiscal Agent) <ul style="list-style-type: none"> VT MES RFP 	<ul style="list-style-type: none"> Timely processing and payment of claims Universal POS claims processing Real-time service authorizations All health care provider payments will be recorded, tracked, and reported on through the MES
Pharmacy Benefit Management <ul style="list-style-type: none"> VT MES RFP 	<ul style="list-style-type: none"> Improved point of sale processing Rebate management, with one source of data Maintain lowest price possible on pharmaceuticals Support for providers/pharmacies/AHS

MES Factors	
<p>Member Services</p> <ul style="list-style-type: none"> VT MES RFP 	<ul style="list-style-type: none"> Member inquiry support Grievance and appeal support Ability to capture all member inquiry and activity Tracking of calls and inquiries Member education material Health plan / Primary Care Physician (PCP) assignment Patient-Centered Medical Home tracking / support
<p>Care Management</p> <ul style="list-style-type: none"> VCCI Blueprint DAIL Choices for Care Challenges for Change Department of Mental Health Initiatives Department of Corrections Initiatives VT MES RFP 	<ul style="list-style-type: none"> Ability to identify patients who will benefit from intervention, education, and case management To track patients progress over time and focus on wellness and health To employ data in disease management and care management
Federal/State Mandates	
Change: Deploy the CMS MITA Framework	
Initiatives Underway	Vision
<ul style="list-style-type: none"> MITA Self-Assessment MITA Assessment Update VT MMIS Vision Sessions Agency Enterprise Architecture Analysis SOA core components 	<ul style="list-style-type: none"> Business and Technology are aligned with MITA Structure Bring all business areas to a MITA Level 3 Extend POS capability to other providers
Change: Implement State expansion of coverage	
Initiatives Underway	Vision
<ul style="list-style-type: none"> Global Commitment Waiver Choices for Care Waiver The Affordable Care Act 	<ul style="list-style-type: none"> To improve the health of Vermonters through support of those unable to provide health care for themselves and / or their families To see that 96% of Vermonters have health care insurance or coverage and access to services SOA based systems to support business
Change: State mandate for cost efficiency	
Initiatives Underway	Vision
<ul style="list-style-type: none"> Challenges for Change 	<ul style="list-style-type: none"> Manage all Contractor relationships through performance-based contracts

MES Factors	
Change: Implement Health Insurance Portability and Accountability Act (HIPAA) 5010 and ICD-10 CMS mandates and federal rules	
Initiatives Underway	Vision
<ul style="list-style-type: none"> Implement HIPAA 5010 and ICD-10 Vermont Health Care Reform 	<ul style="list-style-type: none"> Integrated standards and code sets Fully incorporate American Recovery and Reinvestment Act (ARRA)/HITECH and ACA vision
Technology	
Change: Adopt Service Oriented Architecture	
Initiatives Underway	Vision
Service Oriented Architecture <ul style="list-style-type: none"> VT Components RFP Agency Enterprise Architecture Analysis 	<ul style="list-style-type: none"> Implement a dynamic enterprise architecture All applications are interfaced to the State's SOA and utilize updated technology Implement exchangeable, replaceable components
eMPI <ul style="list-style-type: none"> VT Components RFP Agency Enterprise Architecture Analysis 	<ul style="list-style-type: none"> Create a master file for all members receiving health care services and all providers All relevant AHS applications will interface with eMPI
Identity Management <ul style="list-style-type: none"> VT Components RFP 	<ul style="list-style-type: none"> All future applications will integrate with the State Identity Management Access and authentication provided to AHS through single sign-on
Enterprise Service Bus <ul style="list-style-type: none"> VT Components RFP 	<ul style="list-style-type: none"> All future applications will integrate with the State ESB Standardization of protocols and messaging for data transmission for common services and integration solutions
Rules Engine <ul style="list-style-type: none"> VT Components RFP 	<ul style="list-style-type: none"> All future applications will integrate with the State rules engine Rules are defined from policy and not imbedded within application code and are maintained by program staff
Workflow Tools <ul style="list-style-type: none"> VT Components RFP 	<ul style="list-style-type: none"> All future applications will integrate with the State workflow management tools Business process driven application
Change: Health Information Exchange	
Initiatives Underway	Vision
<ul style="list-style-type: none"> State Medicaid Health IT Plan (SMHP) Vermont HIT Plan 	<ul style="list-style-type: none"> Statewide HIE / HIT expansion in partnership with VITL

MES Factors	
Change: Data Warehouse (DW)/Decision Support System	
Initiatives Underway	Vision
<ul style="list-style-type: none"> CSME is the Agency's DW MES solution to provide DSS 	<ul style="list-style-type: none"> Provide information to CSME so that CSME has complete, accurate, and timely information for programs and policy analysis CSME provides a comprehensive reporting environment and sophisticated end-user analytic reporting tools.
Change: Eligibility determination and data	
Initiatives Underway	Vision
<ul style="list-style-type: none"> VT VIEWS RFP Health Insurance Exchange RFP 	<ul style="list-style-type: none"> VIEWS provided eligibility data will be exchanged in real-time Legislative or budgetary modifications to eligibility or enrollment parameters require minimal time and resources to accomplish

2.7.1 – The New MES Vision

The State of Vermont is expanding its vision of the Medicaid Enterprise beyond the scope of a traditional MMIS. The new MES will have additional functionality and flexibility when compared to the current MMIS and will contribute to the larger goals and vision of the State of Vermont.

The Agency currently supports call center and data warehouse functions. These critical functions will continue to exist and interface with the new MES in the future Enterprise Architecture (EA) environment. Although the fundamental enterprise infrastructure is not yet implemented, these systems have been identified by the State as capable of interacting with the common Enterprise Architecture. These systems are currently implemented and the technical specifications can be readily made available for review by potential vendors. The table below briefly describes the applications and the business functionality provided by those applications.

Table 2.4: Existing Business Functionality to be Exposed for New MES

Business Function	Description	Application Functionality
Call Center	<p>Interactive Intelligence, Inc. (ININ) is a State solution used by DCF and is configured for a major call center that supports the State's Economic Services department.</p> <p>The State is open to a variety of call center implementation options. For example, the Vendor can propose to use the current call</p>	<ul style="list-style-type: none"> IVR Integrated Facsimile (FAX) Automated call Routing and Distribution (ACRD)

Business Function	Description	Application Functionality
	center, augment the current call center, or standup a separate call center that routes to the central system.	
Document Management System	Onbase by Hyland Software is the current document imaging and document workflow solution. This solution is identified as SOA compliant, but the scope will need to be expanded to accommodate the new MES.	<ul style="list-style-type: none"> Document Imaging Document Management Document Workflow
Care Management Registry	The Care Management Registry function is supported by a software product known as DocSite recently purchased by Covisint (Compuware).	<ul style="list-style-type: none"> Clinical patient data for HIT/HIE
Data Warehouses	CSME is the AHS's official data warehouse.	<ul style="list-style-type: none"> Store and combine all member data such as eligibility, enrollment, claims, etc.
Web portal online based benefits application	Provide capability for Vermonter's to apply for any Agency benefit online via the web. This online capability is being done in phases.	<ul style="list-style-type: none"> Web portal

In addition to the components identified above, AHS is in the process of selecting and implementing additional components for its SOA structure. These additional pieces of the EA foundation are identified in the next table.

Table 2.5: Systems in the Advanced Planning Stage to be Used by the MES Vendor

Business Function	Description	Application Functionality
Integration of Family Services (IFS)	Phase 1 is a RFP to provide care and benefit management system across Agency departments for services related to children ages 0 to 6. Future phases will expand up through age 22 and have a family focus.	<ul style="list-style-type: none"> Care Management
Improved Eligibility and Enrollment system	VIEWS RFP to be issued Q4 2010.	<ul style="list-style-type: none"> Member Management

Business Function	Description	Application Functionality
Enterprise Architecture and Services	The RFP for these components was issued. The responses have been received and are being evaluated. The target for implementation of these components is Q1 of 2011.	<ul style="list-style-type: none"> • Rules Engine Transformation and Translation Services • Enterprise Services Bus • Workflow Management • eMPI • Identity Management

2.7.2 – MITA Principles and Vision

Over the past years, the rules and regulations involved in administering a Medicaid program have become more complex. This is especially true in the State of Vermont, where the State Legislature has implemented many innovative ideas to broaden the coverage available to Vermonters. The MMIS currently deployed in Vermont is not able to easily accommodate the changes necessary to support this rapidly changing environment.

The existing MMIS is a legacy application that contains the following challenges:

- ☐ Highly interconnected systems using point-to-point interfaces require pervasive modifications to accommodate changes to business requirements, making them difficult to maintain.
- ☐ Users must navigate through multiple functional systems to perform a single task.
- ☐ MMIS does not communicate easily across functional or technical boundaries, which makes it difficult to share information or reuse functionality.

The State of Vermont is adopting CMS' MITA Framework in the MES to provide a common systems architecture. In so doing, AHS will be able to align the Medicaid system and services with current trends in business practices and technologies. DVHA completed its MITA State Self-Assessment (SSA) in 2008, as required by the CMS, and has established its vision for a new MES as defined by that process.

The new CMS vision for MITA is intended to foster integrated business, data, and technology transformation across the Medicaid Enterprise to improve the administration of the Medicaid program. AHS intends to adopt the new MITA version that CMS is currently developing soon after the anticipated publication in 2011.

The requirements for the MES were developed using the current MITA structure, and Vermont is committed to using the MITA structure as the basis to design new systems and

develop new business processes.

The following conceptual diagram depicts the future vision of the State MES within the guidelines provided by MITA.

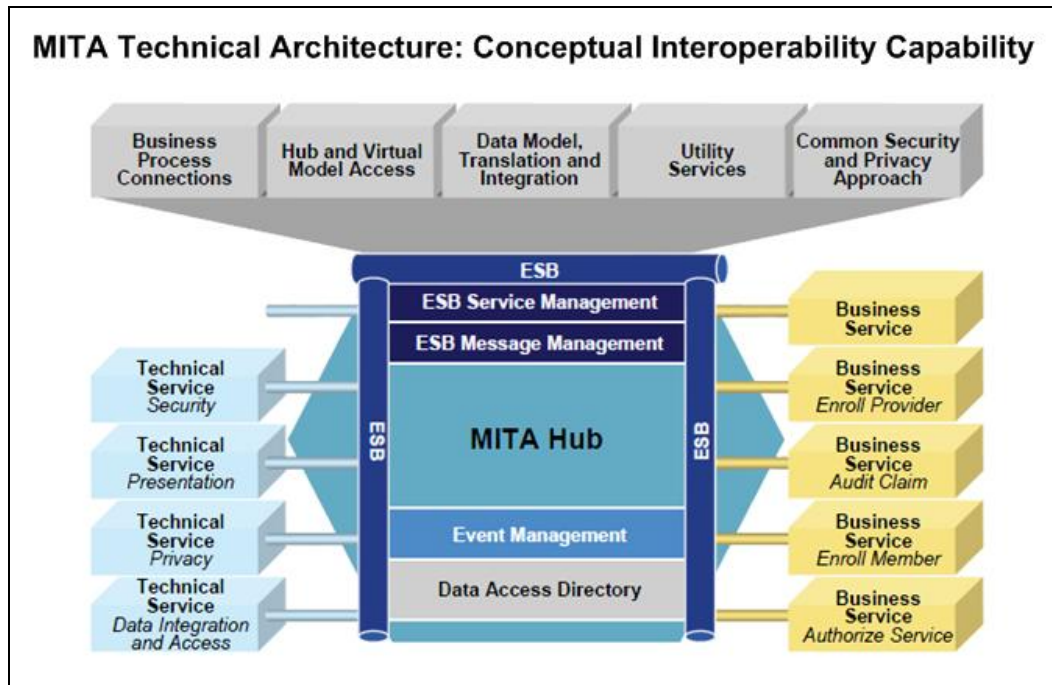


Figure 2.1: Conceptual Interoperability Capability

The MITA Hub architecture illustrated in Figure 2.1 above, using various ESB functions is the most mature means of transmitting and receiving services and information over an interoperability channel. The MITA Hub offers security and privacy control points and the ability to locate utility services within the hub. Once the request is at the MITA Hub, the interoperable services may need to access information and services through virtual access, which makes the architecture scalable.

The primary MITA principle is to establish a “services” approach to building out the new MES systems. This will alleviate the point-to-point interfaces, end-user navigational issues, and inherent difficulties of sharing information. It will also allow the reuse of common functions within the agency. The services approach most adopted over the past decade is better known as SOA.

2.7.3 – Service Oriented Architecture Vision

The State is well into its transition planning for SOA adoption and has identified several business functions and systems that will be incorporated into the new Enterprise Architecture. As a result, the new Medicaid Enterprise must operate in a SOA environment and be interoperable within the prescribed Enterprise Architecture.

The diagram below illustrates a high-level diagram that passes information requests from various access channels through the system into the data access layer. This layer selects the requested data and utilizes services to display the information to the appropriate individual via the access mechanism. This diagram lists several business functions in the Enterprise Business Service Integration layer. At the core of the Enterprise Business Service Integration layer there are SOA capabilities, among other functions, orchestrating the integration activities being requested by service calls initiated by the customer.

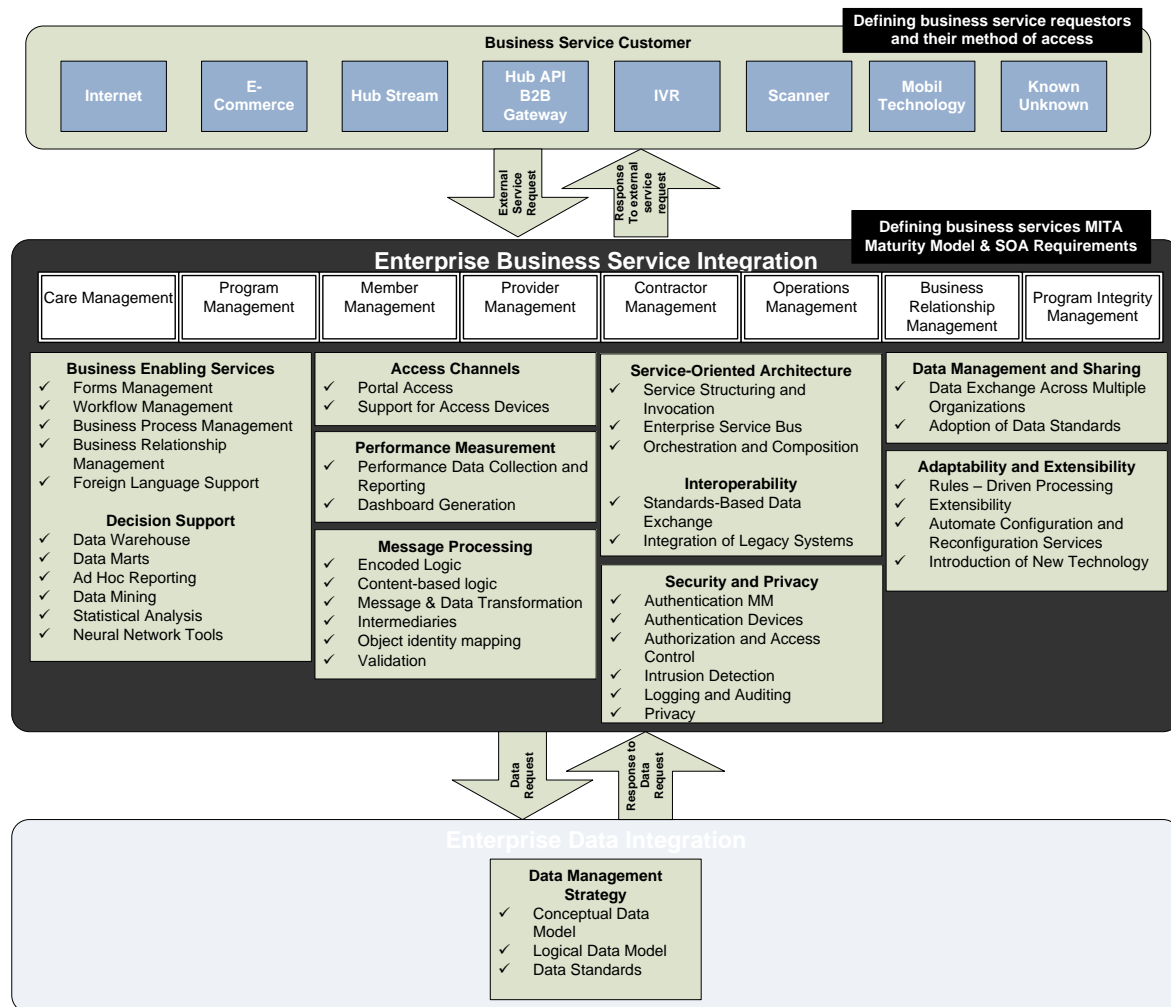


Figure 2.2: MITA Enterprise Business Service Integration Diagram

AHS is in the process of identifying common processes and functionality and describing how such functionality will be supported in a SOA environment. The common objectives identified thus far are:

- ❑ Systems tightly integrated across departments and programs (e.g., automated, standardized exchange of data).

- ❑ Web portals providing access mechanisms not only for AHS/DVHA but other internal and external stakeholders such as members, providers, contractors, and Vendors.
- ❑ Powerful imaging and document indexing and management capabilities.
- ❑ Workflow engines that support workflow and workload management, monitoring, and reporting.
- ❑ Rules-engines that facilitate rapid changes that can be made by “super-users” and require limited technical support.
- ❑ Predictive modeling and statistical tools for reporting, trending, and analysis.
- ❑ Dashboards and other business-user driven reporting functionality.

2.7.4 – Description of Data Warehouse / Decision Support System Vision

Within AHS there are multiple information systems that share common data elements in the MMIS environment. The need for data consistency for eligibility, benefits, reporting, and performance management is critical to establish and maintain a master data warehouse. The central repository utilizing a centralized messaging component, such as an Enterprise Service Bus, to allow for the sharing of data and/or timely exchange of data is desired in order to greatly improve the accuracy, efficiency, and timeliness of business processes.

Data management as defined under MITA is not well developed in the Medicaid community. Most Medicaid programs are currently in the early stages of MITA Maturity Level 1 for the data management category. Hence it is both a critical and opportune time to deploy a comprehensive data management approach for the State of Vermont to coincide with the implementation of a new MES system. This strategy allows the State to benefit from sharing consolidated, accurate data across departments, external partners, and diverse technology platforms.

The State wants to strengthen the existing reporting environment by adding state-of-the-art tools and high quality data. The State envisions a multi-prong approach to reporting and decision support that includes the following components:

- ❑ CSME and Other Data Warehouses - The MES must supply the AHS data warehouse with routine, complete data. Reconciliation to ensure complete data transfers are the responsibility of the MES prime Vendor with assistance from State staff. The MES Vendor must resolve any discrepancies or errors that occur during the transfers and make recommendations for improvement to data quality. In addition the MES must provide data to VHCURES. DocSite is the current Medical Registry used by the Vermont Chronic Care Initiative staff to gather clinical data to detect patterns of service and is the clinical repository and care coordination tool for VCCI and the Blueprint for Health. VHCURES is a multi-payer claims and enrollment data repository for use in research and other projects. For information on VHCURES access this website: <http://www.bishca.state.vt.us/health-care/health-insurers/vermont-healthcare-claims-uniform-reporting-and-evaluation-system-vhcure>. Other data warehouse environments

may also be required.

- ❑ HIT/HIE - The State is implementing the statewide HIE in phases. DVHA Health Care Reform Division administers the HIE. The MES will interoperate with the HIE with data exchanges on a schedule to be determined as implementation occurs. Phase 1 transactions include Blueprint and other programs clinical data, administrative data and patient demographic data. The State hopes to include data exchanges for claims, encounters, and other types of financial transactions in Phase 2.
- ❑ MES - The MES must have a comprehensive reporting strategy to address many federal and state requirements. The MES is expected to employ data management strategies that will guarantee high quality data and make available all data elements for reporting. The reporting strategy must also provide end-users, including authorized State staff, the ability to easily generate their own reports without requiring intervention by MES technical staff. Therefore, the MES must provide:
 - An operational data store that replicates data in real-time or that captures periodic snapshots of data with the MES, such as daily and weekly.
 - A robust set of standard reports to support day-to-day operations and performance measure tracking.
 - The ability for authorized staff to generate ad-hoc reports using real-time data in a non-production environment.
 - Data and reporting tools to support the creation of reports and supply information to assist staff in the management of each MITA Business Area.
 - Data and logic for administrative and clinical decision support tools.
 - Tools to allow staff to generate dashboards in their areas to monitor program operations.
 - Modeling tools to assist in developing new programs, budgeting and making changes to existing programs.
 - Analytical tools to assist in monitoring programs, identifying fraud and abuse situations, and proactively identifying opportunities to improve processes and manage costs.
 - Auditing and statistical tools to monitor provider claims and program performance.

This page is intentionally blank.

Section 3 – Scope of Work

3.1 - Overview

The Agency of Human Services (AHS) is issuing this Request for Proposal (RFP) to procure and implement a new Medicaid Information Technology Architecture (MITA) compliant Medicaid Management Information System (MMIS), which is referred to as the Medicaid Enterprise Solution (MES) and founded on service orient architecture (SOA) components. The MES will support the core operations of the Medicaid program and the AHS Enterprise. It will be instrumental in supporting Vermont's Health Care Reform initiatives. The MES will be closely linked to and aligned with the Vermont Health Information Technology Plan, the State Medicaid Health Information Technology Plan (SMHP) in-progress, the State's Blueprint for Health, and the federal governmental initiatives under the American Recovery and Reinvestment Act (ARRA), including the Health Information Technology for Economic and Clinical Health Act (HITECH) and Affordable Care Act (ACA). The MES is integral to the AHS vision for the Enterprise Architecture with SOA components. The proposed MES should achieve the long-term goals and the vision for the next generation of Medicaid systems and the next version of MITA.

This is not a traditional RFP to acquire an MMIS. The information in this RFP is defining "what" Vermont wants to acquire. Proposals submitted to this RFP should not only respond to the requirements defined in this RFP but also describe "how" a Vendor plans to meet those requirements, create cost savings, streamline operations, and provide meaningful performance standards. Vendors are expected to propose a solution that will assist Vermont in transforming its business processes, information management, and technology employing business process re-engineering and modeling. Contract terms will be built upon the response received.

AHS has, in the development of this RFP, conducted numerous visioning sessions organized around the eight MITA areas as well as other subject areas. These sessions resulted in numerous vision requirements that have been incorporated into the RFP. As such a number of the MES requirements may be seen as non-traditional MMIS requirements.

3.1.1 – MES Procurement Overview

The State of Vermont is seeking a partner that will collaboratively work with stakeholders to develop an enterprise solution to meet its needs. The State of Vermont is changing its business processes, information systems, and technology to meet the current and future mandates of health care. The proposed solution should demonstrate cost-effective operations that streamline business processes and reduce costs. It must include:

- ❑ A SOA-based information system technical solution comprised of components that can be integrated into the AHS' SOA-framework or directly utilizes the AHS components

- ☐ A MITA-organized information solution that can be a single vendor solution or a “best-of-breed” solution providing seamless integration of data from one MITA application area to another, one business process to another, across the enterprise
- ☐ An information system that meets the Centers for Medicare & Medicaid Services (CMS) certification requirements as defined in the CMS Medicaid Enterprise Certification Toolkit for Medicaid Management Information Systems
- ☐ An information architecture and data management strategy that organizes, documents, and manages all of the data and enables easy access to information
- ☐ A information system solution that is flexible enough to fully support the administration of all of Vermont’s health care programs and can be easily configured to meet future expansion of programs and populations, and meet current and future regulatory needs
- ☐ A complete reporting repository that includes decision support capabilities and end-user reporting tools
- ☐ The dynamic data exchange with external systems whenever possible and desirable. The system must support standards based inbound and outbound transactions whenever appropriate
- ☐ Suggestions to reduce redundancies in data, information systems, and business processes
- ☐ MITA based business processes
- ☐ Change management strategies and automated tools
- ☐ Ongoing support services and operational staff
- ☐ Implementation services and end-to-end project management

3.1.2 – Approach to the Scope of Work Response

Section 2 of this RFP describes the current state business processes, systems, operations, initiatives, and organizations that make-up the current Medicaid environment in Vermont. There are also references to materials that provide additional detail about Vermont and its future direction for health care and technology.

Section 3 of this RFP provides summary information about the Scope of Work and guidance about how to complete a response to this RFP.

Section 7 contains all of the response forms that need to be completed regarding this Scope of Work.

To prepare a proposal, thoroughly review the background materials provided in Section 2 and the additional materials referenced in Section 2 to gain an understanding of the current operations within the State of Vermont, as well as the mandates and initiatives that are driving their future. Read through Section 4 to understand RFP response requirements and

prepare your response as instructed. Knowledge of the industry, technology, federal, and Vermont mandates for health care programs should be demonstrated in your responses.

The following guide summarizes the Scope of Work contents and identifies the appropriate Forms to review and complete for that area.

Table 3.1: Section and Response Form Guide

Section #	Section Heading	Response Form
3.2	Staffing Considerations	(Background information)
3.2.1	Staffing Roles and Responsibilities	Appendix N – Staffing Proposal Response
3.3	The MES Architectural Environment	(Background information)
3.3.1	SOA Compliant Environment	(Background information)
3.3.2	MES Architectural Environment Requirements Overview	(Background information)
3.3.2	Technical Requirements Overview	Appendix K.1 – Technical Requirements Response Appendix K.2 – Information and Technical Narrative Questionnaire
3.3.2.1	Business Architecture	Appendix B – Business Architecture Response
3.3.2.2	Information Architecture	Appendix C – Information Architecture Response Appendix R – Reporting Strategy Response
3.3.2.3	Technical Architecture	Appendix D – Technical Architecture Response
3.4	The MES Solution	(Background information)
3.4.1	Business Requirements Overview	(Background information)
3.4.1.1	Business Requirements Matrices	Appendix J.1 – MITA Business Area Requirements Response Appendix J.2 – CMS Certification Checklist Requirements Response
3.4.1.2	MITA Business Requirements	(Background information)
3.4.1.3	Business Relationship Management	Appendix B – Business Architecture Response
3.4.1.4	Care Management	Appendix B – Business Architecture

Section #	Section Heading	Response Form
		Response
3.4.1.5	Contractor Management	Appendix B – Business Architecture Response
3.4.1.6	Member Management	Appendix B – Business Architecture Response
3.4.1.7	Operations Management	Appendix B – Business Architecture Response
3.4.1.8	Program Integrity	Appendix B Business Architecture Response
3.4.1.9	Program Management	Appendix B – Business Architecture Response
3.4.1.10	Provider Management	Appendix B – Business Architecture Response
3.5	On-going Support for the MES	Appendix E – MITA Business Area Response
3.6	The MES Implementation Services and Project Management	(Background Information)
3.6.1	Project Management and Planning Approach	(Background Information)
3.6.1.1	Project Management Approach	(Background Information)
3.6.1.2	Project Management, Reporting, and Deliverables	Appendix G – Project Management Response
3.6.2	Project Initiation	Appendix H.1 – Project Initiation Response
3.6.3	Requirements Analysis and Validation	Appendix H.2 – Requirements Analysis and Validation Response
3.6.4	Data Conversion	Appendix H.3 – Data Conversion Response
3.6.5	System Design	Appendix H.4 – System Design Response
3.6.6	MES Construction and Unit Testing	Appendix H.5 – MES Construction and Unit Testing Response
3.6.7	Integration and System Testing	Appendix H.6 – Integration Testing Response
3.6.8	User Acceptance Testing and Operational Readiness Testing	Appendix H.7 – User Acceptance Testing Response
3.6.9	Organizational Change	Appendix H.8 – Organizational Change

Section #	Section Heading	Response Form
	Management	Management Response
3.6.10	Training	Appendix H.9 – Training Response
3.6.11	Implementation	Appendix H.10 – Implementation Task Response
3.6.12	Post-Implementation Evaluation and Certification	Appendix H.11 – Post-Implementation Evaluation Response

Responses should address all dimensions of the work including, systems, technology, data management, staffing, and operational support services. Responses should reflect knowledge and experience within the industry and demonstrate the value of implementing the proposed solution.

3.2 – Staffing Considerations

The response form for submitting the information for this section is contained in Section 7, Appendix N – Staffing Proposal Response. In addition, more detailed staffing information is requested in many of the other response forms.

The Vendor must describe at a high level the overall staffing plan documenting the roles and responsibilities of the Vendor, any Vendor partners, and/or Vendor subcontractors for project, including but not limited to:

- ☐ MES Implementation
 - Account Management
 - Project Management
 - Key Technical and Business Staff
- ☐ Information Technology Support Services
 - Data Center Support
 - Call Center Support
- ☐ MES Services for each MITA area
 - Business Relationship
 - Care Management
 - Contractor Management
 - Member Management
 - Operations Management – Including Pharmacy
 - Program Integrity

- Program Management
- Provider Management

The Vendor must propose staffing levels that ensure all activities, business processes, and program services are effectively addressed. Proposed individuals must possess the skills, qualifications, and certifications necessary for the roles they are filling, and at a minimum, all individuals proposed must:

- ☐ Be proficient with the systems they are implementing, operating, and supporting.
- ☐ Possess adequate writing, verbal, and presentation skills.
- ☐ Be flexible and adaptable in dealing with ambiguous situations.
- ☐ Be able to work independently, leverage previous experience, and lead specific assigned tasks.
- ☐ Possess strong project management knowledge that is represented by proven results on large scale projects.
- ☐ Possess strong business process expertise that can guide the level of process changes this MES must support.
- ☐ Must comply with federal E-Verify regulations.
- ☐ Be proficient in written and spoken English.

3.2.1 – Staffing Roles and Responsibilities

It is a requirement of the State that there be a single point of accountability for the successful delivery of all services and being proposed. The State will only enter into a contract with the prime Vendor. The Vendor is directly and entirely responsible to the State for fulfilling contractual obligations and for the performance of any subcontractors. It is imperative that the Vendor's staff assigned to this procurement have the program or project subject matter expertise, technical expertise, and business process expertise related to Medicaid or other similar large scale projects.

The Vendor staffing plan needs to demonstrate that adequate personnel are available to ensure that timelines, deliverables, meetings, and feedback are on-time and thoroughly documented. The Vendor's staff resources must be available after normal hours on an as-needed basis. Vendor's staff travel time should be scheduled to minimize impact on project work and schedules.

The Vendor must complete the staffing plan identifying the following:

- ☐ Roles and responsibilities of the Vendor and any partners and subcontractors for each area
- ☐ Key personnel in each role who will be assigned to this project, their duties and

responsibilities

- ☐ A project manager who must be on-site 95% of the time for the duration of the project, is expected to provide day-to-day oversight of the project team, and must maintain close contact with the State's project manager
- ☐ Indicate which staff will be located on-site and for what percentage of the time
- ☐ Identify partners and subcontractors
- ☐ Estimates of staff and level to support each area and justification for how they will meet the State's needs
- ☐ Availability of staff / location of staff
- ☐ Other projects that staff may be assigned and indicate the time allocated for each project
- ☐ Resumes for key staff demonstrating relevant expertise and experience providing similar services for MES operations projects or comparable large scale projects
- ☐ References for key staff

The State retains the right to request Vendor staff be removed from the project at the State's discretion.

Response forms for submitting the information are contained in Section 7, Appendix N- Staffing Proposal Response.

3.3 – The MES Architectural Environment

AHS seeks a SOA- and MITA-compliant enterprise system that utilizes sound technology, is flexible, and addresses current and future needs. AHS desires the system to be aligned with the CMS MITA current and future framework. The MITA Business Architecture should be reflected within the systems processes. The MITA Information Architecture should be reflected within the system's data models and information flows. The MITA Technical Architecture should be reflected within the SOA components of the system.

3.3.1 – SOA Compliant Environment

The State of Vermont is expanding its vision of the Medicaid Enterprise beyond the scope of a traditional MMIS. That is why the new system being procured is referred to as the Medicaid Enterprise System. The Agency has taken steps to realize this vision by drafting the Agency Enterprise Architecture (EA) Analysis and by issuing an RFP for the procurement of SOA components.

The initial draft of the Agency Enterprise Architecture Analysis represents a starting point from which a sophisticated plan to support the new Agency architecture based upon the concepts of SOA will evolve. This plan will encompass the entire EA of the Agency, which includes the architecture necessary to support the Medicaid Enterprise.

AHS is currently procuring SOA components that will be implemented within the next few months and expects that the MES will interoperate with, if not utilize, these components. These components are anticipated to be purchased from a major vendor. Currently IBM, Oracle, and Software AG/Microsoft have bid. The State anticipates selecting products from one of these vendors as the primary SOA vendor. The Agency is in the process of transforming its Medicaid operations into a service-oriented enterprise structure. The State has traversed part of the journey towards a service-oriented enterprise structure and has identified several business functions and systems as core components of the new EA. The MES will be a critical component of that architecture and must be compatible with the SOA environment.

A high-level representation of the architecture is depicted in the diagram below:

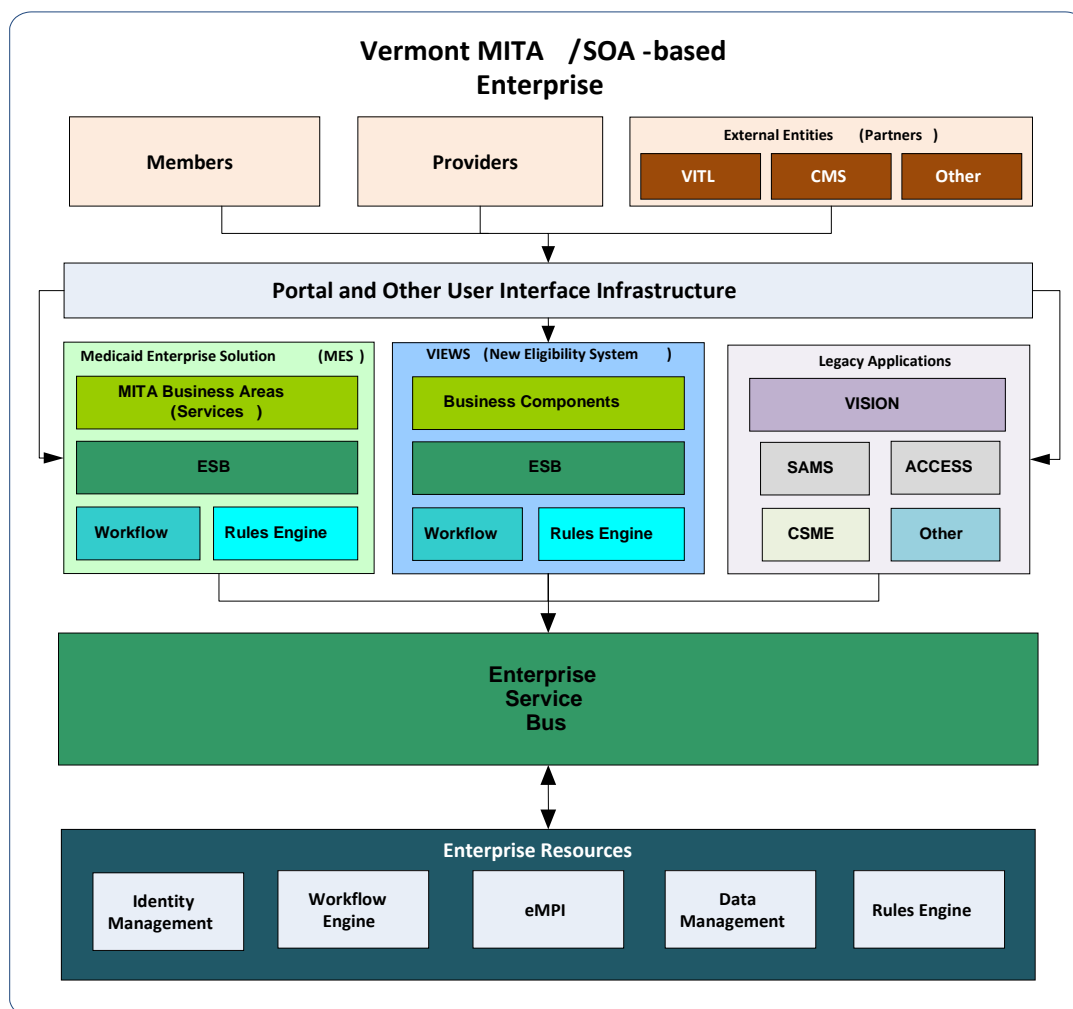


Figure 3.1: VT AHS MITA/SOA-Based Enterprise

The goal of AHS is to develop consumer-centric systems to provide the best services to the

citizens of Vermont combining efforts to streamline workflow, leverage all types of resources, and achieve economies of scale. The State envisions a system that is adaptable, expandable, and flexible. Vermont expects the MES Vendor to support and build upon these goals and the foundational components already procured and put in place in other areas of the Agency. By implementing fundamental SOA components the State envisions the ability of realizing an environment that supports service orchestrations and for information sharing across the enterprise. The MES is expected to be a key player in supporting these initiatives.

For more detail on the Agency's Enterprise Architecture see the Agency Enterprise Architecture Analysis in Section 6, Exhibit B.

3.3.2 – MES Architectural Environment Requirements Overview

The Vendor must complete the following response forms in Section 7:

- ☐ Appendix B – Business Architecture Response
- ☐ Appendix C – Information Architecture Response
- ☐ Appendix D – Technical Architecture Response
- ☐ Appendix K.1 – Technical Requirements Response
- ☐ Appendix K.2 – Information and Technical Narrative Questionnaire
- ☐ Appendix R – Reporting Strategy Response

Additional details and instructions are provided in the following sub-sections.

3.3.2.1 – Business Architecture

The Business Architecture (BA) presents the process flows that drive the business and information that supports the programs and services that are rendered by AHS. In the future environment, the Business Architecture plays a vital role in enabling changes to the business model by facilitating comprehensive, accurate, and consistent views of application processes (i.e. pharmacy and medical claims adjudication of a specific provider across all of the services rendered to a beneficiary) regardless of the source system or related MITA business area. This architectural framework aligns the business processes to the information systems that support these processes, promotes information sharing, and facilitates cross-agency information exchanges. Using the set of business processes that provide a view of the functions of the enterprise, the Business Architecture provides the organization with a high level model of its critical operations.

The details to support the Business Architecture are presented in Exhibit B – Agency Enterprise Architecture Analysis.

In response to these requirements, Vendors shall outline their business process management strategy (BPM), the governance structure and processes, and the models

necessary to support the proposed solution. Vendors shall include additional themes in their responses as necessary to explain whether the proposed solution has multiple underlying applications and process models and if so, how these separate applications will be blended to support a common application and service sharing environment. Explain how your solution will enable business functionality, be adaptable, and bring flexibility to change management processes.

Vendors must explain their strategy for designing, developing, and implementing a MITA compliant Business Architecture that allows AHS to expand this framework across the enterprise, when necessary. The Business Architecture is a critical element to the response to this RFP. Understanding the BPM strategy and how the various application system components are integrated to provide access to the information is essential to the evaluation process. The State expects the response to this strategy to include, at a minimum, a narrative explaining how the following initiatives will be accomplished with the new solution:

- ☐ Governance of the process models across existing applications and departments
- ☐ Business Process Modeling and Management for continuing process improvement
- ☐ Ability to access and exchange information, common templates, and services – Web Services Definition Language (WSDL)
- ☐ Aid in business activity monitoring
- ☐ Additional innovative ideas or approaches that will enable the State to achieve its vision for the Business Architecture

Review the Agency Enterprise Architecture Analysis document and complete the following Response Forms found in Section 7:

- ☐ Appendix B –Business Architecture Response

3.3.2.2 – Information Architecture

The Information Architecture (IA) presents the flow of information that supports both the Business and Technical Architectures. In the future environment, the Information Architecture plays a vital role in enabling changes to the business model by facilitating comprehensive, accurate, and consistent views of data (i.e. pharmacy and medical claims of a specific provider, all of the services rendered to a beneficiary) regardless of the source system of the data elements. This architectural framework aligns the business processes to the information systems that support these processes, promotes information sharing, and facilitates cross-agency information exchanges. Using the set of business processes that provide a view of the functions of the enterprise, the Information Architecture provides the organization with a high level model of its critical information.

The details to support the Information Architecture are presented in Section 6, Exhibit B – Agency Enterprise Architecture Analysis and Section 7, Appendix K.2 – Information and Technical Narrative Questionnaire.

In response to these requirements, Vendors shall outline their data management strategy, the data governance structure and processes, and the data models necessary to support the proposed solution. Vendors shall include additional themes in their responses as necessary to explain whether the proposed solution has multiple underlying applications and data models and if so, how these separate applications will be blended to support a common data sharing environment. Explain how your solution will enable business functionality, be adaptable, and bring flexibility to change management processes.

Vendors must explain their strategy for designing, developing, and implementing an Information Architecture that allows AHS to expand this framework across the enterprise, when necessary. The Information Architecture is a critical element to the proposals. Understanding the data management strategy and how the various information system components are integrated to provide access to the data is essential to the evaluation process. The State expects the response to this strategy to include, at a minimum, an explanation of how the following initiatives will be accomplished with the new solution:

- ☐ Governance of the data across existing applications and departments
- ☐ Data models and metadata information
- ☐ Utilization of standard code sets and taxonomies
- ☐ Ability to access and exchange information
- ☐ Aid in business activity monitoring
- ☐ Additional innovative ideas or approaches that will enable the State to achieve its vision for the Information Architecture

Review the Agency Enterprise Architecture Analysis document and complete the following Response Forms found in Section 7:

- ☐ Appendix C – Information Architecture Response
- ☐ Appendix K.1 – Technical Requirements Response
- ☐ Appendix K.2 – Information and Technical Narrative Questionnaire
- ☐ Appendix R – Reporting Strategy Response

3.3.2.3 – Technical Architecture

The Technical Architecture (TA) describes the current structure, future structure, and inter-relationships of the enterprise's technologies in order to maximize value. The vision of the Technical Architecture is to support the business and information needs of the Agency by leveraging common technical components (i.e. enterprise service bus and rules engine). The Technical Architecture details are presented in the Agency Enterprise Architecture Analysis document as well as in Appendix K.1 – Technical Requirements Response Appendix and K.2 – Information and Technical Narrative Questionnaire.

Vendors must explain their strategy for designing, developing, and implementing a

Technical Architecture to support the vision of AHS. This includes an explanation of the hardware and software necessary to support the solution, how these solutions are integrated, the plans for future adaptability and expandability.

Additionally, the State anticipates the following items will be described within the Vendor's response to this RFP:

- ☐ Governance of the services across the enterprise
- ☐ Utilization of or interoperation with AHS's enterprise components
- ☐ Explanation of Vendor's roadmap to achieving a complete SOA solution
- ☐ Service taxonomies and frameworks used to be SOA compliant
- ☐ Additional innovative ideas or approaches that will enable the State to achieve its vision for the Technical Architecture

The Technical Architecture Response can be found in Section 7. Review the Agency Enterprise Architecture Analysis document and complete the following response forms found in Section 7:

- ☐ Appendix D – Technical Architecture Response
- ☐ Appendix K.1 – Technical Requirements Response
- ☐ Appendix K.2 – Information and Technical Narrative Questionnaire

3.4 – The MES Solution

Currently, the CMS MITA Framework is not fully defined. The State of Vermont also understands that most MMIS solution vendors are also evolving towards a MITA and SOA-based solution. The State intends to select a vendor that understands the architectures and goals of Vermont and will assist the State in achieving these goals and keeping up with the evolution of MITA. Therefore, it will be critical for a vendor to explain its current solution and the strategic direction of this product, and to describe how this strategic direction will bring value to the State of Vermont to enable the State to achieve its long-term vision for the health care enterprise.

Vermont views the MES to be a combination of human, financial, and technological resources whose purpose is to support best practice health care services to the people of Vermont. It is recognized that this is an ever changing dynamic to provide industry best practices and meet regulatory demands. The MES solution is expected to be MITA oriented in process and architecture. The Vendor staff who will work closely with Vermont staff must have a customer focused view towards service delivery. The technology employed must be designed with best-of-breed tools.

The State is seeking an innovative MES solution that:

- ☐ Supports the goals of the MITA framework

- ☐ Uses software engineering and system development lifecycle methodologies as the basis to design new systems
- ☐ Uses proven methodologies and tools to develop new business processes and create information requirements for the new MES
- ☐ Uses proven operational management tools and processes to provide best-of-breed program and business services

AHS's approach to Business, Information, and Technical Architecture is provided in the Agency Enterprise Architecture Analysis Draft in Section 6, Exhibit B. Vendors must address these elements within the constructs of the MITA structure. Section 7 contains questions and detailed requirements that must be addressed by Vendors in response to this portion of the Scope of Work.

In this section, the Vendor will be asked to complete the following response forms:

- ☐ Appendix F.1– MES IT Support Services Requirements Response
- ☐ Appendix F.1a – MES IT Support Response
- ☐ Appendix F.2 – Care Management Services Requirements Response
- ☐ Appendix F.2a – Care Management Support Response
- ☐ Appendix F.3 – Member Management Services Requirements Response
- ☐ Appendix F.3a – Member Management Support Response
- ☐ Appendix F.4 – Operations Management Services Requirements Response
- ☐ Appendix F.4a – Operations Management Support Response
- ☐ Appendix F.5 – Operations Management Pharmacy Services Requirements Response
- ☐ Appendix F.5a – Operations Management Pharmacy Support Response
- ☐ Appendix F.6 – Program Integrity Services Requirements Response
- ☐ Appendix F.6a – Program Integrity Support Response
- ☐ Appendix F.7 – Program Management Services Requirements Response
- ☐ Appendix F.7a – Program Management Support Response
- ☐ Appendix F.8 – Provider Management Services Requirements Response
- ☐ Appendix F.8a – Provider Management Support Response
- ☐ Appendix F.9 – Business Relationship and Contractor Management Services Requirements Response
- ☐ Appendix F.9a – Business Relationship and Contractor Management Support Response

3.4.1 – Business Requirements Overview

The MES solution must effectively meet the functional and operational needs defined in the various MITA business areas. It is the State’s goal to migrate to MITA aligned business processes with a maturity level of three or more. The solution must operate as an integrated system that may be comprised of interoperable, plug-and-play modules consistent with MITA Business Services maturity goals. Detailed information regarding the as-is environment and maturity levels, and the evolving and future environment for each of the MITA business areas is included in the Agency Enterprise Architecture Analysis document provided in Section 6, Exhibit B. A summary of the maturity level for each MITA business area and process based on the MITA self assessment is located in Section 6, Exhibit D – VT MITA Gap Assessment Summary.

Response to these requirements will require completion of all the business requirements matrices and the MITA Business Response Forms contained in Section 7.

3.4.1.1 - Business Requirements Matrices

The business requirements for the MES information system are presented in two Microsoft-Excel files designed to be self-assessment tools for the bidders to complete. Complete the forms in Appendix J.1 – MITA Business Area Requirements Response and Appendix J.2 – CMS Certification Checklist Requirements Response.

3.4.1.2 - MITA Business Response

For each of the MITA business areas, the Vendors are asked to clearly provide a narrative description of the approach for meeting these needs. For each MITA business area and set of requirements, provide detailed information describing the proposed MES solution, and at a minimum discussing:

- ☐ How the proposed solution will meet and exceed progression from the current maturity levels of one or two for the MITA areas to a MITA level of three or greater
- ☐ How the proposed solution will meet and exceed the Business Requirements contained in Section 7 of this RFP
- ☐ How the proposed solution will meet and exceed the business functionality for requirements included in the CMS Checklists
- ☐ Other capabilities you have, or could have, that are significant innovations or enhancements in each MITA area

Ensure that the response for each of the above includes a narrative describing:

- ☐ How the solution will address each MITA business area
- ☐ The system, systems, or other solution, such as outsourcing, that will be used
- ☐ A clearly defined timeline for implementing the solution for each MITA area

Each MITA Business Area is described below in alphabetic order. Please note that there

are no CMS checklist requirements for Business Relationship Management or Contractor Management business areas.

3.4.1.3 – Business Relationship Management

The Business Relationship Management area owns the standards for operations between the Medicaid agency and its inter- and intra-departmental partners. It contains business processes that have a common purpose. They are to:

- ☐ Establish a clear agreement between and among the parties involved
- ☐ Identify the types of information to be exchanged or shared
- ☐ Identify security and privacy requirements
- ☐ Define communications protocols
- ☐ Manage the transfer of information

Within AHS, services are delivered by several different departments with DVHA taking lead on the administration of the Medicaid Managed Care programs. Currently business relationship activities are performed by each Department within AHS and are largely a manual process guided by the initiating department or agency. Agreements also exist with other agencies, such as the Vermont Department of Education. The typical processes and services that are needed for this Enterprise are:

Table 3.2: Business Relationship MITA Area

MITA Process	Processes and Functions	Service Activities
Business Relationship Management		
Establish Business Relationship	<ul style="list-style-type: none"> • Identification of the need to enter into a memorandum of understanding, inter-agency agreements, or other agreements. • Draft agreement between departments and Agency using available, appropriate text and customized text, as needed. • Maintain versions and iterations of documents. • Process agreement documents through to signature. • Distribute agreements to involved parties. • Maintain master copies of agreements. 	<ul style="list-style-type: none"> • Provide support for drafting memorandums of understanding, inter-agency agreements, or other agreements. • Provide support for maintaining versions and iterations of agreements. • Provide support for processing documents through to signature. • Provide support for distribution of documents to involved parties. • Provide support for maintenance of agreements.
Manage Business Relationship	<ul style="list-style-type: none"> • Identification of the need to modify Agreements. • Draft language for modifications, as needed. • Maintain versions and iterations of documents. 	<ul style="list-style-type: none"> • Provide support for managing amendments or changes to Agreements, as needed.

MITA Process	Processes and Functions	Service Activities
Business Relationship Management		
	<ul style="list-style-type: none"> • Manage amendments or changes in Agreements, as needed based on State requirements. • Process agreement documents through to signature. • Distribute agreements to involved parties. • Maintain master copies of agreements. 	<ul style="list-style-type: none"> • Provide support for maintaining versions and iterations of agreements. • Provide support for processing documents through to signature. • Provide support for distribution of documents to involved parties. • Provide support for maintenance of agreements.
Manage Business Relationship Communications	<ul style="list-style-type: none"> • Identify need to communicate between Departments and Agencies. • Develop appropriate communication letters or correspondence. • Distribute communication. • Maintain copies of communication, as needed. 	<ul style="list-style-type: none"> • Provide support for development of communication. • Provide support for distribution of communications. • Provide support for maintenance of communication.
Terminate Business Relationship	<ul style="list-style-type: none"> • Identify the need to terminate agreements. • Develop the correspondence to terminate an agreement. • Maintain documentation on terminations as needed. 	<ul style="list-style-type: none"> • Provide support for development of correspondence regarding terminations. • Provide support for maintenance of terminations.

Business Relationship Management is performed by multiple departments and agencies with disparate non-integrated methods for development and maintenance of the information. This results in numerous methods for capture and maintenance of information and manual exchange of information. A flexible, automated method for performing this activity is not currently available.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendors must propose a solution that will provide Vermont with the information needed to manage this business activity in a cost-effective manner. Responses should include suggestions for streamlining operations and demonstrating cost-effectiveness.

The system requirements for Business Relationship Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Business Relationship Management tab. There are no CMS requirements for this business area.

Complete the following response forms:

- Appendix E – MITA Business Area Response (Business Relationship Management sheet).
- Appendix J.1 – MITA Business Area Requirements Response (Business Relationship Management worksheet).

3.4.1.4 – Care Management

The Care Management business area collects information about the needs of individuals, assesses and develops plans of treatment, targets and measures outcomes, and evaluates individuals' health status.

For Vermont, promoting the health of its population is a critical part of its Global Commitment to Health Waiver. Vermont has initiated special programs for persons with disabilities, physical and mental needs, and for children with special needs. Vermont has also initiated a Vermont Chronic Care Initiative and a Buprenorphine (opiate dependency) program to provide additional support and services for Medicaid beneficiaries. Vermont currently contracts with APS Healthcare Midwest (APS) for services and use of the CareConnection system for the VCCI and Buprenorphine programs. Additionally, Vermont utilizes the DocSite system to interface with the Blueprint CHT. Care management activities also occur in other departments within AHS, and involve manual processes and home grown systems. Typical processes that are needed for this Enterprise include:

Table 3.3: Care Management MITA Area

MITA Process	Processes and Functions	Service Activities
Care Management Business Area		
Manage Medicaid Population Health	<ul style="list-style-type: none"> • Identification of Beneficiaries with chronic conditions or special needs through user-defined parameters or business rules. • Access to online sophisticated analytic tools to facilitate identification of persons who could benefit from care and disease management. • Application of industry standard grouper algorithms to stratify the population and prioritize rankings. • Outcomes measurement and reports. • Automatic notification of staff when assessment, treatment plans, or other case update and management activities are required. • Access to Beneficiary records and other supporting documentation. • Reporting on population health. • Support for Vermont Blueprint and Global Commitment Waiver care management 	<ul style="list-style-type: none"> • Perform data analysis to identify special needs and manage population health. • Contact care management candidates and provide educational materials regarding care management and disease management. • Call center support to field questions on care management programs. • Monitor service utilization and identify wellness strategies. • Perform population stratification.

MITA Process	Processes and Functions	Service Activities
Care Management Business Area		
	initiatives.	
Establish Case	<ul style="list-style-type: none"> • Case management tracking tools • Ability to obtain patient electronic health records through State VHIE. • Integrated tools to capture assessments, establish treatment plans, monitor, and track progress. • Assignment of cases to Care Management staff, providers, and Community Health workers. • Generation of letters, educational materials, and documents to send to potential Care Management candidates. 	<ul style="list-style-type: none"> • Review cases and select candidates for disease management and intensive case management activities. • Contact care management candidates. • Open case records.
Manage Case	<ul style="list-style-type: none"> • Automated ability to capture clinical and treatment information. • Online access to treatment protocols and clinical guidelines. Ability to create Vermont specific protocols to augment national standard guidelines. • View and update Beneficiary records when necessary. • Telephonic Nurse Line support. 	<ul style="list-style-type: none"> • Manage open cases and provide support to Beneficiaries to become self-sufficient in managing their chronic diseases. • Staff Nurse Line. • Obtain all patient information and supporting documentation.
Manage Registry	<ul style="list-style-type: none"> • Access to State owned registries such as immunization, breast and cervical cancer, other disease specific registries, birth and death Vital Statistics, VHIE and DocSite. 	<ul style="list-style-type: none"> • Identify registries and develop data exchanges.

Care Management is being performed by multiple organizations with disparate non-integrated systems. This results in numerous batch interfaces of information and manual exchange of patient information. A case tracking system is not available in the current MMIS. APS is providing additional case management services, data analysis and call center support.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendors must propose a solution that will provide Vermont with the information needed to manage and coordinate care for the neediest citizens in a cost-effective manner. Responses should include suggestions for streamlining operations and demonstrating cost-effectiveness.

The system requirements for Care Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Care Management tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Care Management sheet)
- Appendix F.2 – Care Management Services Requirements Response
- Appendix F.2a – Care Management Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Care Management worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Care Management worksheets).

3.4.1.5 – Contractor Management

The Contractor Management business area is the process by which outsourced contracts are solicited, initiated, monitored, managed, and terminated. Contracts for the Medicaid Enterprise may encompass both health services and administrative services.

Currently, Vermont contracting management is performed by each department within AHS and is a manual process. A contracting system is used by the Department of Family and Children (DCF) for limited purposes. The typical processes and services that are needed for this Enterprise include:

Table 3.4: Contractor Management MITA Area

MITA Process	Processes and Functions	Service Activities
Contractor Management		
Manage Health Services Contract	<ul style="list-style-type: none"> • Identification of the need to establish a contractual relationship for health services. • Develop Request for Information (RFI) or RFP if needed. • Draft contract using standard, appropriate text and customized text, as needed. • Maintain versions and iterations of documents. • Process contract documents through to signature. • Process contract through legal review. • Distribute contracts to involved parties. • Maintain master copies of contracts. • Manage amendments related to the contract. • Manage correspondence and other documents related to the contract. 	<ul style="list-style-type: none"> • Provide support for maintaining versions and iterations of contracts. • Provide support for processing documents through to signature. • Provide support for distribution of documents to involved parties. • Provide support for maintenance of master contract and amendments. • Provide support for managing correspondence. • Provide support for monitoring the contract against costs and performance.
Award Health Services Contract	<ul style="list-style-type: none"> • Manage correspondence and other documents related to the contract. 	<ul style="list-style-type: none"> • Provide support for monitoring the contract

MITA Process	Processes and Functions	Service Activities
Contractor Management		
	<ul style="list-style-type: none"> • Monitor the contract costs against contract terms. • Monitor contract against performance terms. 	<p>against costs and performance.</p> <ul style="list-style-type: none"> • Provide support for monitoring performance standards.
Close Out Health Services Contract	<ul style="list-style-type: none"> • Manage termination of contract. • Manage notice of contract close-out of contract. 	<ul style="list-style-type: none"> • Provide support for distribution of documents to involved parties. • Provide support for managing correspondence.
Manage Administrative Contract	<ul style="list-style-type: none"> • Identification of the need to establish a contractual relationship for health services. • Develop RFI or RFP if needed. • Draft contract using standard, appropriate text and customized text, as needed. • Maintain versions and iterations of documents. • Process contract documents through to signature. • Process contract through legal review. • Distribute contracts to involved parties. • Maintain master copies of contracts. • Manage amendments related to the contract. • Manage correspondence and other documents related to the contract. 	<ul style="list-style-type: none"> • Provide support for maintaining versions and iterations of contracts. • Provide support for processing documents through to signature. • Provide support for distribution of documents to involved parties. • Provide support for maintenance of master contract and amendments. • Provide support for managing correspondence. • Provide support for monitoring the contract against costs and performance.
Award Administrative Contract	<ul style="list-style-type: none"> • Manage correspondence and other documents related to the contract. • Monitor the contract costs against contract terms. • Monitor contract against performance terms. 	<ul style="list-style-type: none"> • Provide support for monitoring the contract against costs and performance. • Provide support for monitoring performance standards.
Close out Administrative Contract	<ul style="list-style-type: none"> • Manage termination of contract. • Manage notice of contract close-out of contract. 	<ul style="list-style-type: none"> • Provide support for distribution of documents to involved parties. • Provide support for managing correspondence.
Manage Contractor Information	<ul style="list-style-type: none"> • Manage communication with contractors. 	<ul style="list-style-type: none"> • Provide support for communicating with contractors.

MITA Process	Processes and Functions	Service Activities
Contractor Management		
Inquire Contractor Information	<ul style="list-style-type: none"> • Monitor contractor information. 	<ul style="list-style-type: none"> • Provide support for viewing contractor information.
Perform Potential Contractor Outreach	<ul style="list-style-type: none"> • Manage outreach to potential contractors. 	<ul style="list-style-type: none"> • Provide support for communicating with potential contractors.
Manage Contractor Communication	<ul style="list-style-type: none"> • Manage communication and correspondence to contractors. 	<ul style="list-style-type: none"> • Provide support for communicating with contractors.
Support Contractor Grievance and Appeal	<ul style="list-style-type: none"> • Manage protests or mediations and related correspondence. 	<ul style="list-style-type: none"> • Provide support for managing protests, mediations and related correspondence.

Contractor Management is being performed by multiple departments and agencies with disparate non-integrated methods for development and maintenance of the information. This results in numerous methods for capture and maintenance of information and manual exchange of information. A facile, automated method for performing this activity is not currently available.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendors must propose a solution that will provide Vermont with the information needed to manage this business activity in a cost-effective manner. Vendor responses should include suggestions for streamlining operations and demonstrating cost-effectiveness.

The system requirements for Contractor Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Contractor Management tab. There are no CMS requirements for this business area.

Complete the following response forms:

- Appendix E – MITA Business Area Response (Contractor Management sheet).
- Appendix J.1 – MITA Business Area Requirements Response (Contractor Management worksheet).

3.4.1.6 – Member Management

The Member Management business area focuses on those activities related to all members and potential members (applicants), including outreach and communication, eligibility decisions and managing member information.

The Member Management business area is a cross-department administered set of activities. The financial eligibility is managed by DCF and passed to DVHA and other outsourced entities. For the purposes of this procurement, it is assumed that DCF will continue to perform eligibility determination for all Vermont programs and distribute eligibility data to the MES, but a new eligibility system will be procured. The Vermont Integrated Eligibility Workflow System (VIEWS) RFP is expected to be released in the fourth quarter of 2010. Typical processes that are needed for the Member Management area include:

Table 3.5: Member Management MITA Area

MITA Process	Processes and Functions	Service Activities
Member Management		
Determine Eligibility	<ul style="list-style-type: none"> Financial eligibility is determined by DCF. Clinical eligibility is determined by the respective service related departments within AHS and, if a student, Department of Education. 	<ul style="list-style-type: none"> Provide automated processing and reconciliation of electronic eligibility records from DCF.
Enroll / Disenroll Member	<ul style="list-style-type: none"> Automated processing and maintenance of timely, accurate, and date sensitive data repository of eligible Beneficiaries. Automated production of ID cards for Beneficiaries and ability to adopt new methods and technologies for ID cards. Assurance that Beneficiary enrollment information meets federal and state standards. Interface with other systems and Departments for eligibility and enrollment processes. Integration with the VHIE. Compliance with the CMS Patient Protection and Affordable Care Act and the Reconciliation Act of 2010, commonly shortened to ACA. Generation extensive online standard and ad-hoc reports that address federal and state reporting requirements. 	<ul style="list-style-type: none"> Provide education activities to disseminate information about program policies and benefits to individuals, enrollees, and benefits counselors including: <ul style="list-style-type: none"> Accessing services under all State healthcare programs. Accessing non-covered health care services. Supporting members with Primary Care Physician (PCP) selection and assignment. Explaining beneficiary rights, including appeal and fair hearing rights, confidentiality rights, and availability of the Office of the Ombudsman. Explaining cost sharing responsibilities to members. Explaining beneficiary responsibilities, including obtaining prior authorization, proper access to emergency

MITA Process	Processes and Functions	Service Activities
Member Management		
		<p>services, appointments with PCPs and specialists.</p> <ul style="list-style-type: none"> ○ Assisting individuals with enrollment problems. • Provide enrollment activities to assist members with health plan enrollment, including: <ul style="list-style-type: none"> ○ Assisting members with Health Plan selection. ○ Assisting members with PCP selection and assignment. ○ Managing PCP auto-assignment levels. ○ Sending confirmation packages to eligible members. ○ Notifying members and health plans of reinstatement in managed care plan. ○ Assisting members with completion of forms when necessary. ○ Sending Plan/PCP preference forms. ○ Assisting members with transferring members between plans and annual re-enrollment.
Manage Member	<ul style="list-style-type: none"> • Accurate maintenance of categories of service, program eligibility information for the Medicare program, third party liability (TPL), Buy-in, Long Term Care (LTC), Patient Share of Cost, hospice, lock- in/out and other information needed to accurately process claims and manage the membership. • Maintenance of customer service support through electronic, web and telephonic methods. • Generation of extensive online standard and ad-hoc reports that address federal and state reporting requirements. 	<ul style="list-style-type: none"> • Provide telephone access for members and other interested parties, including: <ul style="list-style-type: none"> ○ Live telephone support by trained staff during normal business hours, Monday through Friday except for holidays. ○ TTY communication, relay service and language translation, as specified by the State.

MITA Process	Processes and Functions	Service Activities
Member Management		
		<ul style="list-style-type: none"> Establishment and maintenance of sufficient toll-free phone lines to support member inquiries. Generation of reports on activities performed. Tracking and reporting on calls. Updating member data in the MES. Notifying DCF of changes in eligibility.
Inquire Member Eligibility	<ul style="list-style-type: none"> Support online and automated inquiries on eligibility. 	<ul style="list-style-type: none"> Provide online and automated inquiries on eligibility.
Perform Population and Member Outreach	<ul style="list-style-type: none"> Support beneficiary outreach communication letters, brochures, or other communications. 	<ul style="list-style-type: none"> Provide outreach activities to disseminate information to members, providers, and other interested parties regarding the State's health care programs, including: <ul style="list-style-type: none"> Maintaining and updating the State's enrollment kits. Coordinating outreach efforts with community agencies and advocacy groups. Arranging and conducting group meetings. Member handbooks.
Manage Applicant and Member Communication	<ul style="list-style-type: none"> Tools to support generation and distribution of letters and correspondence. Tools to establish, maintain and test business rules for edits/audits, policy, service limits, benefit plans, and other required eligibility information. Maintain customer service support through electronic, web and telephonic methods. 	<ul style="list-style-type: none"> Provide member communication to disseminate information to members, providers and other interested parties regarding the State's health care programs, including: <ul style="list-style-type: none"> Maintaining and updating the State's enrollment kits. Coordinating outreach efforts with community agencies and advocacy

MITA Process	Processes and Functions	Service Activities
Member Management		
		groups. <ul style="list-style-type: none"> Arranging and conducting group meetings.
Manage Member Grievance and Appeal	<ul style="list-style-type: none"> Support management and tracking of member grievances and appeals. 	<ul style="list-style-type: none"> Processing of beneficiary requests for fair hearings. Tracking of complaints, grievances, and appeals.

Member Management is performed by multiple organizations with disparate non-integrated systems. This results in numerous batch interfaces of information and manual exchange of beneficiary information. A consumer-centric view of all member activity is not currently available.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendors must propose a solution that will provide Vermont with the information needed to manage and coordinate care for the neediest citizens in a cost-effective manner. Include suggestions for streamlining operations and demonstrate cost-effectiveness in your response.

The system requirements for Member Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Member Management tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Member Management sheet)
- Appendix F.3 – Member Management Services Requirements Response
- Appendix F.3a – Member Management Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Member Management worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Beneficiary Management worksheet).

3.4.1.7 – Operations Management

Operations Management business activities involve management of the claims control and processing, cost recoveries and cost avoidance, service authorizations, claims payments, receivables, and management of financial information.

The Operations Management business area is driven by Medicaid and the Vermont Global

Commitment to Health Waiver, is overseen by AHS, and administered by DVHA acting as the statewide Public Managed Care Organization. DVHA purchases services from other AHS departments and other agencies, including Department of Education (DOE) to manage operations that support the payment of providers, Home and Community Based organizations, other agencies, insurers, Medicare premiums, and support the receipt of payments from other insurers, providers, and member premiums. Typical processes that are needed for the Operations Management area include:

Table 3.6: Operations Management MITA Area

MITA Process Group	Processes and Functions	Service Activities
Operations Management Business Area		
Payment and Reporting	<ul style="list-style-type: none"> • Support coordination of benefits (COB) activities. • Develop business rules for claims edits to support cost-avoidance activities • Flag claims for potential pay-and-chase activities. • Processing, management and tracking of eligible providers participating in incentive programs. • Generation and distribution of appropriate remittance advices (RA), explanations of benefits (EOB), correspondence, and documentation. • Prepare and track premium payments. • Prepare and track all types of provider payments, including claims and incentive. • Maintain accurate financial records. 	<ul style="list-style-type: none"> • Manage COB utilizing multiple approaches, such as cost avoidance and pay-and-chase, to maximize other insurance payments. • Research other insurance sources for members. • Review and distribute EOBs and RAs. • Establish financial controls to ensure that accurate financial records are maintained. • Reconcile payments.
Claims / Encounter Adjudication	<ul style="list-style-type: none"> • Electronic capture of claims and supporting documentation for Medicaid and other claims. • Capture of paper claims and supporting documentation. • Online maintenance claims and attachments. • Automated management, control, and tracking of the movement of claims through the information system. • Develop and maintain business rules for claims edits. • Edit/audit, adjudication, and pricing of claims according to eligibility of beneficiaries and providers, benefit package, and payment rules, as defined by federal and state requirements. • Edit/audit, adjudicate, and value encounters according to eligibility of beneficiaries and providers, benefit package, and payment rules, as defined by federal and state requirements. 	<ul style="list-style-type: none"> • Process claims that cannot be auto-adjudicated. • Provide staff to ensure timely adjudication of claims, including examiners, auditors, data entry staff, and Quality Assurance (QA) staff to validate manual entry. • Override claims/encounter edits when necessary. • Monitor claims processing activity and maintain inventory control. • Maintain pricing schedules and update fee schedules based on contract updates. • Audit claims and claims

MITA Process Group	Processes and Functions	Service Activities
Operations Management Business Area		
	<ul style="list-style-type: none"> • Automatic real-time and point of service (POS) adjudication of claims. • Processing of all claims, including Long Term Care, hospital, outpatient, transportation, pharmacy, durable medical equipment (DME), vision, and other claims. • Maintain and apply appropriate pricing information for pharmacy claims. • Claim audit tools to evaluate claims for such things as, bundling and unbundling, etc. • Processing, management and tracking of Patient Share of Cost claims. • Processing of voids and adjustments, including mass adjustments. • Maintain pricing schedules. 	<p>processors.</p> <ul style="list-style-type: none"> • Review pended claims and attempt to resolve issues. • Provide technical assistance to providers and pharmacies to resolve claims payment issues.
Capitation and Premium Preparation	<ul style="list-style-type: none"> • Processing of payments for eligible beneficiaries in the Employee-Sponsored Insurance (ESI) program. • Processing, management and tracking of Health Insurance Premium Payment (HIP) and Buy-in. • Processing, management and tracking of Medicare payments. 	<ul style="list-style-type: none"> • Establish and manage premium payments. • Monitor payments to beneficiaries for drugs and services.
Payment Information Management	<ul style="list-style-type: none"> • Accurate update of code sets, benefit plans, pricing and other information needed to process claims. • Processing, management and tracking of accurate financials and ensuring that electronic file transfer transactions and hardcopy checks are issued in accordance with federal and state policy. • Interface with other systems to obtain accurate and timely eligibility, provider, pharmacy, case management, and customer service information. • Interface with other systems to manage claim payment information. • Maintaining financial records for all providers. 	<ul style="list-style-type: none"> • Manage code set updates. • Monitor payments and maintain financial information. • Manage the electronic data interchange (EDI) processes and resolve data discrepancies.
Member Payment Management	<ul style="list-style-type: none"> • Calculate spend-down amounts. • Prepare member premium invoice. • Prepare other member premium payments, as needed. 	<ul style="list-style-type: none"> • Manage member premium payments. • Track member payments.
Cost Recoveries	<ul style="list-style-type: none"> • Management of claims for TPL and COB to ensure active recovery and cost avoidance. 	<ul style="list-style-type: none"> • Manage TPL process. • Continually monitor other

MITA Process Group	Processes and Functions	Service Activities
Operations Management Business Area		
	<ul style="list-style-type: none"> • Processing, management and tracking of estate, hospice, trust and annuity, and Legal Aid Medicare Project (LAMP) settlements. • Processing, management and follow-up on recoveries when a refund or payment adjustments are required from providers or beneficiaries. • Processing and management of drug rebate programs. 	<p>insurance sources to offset costs to Medicaid and State.</p> <ul style="list-style-type: none"> • Provide support to the estate settlement process and other legal activities to pursue cost recoveries. • Correspond with members, providers, insurers, and guardians to pursue cost recoveries. • Manage and track all drug rebate programs. • Establish drug rebate programs as required by regulations. • Keep abreast of new drug rebate programs and revise existing programs as needed.
Service Authorization	<ul style="list-style-type: none"> • Maintain a web-based service authorization application for providers to submit requests, submit supporting documentation, and receive responses. • Management of service authorizations to ensure correct application of authorizations to claims processing and payments. • Maintain a current and accurate database of authorization information. • Track service authorization utilization and report on unused authorizations, open authorizations, and authorization statistics. • Assist staff with authorization processing by making best practice guidelines available. • Manage the referral process and issue authorizations for referrals, as needed. • Manage the drug authorization process for point-of-sale processing and batch claim processing. 	<ul style="list-style-type: none"> • Maintain service authorization information. • Manage drug authorization process. • Process and adjudicate service authorization requests. • Review documentation and treatment protocols to support the authorization process. • Manage service referral process.

Operations Management is being performed by multiple organizations with disparate non-integrated systems. This results in numerous batch interfaces of information, as well as the manual exchange of claims and financial information. A consumer-centric view of all operations activity is not currently available.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendor must propose a solution that will provide Vermont with the information needed to manage and coordinate care for the neediest citizens in a cost-effective manner. Include suggestions for streamlining operations and demonstrate cost-effectiveness in your response.

The system requirements for Operations Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Operations Management tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Operations Management sheet)
- Appendix F.4 – Operations Management Services Requirements Response
- Appendix F.4a – Operations Management Support Response
- Appendix F.5 – Operations Management Pharmacy Services Requirements Response
- Appendix F.5a – Operations Management Pharmacy Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Operations Management worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Operations Management worksheet – (Claims Receipt, Claims Adjudication, Reference Data Management, Pharmacy POS, Third Party Liability)).

The initial draft of the Agency Enterprise Architecture Analysis provides a starting point from which a sophisticated plan to support the new Agency architecture based upon the concepts of SOA will evolve. This plan will encompass the entire EA of the agency, which includes the architecture necessary to support the Medicaid Enterprise.

3.4.1.8 – Program Integrity

Program Integrity Management business activities involve analysis of data collected from the Medicaid Enterprise with the purpose of data pattern identification, detection, and investigation of possible misuse and abuse of the program. The Program Integrity business area was formerly termed the Surveillance and Review subsystem in the Medicaid environment.

In Vermont, the Medicaid Enterprise Program Integrity Management activities cross departments within AHS and include departments in other agencies such as the Department of Education and the Attorney General's Office. The Program Integrity business process also includes coordination and management of data analysis for retrospective claims reviews using the services of Ingenix, the External Quality Review Organization (EQRO), and Payment Error Rate Measurement (PERM) audits. Activities performed by the Program Integrity business area require active fraud and abuse detection, investigation and

appropriate disposition, evaluation of service patterns, and management of opportunities for the broader goals of continual quality improvements. In that endeavor, the business area must enlist investigatory research and support across AHS departments, DOE, and legal advice and support from the Attorney General's Office. Typical processes that are needed for this area include:

Table 3.7: Program Integrity MITA Area

MITA Process	Processes and Functions	Service Activities
Program Integrity		
Identify Candidate Case	<ul style="list-style-type: none"> Automated capture of information from a variety of sources and methods about possible misuse or abuse of the program by providers or beneficiaries. Compilation and analysis of claims and other information to perform investigations and determinations. Quarterly retrospective analysis of data for utilization patterns and claim/billing and service anomalies. 	<ul style="list-style-type: none"> Manage claims and other data to review utilization patterns, prescribing patterns to identify possible abuse, misuse. Manage identification of service utilization and prescribing problems.
Manage Case	<ul style="list-style-type: none"> Management of investigative information, summarization of materials and determinations of possible misuse or abuse of the program. Generation of appropriate correspondence and documentation. Referral of suspected fraud and abuse for legal disposition to the Attorney General's Office. Management and follow-up with provider education, when indicated. Management and follow-up on recoveries when refunds or payment adjustments are required. Notification of staff when lock-in or lock-out procedures are indicated. Automated document management and workflow. Coordination and management of EQRO and PERM audits and compliance related improvements. 	<ul style="list-style-type: none"> Coordinate with internal and external staff to summarize investigative materials related to possible misuse or abuse of the program. Manage correspondence and documentation. Manage tracking and processing of recoveries. Manage documents and workflow. Administrative follow-up when lock-in or lock-out procedures are indicated.

Program Integrity is being performed by multiple organizations with disparate non-integrated systems resulting in numerous batch interfaces of information, as well as the manual exchange of claims data and financial information. Case tracking is done using homegrown databases that are not automatically interfaced to the Hewlett-Packard (HP) claims system.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned

business area. Propose a solution that will provide Vermont with the information needed to manage in a cost-effective manner. Include suggestions for streamlining operations and demonstrate cost-effectiveness in your response.

The system requirements for Program Integrity can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Program Integrity tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Program Integrity sheet)
- Appendix F.6 – Program Integrity Services Requirements Response
- Appendix F.6A – Program Integrity Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Program Integrity worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Program Integrity worksheet).

3.4.1.9 – Program Management

The Program Management business area activities encompass the strategic planning, policy making, monitoring, financial management, and quality of service oversight.

The Program Management business area is driven by Medicaid and the Vermont Global Commitment to Health Waiver, and is a cross-agency administered set of activities. Many of the activities in this area are performed manually across AHS. Typical processes that are needed for the Program Management area include:

Table 3.8: Program Management MITA Area

MITA Process	Processes and Functions	Service Activities
Program Management		
Designate Approved Service/Drug Formulary	<ul style="list-style-type: none"> • Develop and manage benefits service packages, benefit design, and formulary. 	<ul style="list-style-type: none"> • Provide support and methods for development and management of benefits service packages, benefit design, and formulary development. • Provide for upload and maintenance of service and formulary.
Manage Rate Setting	<ul style="list-style-type: none"> • Management of rate setting functions with participation of outside data aggregators and independent actuarial support. 	<ul style="list-style-type: none"> • Provide support for management of rate setting functions with participation of outside data aggregators

MITA Process	Processes and Functions	Service Activities
Program Management		
		<p>and independent actuarial support.</p> <ul style="list-style-type: none"> • Provide decision support for obtaining analysis of claims and financial information for rate setting.
Develop and Maintain Benefit Package	<ul style="list-style-type: none"> • Develop and manage benefit packages. 	<ul style="list-style-type: none"> • Provide support and methods for development and management of benefits service packages. • Provide upload and maintenance of benefit packages
Develop and Maintain Program Policy	<ul style="list-style-type: none"> • Develop and manage program policy information. 	<ul style="list-style-type: none"> • Provide methods for development and management of program policy.
Maintain State Plan	<ul style="list-style-type: none"> • On-going development and management of the State Plan. 	<ul style="list-style-type: none"> • Maintain the State Plan.
Develop Agency Goals and Initiatives	<ul style="list-style-type: none"> • On-going development and maintenance of AHS Goals and Initiatives. 	<ul style="list-style-type: none"> • Provide tools for development and maintenance of AHS Goals and Initiatives.
Manage Federal Participation for MMIS	<ul style="list-style-type: none"> • Manage Federal Financial Participation (FFP) including required enrollment counts, cost savings and, other required reporting. 	<ul style="list-style-type: none"> • Provide reporting needed to manage FFP. • Provide accurate and complete financial reporting.
Formulate Budget	<ul style="list-style-type: none"> • Manage development of budgets. 	<ul style="list-style-type: none"> • Provide sophisticated tools for development of budgets.
Manage State Funds	<ul style="list-style-type: none"> • Manage State funds. 	<ul style="list-style-type: none"> • Provide sophisticated tools for management of State funds. • Provide and maintain accurate and complete financial reporting.
Manage Federal Medical Assistance Percentage (FMAP)	<ul style="list-style-type: none"> • Manage FMAP. 	<ul style="list-style-type: none"> • Provide tools for management of FMAP.
Manage 1099's	<ul style="list-style-type: none"> • Generation of 1099's for providers on a yearly basis. 	<ul style="list-style-type: none"> • Manage 1099 process for providers.

MITA Process	Processes and Functions	Service Activities
Program Management		
Perform Accounting Functions	<ul style="list-style-type: none"> Maintenance of accounting functions including, payables and receivables, and reconciliations. 	<ul style="list-style-type: none"> Provide accounting support including, payables and receivables, and reconciliations. Provide decision support reporting.
Develop and Manage Performance Measures and Reporting	<ul style="list-style-type: none"> Monitor financial and program effectiveness through development and generation of performance measures. Ensure federal and state requirements for performance measurement and reporting are met. Establish thresholds in performance indicators and reporting to alert staff to potential problems. Provide automated tools to support program and financial monitoring activities. 	<ul style="list-style-type: none"> Develop and monitor performance indicators. Analyze reports to determine cost-effectiveness and efficiency of health care programs. Provide support and methods to generate financial/program analysis reporting that meets federal and state requirements.
Monitor Performance and Business Activity	<ul style="list-style-type: none"> Generate reports to monitor program performance. Monitor utilization of programs and determine cost-effectiveness. Ensure that programs meet federal and state federal requirements through analysis of performance reports. 	<ul style="list-style-type: none"> Maintain information needed to generate program monitoring reports. Ensure that all federal and state requirements are met through analysis of reports. Develop reports and performance indicators as needed to monitor performance.
Manage Program Activity	<ul style="list-style-type: none"> Provide reports and other tools to manage and analyze program activity. 	<ul style="list-style-type: none"> Analyze reports and monitor program activity. Ensure that federal and state requirements are met. Ensure that new federal and state requirements are met timely through development of monitoring tools and reports.
Maintain Benefit / Reference Information	<ul style="list-style-type: none"> On-going development and maintenance of benefit and reference information. 	<ul style="list-style-type: none"> Provide methods to capture and maintain benefit and reference information. Provide for methods to automate upload and maintenance of benefit and reference information.
Generate	<ul style="list-style-type: none"> Develop, design and maintain Financial and 	<ul style="list-style-type: none"> Manage and analyze

MITA Process	Processes and Functions	Service Activities
Program Management		
Financial and Program Analysis/Report	Program reports. • Provide support and methods to generate financial/program analysis reporting that meets federal and state requirements.	financial reports.

Program Management is being performed by multiple organizations with disparate non-integrated systems. This results in numerous batch interfaces of information and manual exchange of claim and financial information.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendor must propose a solution that will provide Vermont with the information needed to manage and coordinate in a cost-effective manner. Include suggestions for streamlining operations and demonstrate cost-effectiveness in your response.

The system requirements for Program Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Program Management tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Program Management sheet)
- Appendix F.7 – Program Management Services Requirements Response
- Appendix F.7a – Program Management Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Program Management worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Program Management worksheet).

3.4.1.10 – Provider Management

The Provider Management business area focuses on those activities related to all providers, including recruiting potential providers, supporting the needs of the population, maintaining information on the provider, and communicating with the provider community.

The Provider Management business area is driven by Medicaid and the Vermont Global Commitment to Health Waiver and is a cross-Agency administered set of activities. Managing providers also requires access to information on providers that may be

maintained in a number of separate databases, such as, licensing and certifications, Child Welfare, Child Protection, Sexual Offender Registries, Motor Vehicle, and Medicare databases.

Typical processes that are needed for the Provider Management area include:

Table 3.9: Provider Management MITA Area

MITA Process	Processes and Functions	Service Activities
Provider Management		
Enrolling / Disenrolling Providers	<ul style="list-style-type: none"> • Electronic and web-based processing of enrollment and disenrollment forms containing demographic information, licensing or certifications, specialty and other information needed to commence provider enrollment. • Electronic processing of credentialing that includes capture of needed information and gathering and verification of licensing/certifications, investigation of various other databases, and communication with the provider and others. • Annual licensing credentialing or certification for providers. • Routine checks within the various databases for possible incriminating information that may impact on-going enrollment. • Obtaining and processing information on Medicare sanctions. • Standard and ad hoc report online generation to capture provider enrollments, disenrollments, types, specialties, geographic distribution, and other reports. 	<ul style="list-style-type: none"> • Manage the provider enrollment and disenrollment processes, including coordinating with licensing and credentialing organizations. • Monitor external organizations and databases for adverse actions against enrolled providers.
Managing Provider Information and Inquiry	<ul style="list-style-type: none"> • Automated entry and maintenance of a timely, accurate, date-sensitive, provider database of enrolled providers including current and historical status, eligibility to perform types of services or specific programs, reimbursement rates, demographics, addresses, provider identifiers, affiliations with group practices, managed care organizations, business sites, billing services, and other entities. • Processing of provider data to support timely and accurate information access for claims processing, service authorizations, decision support, utilization review and quality assurance, TPL, EPSDT, DUR, PERM, EQRO auditing, and other purposes. • Electronic transfer of provider information, as 	<ul style="list-style-type: none"> • Coordinate with internal and external business partners to establish data exchanges. • Manage reconciliation processes of provider information among systems. • Develop provider data management strategy to ensure high quality data. • Perform Quality Assurance and Quality Improvement initiatives to review, audit, and correct provider data.

MITA Process	Processes and Functions	Service Activities
Provider Management		
	needed.	
Provider Support Services	<ul style="list-style-type: none"> • Management and resolution of provider inquiries or communication. • Generation of communication to providers on policy, program, or other changes. • Generation of letters, notices, and other communication to providers. • Development and distribution of educational and other materials for providers. • Document management and workflow. • Maintenance of a web-based and other automated provider help lines. 	<ul style="list-style-type: none"> • Maintain a provider call center during normal business hours including staffing, tracking and reporting on activities. • Provide an adequate number of toll free phone lines to meet call demand and provide after hours automated (AVR) support for provider inquiries. • Provide clinical and technical support to providers and pharmacies regarding prescribing and pharmaceutical protocols. • Manage other automated provider communication tools and content, such as the provider web portal. • Management and resolution of provider inquiries or communication.
Managing Provider Grievances and Appeals	<ul style="list-style-type: none"> • Management of provider grievance and appeal. 	<ul style="list-style-type: none"> • Manage the provider grievance and appeals process. • Research and resolve provider issues.
Performing Provider Outreach	<ul style="list-style-type: none"> • Perform provider outreach to manage gaps in access to services and respond to on-going health reforms initiatives. 	<ul style="list-style-type: none"> • Identify provider outreach opportunities and strategies to communicate with providers. • Develop of educational and outreach materials. • Develop of communication to providers on policy, program, or other changes.

Provider Management is being performed by multiple organizations with disparate non-integrated systems. This results in numerous batch interfaces of information and manual exchange of information. Provider Services support is divided among multiple organizations as well.

The goal of the Medicaid Enterprise is to evolve to a fully-operational MITA-aligned business area. Vendor must propose a solution that will provide Vermont with the information needed to manage and coordinate this area in a cost-effective manner. Include suggestions for streamlining operations and demonstrate cost-effectiveness in your response.

The system requirements for Program Management can be found in Appendix J.1 (MITA Business Area Requirements Response) under the Provider Management tab and Appendix J.2 (CMS Certification Checklist Requirements Response).

Complete the following response forms:

- Appendix E – MITA Business Area Response (Provider Management sheet)
- Appendix F.8 – Provider Management Services Requirements Response
- Appendix F.8a – Provider Management Support Response
- Appendix J.1 – MITA Business Area Requirements Response (Provider Management worksheet).
- Appendix J.2 – CMS Certification Checklist Requirements Response (Provider Management worksheet).

3.5 – On-Going Support for the MES

Ongoing information technology support services are being performed by HP and others for the current MMIS as depicted in Section 2. The MES Vendor will be expected to provide a complete range of support services to ensure uninterrupted system access and business support.

Vendor must respond to this section by providing a detailed description of how the Vendor will meet AHS' expectations for the new MES Support Services in Section 7, Appendix F.1.a – MES IT Support Response.

Vendor must complete MES design, development, and implementation in accordance with the federal and state regulations and guidelines, and the requirements set forth in this RFP. The Vendor will be responsible for the operation and performance of the MES, ensuring system functions perform reliably and accurately. The Vendor is required to provide qualified personnel resources, facilities, hardware, software, and supplies necessary to support the production and operation of the MES, and to meet the business, information, and technical requirements and performance standards described in this RFP.

Vendor will be responsible for system, application, and network performance for all segments of the solution that are hosted. The Vendor may propose a combination of State run and hosted services. Your proposal should demonstrate the cost benefit to the State and identify the State's risk.

Information technology support services for the hosted portion of the solution should encompass all aspects of maintaining the MES such as data center support, end user support, and change management support, including the following:

- ❑ Information Technology Infrastructure – Information technology infrastructure support includes operations and management of the Data Center. Vendor will manage hardware including the purchase, installation, configuration, monitoring, and ongoing optimization for end user access. Vendor will be responsible for purchase, installation, licensing, configuration, testing, maintenance, and enhancement of operating systems and applications, and will manage data communications including the provision of communications lines, network configuration, and wide area network/local area network (WAN/LAN) support.
- ❑ System Management – Vendor will be responsible for the configuration of hardware and software in the MES including version control for all software, documentation, and procedures. Provide database administration including maintaining and generating data dictionaries, database design, optimization, and proactive monitoring and sizing to ensure data integrity. Vendor will maintain and enforce an operational schedule that ensures system availability that will meet the needs of the State and providers, and will ensure continual performance monitoring and tuning.

Vendor will provide production operations support including the managerial and technical services required to manage and operate the MES and to schedule and monitor batch production runs.

Vendor will support EDI operations including acceptance and generation of inbound and outbound standard transactions, seamless integration of data into the MES, data quality standards and reconciliation processes to guarantee no data loss or degradation of data, and technical support for business partners involved in data exchanges.

Vendor will establish and maintain archival and retrieval procedures that ensure the safe and secure archival of data according to federal and state requirements and tested ability to retrieve archived data, and will administer security ensuring that all electronic and printed information is secure and available to authorized individuals only and complies with all current and emerging federal and state standards.

- ❑ End User Support – The Vendor will be responsible for trouble-shooting and analysis of user problems. Vendor will provide of a fully-functional Help Desk with maximum availability to support the State and its providers, including staffing, equipment, software, and facilities. Support services will conform to established performance standards and escalation procedures to ensure timely response and resolution of calls, proper escalation of issues, and application of appropriate resources to resolve outstanding issues.

Vendor will be responsible for training of internal and external staff during implementation, and ongoing training over the course of the contract for State staff in systems usage, reporting tools, and operational policies and procedures. This includes

the development of a comprehensive training plan and schedule for operational and technical staff including options for training such as computer-based training modules for self-paced training. Vendor will provide training materials (including online materials), presentation materials, equipment used in training, and facilities for training. The Vendor will be held responsible for assuring appropriate levels of learning have resulted from the training methods used, either through pre- and post- testing or other methods to demonstrate that the goals of the courses have been achieved.

Vendor will provide and maintain documentation, including production control processes, user manuals, technical manuals, bulletins, and newsletters, other aids to support end user system interactions, and access to documentation in electronic formats to facilitate access

- ❑ Software Change Control – Vendor will be responsible the automated tracking and reporting of problems. This will include providing updated tools for management of the software development life cycle (SDLC), including incremental version controls, libraries with check in/out capacity, and automated tracking and reporting of system change requests and enhancements.

Vendor will provide documented change control practices including version control procedures, tracking, prioritization, categorization, scheduling, testing, acceptance, and implementation. Vendor will be responsible for the development of change management policy that ensures timely incorporation of federal and state mandated system and operational changes.

- ❑ Business Continuity Planning and Disaster Recovery Planning – Vendor will develop and maintain a realistic business continuity plan defining how to maintain all business functions, including customer services, claims processing, and POS processing, when automated services are lost. Vendor will also develop and implement a solution for system redundancy in all critical system components, such as network devices, network communication paths, processors, and data storage to ensure that no single point of failure will disrupt the continuation of operations.

Vendor will identify and establish an off-site back-up installation that can be operational within a reasonable amount of time to minimize the impact to business operations. Vendor will be responsible for the development and maintenance of a disaster recovery plan that addresses recovery of business functions without loss of data in the event of interruption of automation services for any reason addressing all aspects of recovery, testing, and training of staff. Vendor will provide a system and data back-up plan to ensure no data loss during an interruption of service and adherence to federal and state data retention standards.

- ❑ Contract Management – Vendor will establish and maintain project management, monitoring, and control procedures to ensure contract compliance, and will develop procedures to correct deficiencies in performance in a timely manner and to notify the State of its corrective action plans and progress towards completion.

Vendor will be responsible for the development and implementation of performance

metrics encompassing key system performance and operational performance indicators including the generation of reports to measure contract compliance. Vendor will establish and maintain an automated project tracking and control system including a report card and dashboards.

Vendor will provide routine status reporting on operational activities, system maintenance activities, system modification activities, customer service activities, and resource issues including face-to-face meetings and written reports in electronic format.

- ❑ Quality Assurance – Vendor will develop a risk management plan and a quality assurance plan that includes procedures that ensure accuracy, consistency, timeliness, and quality of all work products and services. Vendor will develop policies and procedures to ensure consistency in all operations.
- ❑ Technology Assurance – Vendor will be responsible for all other activities necessary to maintain the MES and guarantee high availability and performance. In addition, the Vendor is expected to stay abreast of technological changes and trends, and to assure that the MES evolves and receives the benefits of proven advances.

AHS is seeking innovative and collaborative solutions to providing information technology services to the Medicaid Enterprise including DVHA and all of its internal and external business partners. The solutions should include consideration for efficiency and cost-effectiveness.

Provide a detailed description of how your organization will meet AHS' expectations for the new MES Support Services in Section 7, Appendix F.1a – MES IT Support Services Requirements Response.

3.6 – The MES Implementation Services and Project Management

The State of Vermont recognizes that the development and implementation of the MES solution is complex and has many moving parts that must be interoperable and achieve the highest level of quality and service. The State prefers that the overall approach to this solution include a series of iterations of development and implementation. It will need to be approached in manageable sequences that ensure quality and addresses the best interests of the State. In all parts of this response reflect your best approach to implementing the proposed solution with this in mind.

What follows in Sections 3.6.1 through 3.6.12 is a description of classic SDLC methodology, which alone cannot accomplish a successful SOA implementation. The State expects the Vendor to show how their project management methodology can meet the best practices and outcomes of SDLC, but in a SOA environment. The State expects the Vendor to be explicit in its description of how the Enterprise Architecture (Business, Information, and Technology) will be used to drive the proposed MES solution.

For the purposes of project planning and management, the MES implementation phase has been divided into 12 sub tasks:

1. Project Management and Planning
2. Project Initiation
3. Requirements Analysis and Validation
4. Data Conversion
5. System Design
6. MES Construction and Unit Testing
7. Integration and System Testing
8. User Acceptance Testing and Operational Readiness Testing
9. Organizational Change Management
10. Training
11. Implementation
12. Post-Implementation Evaluation and Certification

Each of these tasks is described in detail below. Vendors will be asked to describe their approach to each of these tasks as indicated in the following sub-sections by completing the following forms:

- Appendix G – Project Management Response
- Appendix H.1 – Project Initiation Response
- Appendix H.2 – Requirements Analysis and Validation Response
- Appendix H.3 – Data Conversion Response
- Appendix H.4 – System Design Response
- Appendix H.5 – MES Construction and Unit Testing Response
- Appendix H.6 – Integration Testing Response
- Appendix H.7 – User Acceptance Testing Response
- Appendix H.8 – Organizational Change Management Response
- Appendix H.9 – Training Response
- Appendix H.10 – Implementation Task Response
- Appendix H.11 – Post-Implementation Evaluation Response

3.6.1 – Project Management and Planning Approach

AHS believes strongly that project management is a key factor in the success of any project. Vendor must provide a detailed description of its overall management approach.

3.6.1.1 – Project Management Approach

The Vendor must provide a detailed description of its approach to project management and the processes it will use to manage and control the MES project including, at a minimum, a project management methodology, a quality management methodology, and a software development methodology.

Vendor must provide a complete description of the Vendor's management system and describe how its project management, quality management, and software development methodologies are designed to work together, how they are enacted; and if they are based on industry best practices and recognized methodologies such as the Project Management Institute's Project Management Body of Knowledge (PMBOK), the ISO 9000:2000 family of standards set forth by the International Standards Organization, and the Software Engineering Institute's (SEI) Capability Maturity Matrix Integration (CMMI).

The Vendor must describe how this detailed project management approach contributes to successful projects that achieve technical and cost objectives, and provide examples of how it has been used in the past on projects of similar size and scope.

As the State will also be hiring an independent third party to conduct Independent Verification and Validation (IV&V), the quality policy must include an approach to working with the IV&V contractor. The IV&V Vendor will assist AHS in determining if project deliverables meet quality standards, fulfill the RFP requirements, and support required certification standards.

3.6.1.2 – Project Management, Reporting, and Deliverables

AHS will provide oversight of the MES project, but the Vendor must provide overall project management for the tasks under this contract, including the day-to-day management of its staff. The Vendor must exert control to assure completion of all tasks, from project initiation to close-out, according to the approved project plan, which includes the coordination of assignments for State staff performing activities to support the MES project. Based on past experience the State recognizes the key role of the Project Manager and will extensively scrutinize the candidate Project Manager's experience, organizational skills, leadership skills, and interpersonal behavior. Failures in any of these skill sets that require the replacement of the Project Manager will cause suspension of the contract and all payments until the situation is remediated to the satisfaction of the State. Specific sanctions will be included in the MES contract.

For each of the tasks defined within this Scope of Work, the Vendor must describe the proposed approach for successfully performing the described activities. Vendor must describe the deliverables, timelines, and milestones associated with the proposed approach.

The State views project management as a key requirement for a successful project. Project management activities will include, at a minimum, the following activities:

- ❑ Initial Project Plan & Project Plan Modifications – Develop an initial project plan detailing the approach and strategy developed for Vermont’s MES. This plan will form the starting point of the project implementation plan, which will be developed and refined in conjunction with AHS during Project Initiation. Once the initial plan is approved as a baseline, modifications will occur within the approved change management process at a frequency designated by the State.
- ❑ Weekly/Monthly/Quarterly Status Reports – Vendors must prepare status reports to discuss the progress of activities, identification, and mitigation of risks, and upcoming milestones with project participants. At a minimum, the reports will be produced on a weekly, monthly, and quarterly basis. The Vendor’s proposed format and level of detail for these reports will be approved by the State during Project Initiation.
- ❑ Weekly/Monthly/Quarterly Status Meetings – The Vendor’s Project Manager and key personnel must attend project status meetings with representatives from the State. These meetings will follow a preset agenda which will be distributed to the State Project team members 24 hours prior to the meeting along with the corresponding status report. The Vendor will be responsible for preparing and distributing meeting agendas, updating all documents with results from status report meetings, and preparing meeting minutes, in a format agreed to by the State, within two days following meetings.
- ❑ Financial Reporting – The Vendor must maintain accounting records relating directly to the performance of this contract in accordance with generally accepted accounting principles. For the Design, Development, and Implementation (DDI) portion of the contract, the Vendor must maintain, document and submit quarterly reporting on cost data. The report must include an accounting of all resources expended specifically for the DDI efforts of the Vermont MES. For the operational portions of the contract, at a minimum, the Vendor must maintain, document, and submit operations cost data in accordance with the State Medicaid Manual whenever required by the State. Documentation must support and differentiate between contract operations costs for MES and non-MES services provided by the Vendor. Authorized representatives or agents of the State and CMS must have access to the accounting records upon reasonable notice and at reasonable times during the performance and/or retention period of this contract for purposes of review, analysis, inspection, audit, and/or reproduction.
- ❑ Communications and Meetings – Frequent open, clear, and transparent communication is critical to the success of a project of this complexity. Time is critical in communicating issues, solutions, and decisions among the functional, technical, and management resources involved in the project.

State management must have access to all work processes, documentation, reporting, and resources involved in DDI. Communication between State and Vendor subject matter leads should occur daily, as required. Notification regarding requirements for changes in the project schedule and resource availability must be provided as early as possible.

Throughout the project, the Vendor must conduct participatory meetings and walkthroughs with State staff to discuss project related collateral. To the extent possible, meetings should be held on a regular schedule, include an agenda, and conclude with a written summary prepared by the Vendor of all decisions and action items, including persons responsible and completion dates.

- ❑ **Deliverable Reviews** –Vendors must present preliminary and draft versions of deliverables with the intent of building a collaborative working relationship with the State. This type of initial review will provide an opportunity for immediate feedback on design and content. The objective is to minimize misunderstandings relating to work products, simplify the deliverable approval process, and speed development.

“Deliverables” includes all deliverables specified in DDI activities, milestones, key activities such as testing, and other items for which delivery of a work product is required under the contract.

All designs and required deliverables must be presented in writing for formal approval, according to the schedule and format agreed upon by the State and the Vendor. The Vendor is responsible for providing professional deliverables that have received quality assurance review for proper formatting, spelling, punctuation, grammar, contents, and indices. Each deliverable must be written in a manner that is understandable by relevant State subject matter experts and meeting all business and technical requirements it is intended to achieve. Version control and documentation requirements are applicable to DDI deliverables as well as deliverables prescribed for the operations phase of the project.

The State will review deliverables and provide written comments within specified review periods, which will vary depending upon the length and complexity of the deliverable. The State reserves the right to reject any deliverable that does not meet agreed upon standards. Upon the completion of its review, the State shall provide notice to the Vendor regarding acceptance, conditional acceptance, or rejection of the deliverable. Vendor revisions of a deliverable will be reviewed to confirm completeness and acceptability. Discussion of deliverables will be scheduled for clarification and to facilitate approval as required.

In specific cases, based on project demands and schedules, additional review and response time may be allowed at the discretion of the State Project Manager.

Provide a detailed description of how your organization will meet AHS’ expectations for Project Management in Section 7, Appendix G – Project Management Response.

3.6.2 – Project Initiation

During this task the Vendor will acquire knowledge of the Vermont’s Health Care Enterprise and the detailed requirements of MES. This knowledge will enable a Vendor to tailor standard methodology to the specific tasks and activities required for the successful implementation of the MES. All project initiation activities outlined below should be

consistent with the structured methodology developed by the Vendor and accepted by AHS. The Vendor's approach to this task must address the following items:

- ❑ MES Project Kick-Off – The Vendor must present a structured approach to kick-off the project, which includes participation in project kick-off meetings.
- ❑ MES Project Tools – The Vendor must establish and use throughout the project AHS-Approved tools for tracking requirements, managing change control, and managing and reporting on the status of project activities. The requirements tracking tool will be accessible by AHS as well as Vendor staff. The change control system will capture, at a minimum, the description of the change, the date the request was submitted, the disposition of the change request, assignment of the task and linkages to deliverables, tasks, and system components, if applicable. The project control system will enable visibility and reporting into the key performance indicators associated with the MES project.
- ❑ Initial Project Implementation Plan – The Vendor must develop and collaborate with AHS project management staff to review, revise, and approve an initial project implementation plan. This exercise will ensure complete understanding and integration of various implementation activities, tasks, and sub-tasks. Furthermore, this approved plan will form the baseline schedule against which performance will be measured. . The plan must also include information on the critical phases of development and implementation. It should define the phases of implementation and the sequential phased implementation of pieces of the solution.
- ❑ Quality Assurance Plan (QA) – The Vendor must prepare and present a quality assurance plan that adheres to the methodology and standards approved by AHS.
- ❑ Cost-Allocation Plan – The Vendor must develop a cost-allocation plan in collaboration with AHS accounting and budgeting staff. This plan will specify the format and accounting definitions that will be used to report costs and expenditures during the project.
- ❑ Preliminary Conversion Plan – The Vendor must prepare and present a preliminary conversion plan. It is critical that planning and detailing of this activity begin in the early stages of the project. AHS expects a detailed plan covering the methodology for extracting the data from the existing systems, record and field balancing, conversion and translation schemas, and methods for verifying and validating each processing step to the State.

Provide a detailed description of how your organization will meet AHS' expectations for the Project Initiation Services using the form provided in Section 7, H.1 – Project Initiation Response.

3.6.3 – Requirements Analysis and Validation

The Vendor must perform requirements analysis activities to gain a detailed understanding of the State's business, technical, and information requirements. The Vendor will also

validate and refine the State's requirements described throughout this RFP. These validated and refined requirements will be the basis for system validation and acceptance. The high-level activities defined for this task are as follows:

- ❑ System Overview – The Vendor must provide State project staff with a structured, interactive overview of the Vendor's system including all its components and functions to orient the team to the Vendor's system in advance of the Requirements Analysis and Validation task.
- ❑ Facilitated Sessions – The Vendor is responsible for supplying appropriate experienced facilitators and other staff knowledgeable in Medicaid, health care regulations, and system analysis to conduct and document sessions. The approved requirements generated as an output of this activity will tie to future project artifacts, such as system design components, test cases, and certification criteria.
- ❑ System Design Templates – The Vendor must prepare templates for the design documents, including proposed formats and contents. The template, at a minimum, should identify descriptions of inputs and outputs, data definitions, file descriptions, database descriptions, system inventories, functional and system flow descriptions, and system narratives.

Provide a detailed description of how your organization will meet AHS' expectations for the Requirements Analysis and Validation Services using the form in Section 7, Appendix H.2 – Requirements Analysis and Validation Response.

3.6.4 – Data Conversion

The Data Conversion task will entail planning, development, testing, migration, conversion, and acceptance of all data and files required to support the operation of MES. The conversion task must include all current and historical data identified by the State. The Conversion task must successfully demonstrate that all data required to support MES functionality will be available, accurate, and ready for operations. The Vendor must describe its approach to these tasks and provide, at a minimum, the items listed below.

- ❑ Conversion Plan – Prepare a conversion plan that details all MES content requiring conversion, identifying sequencing and dependency requirements. This will include the data conversion plan along with the retention and archiving plan.
- ❑ Data Mapping – The Vendor must develop and update a Data Mapping document that maps existing MMIS data to new MES data repositories, including crosswalks for standardization of values, the data initially identified to be converted, and the planned actions.
- ❑ Review and Audits – Conduct technical reviews and audits of conversion tests with the State to verify the content, identify, document, resolve any issues or questions, and facilitate the acceptance process. The Vendor must also review conversion results and modify conversion tools to achieve desired conversion outcomes.
- ❑ Results Documentation – Document results of the complete final data conversion

process in a State accepted format, identifying problems encountered and their resolution, user reviews of converted data, before and after versions of all manually and automated data conversions, and any dependencies or outstanding issues.

Provide a detailed description of how your organization will meet AHS' expectations for Data Conversion Services using the form found in Section 7, Appendix H.3 – Data Conversion Response.

3.6.5 – System Design

The objective of the System Design task is to develop a complete system design, including the appropriate system design documents, and refine the project implementation plan. The MES system design must meet the detailed business, information, and technical requirements generated as an output of the Requirements Analysis and Validation task. Additionally, the MES system must be fully certifiable by CMS. The Vendor must describe its approach to these tasks and provide, at a minimum, a discussion of the items listed below:

- ☐ Address Requirement Changes/Additions – The Vendor must provide a mechanism to incorporate new requirements or modify existing requirements as more information becomes available during the system design task. The State and Vendor will use a change control plan to determine which of these modifications will be implemented prior to the system becoming operational, so that any potential expansion of scope does not jeopardize a successful, timely implementation.
- ☐ Design documentation – The Vendor must prepare design documentation, including the data dictionary, utilizing the templates that have been reviewed and approved by the State. The State prefers and will accept a staggered delivery of the design documentation by MITA business area or other appropriate breakdown as long as delivery is consistent with the dates identified in the project implementation plan.
- ☐ Designing System Interfaces – In developing system interfaces (i.e. web pages, parts, reports or other layouts) perform prototyping and proof of concept, where appropriate, to enable State staff to review and accept designs prior to their becoming final.
- ☐ Development Environment – The Vendor must establish a full development environment in preparation for the System Construction task.

Provide a detailed description of how your organization will meet AHS' expectations for the System Design Services using the form found in Section 7, Appendix H.4 – System Design Response.

3.6.6 – MES Construction and Unit Testing

The construction of the MES system will be performed in accordance with AHS-approved design documentation. Ultimately, the developed system must meet or exceed the business, information, and technical requirements approved during the Requirements

Analysis and Validation task. All construction and unit testing work must be completed according to the State-approved project implementation plan.

The State plans to monitor the Vendor's activities during the Construction and Unit Testing task using technical reviews and audits of MES application components. The purpose of the technical reviews and audits will be to demonstrate and assess that completed application functionality will perform as defined by the State. Technical reviews and audits will be scheduled as necessary throughout the Construction and Unit Testing task and will be attended by the Vendor's Team Lead, and technical personnel responsible for the application development. The State will select the applications to be presented in each technical review and assessed in each audit.

The following set of high-level activities must be completed by the Vendor to complete this task. The Vendor must address these items, along with any additional information, within the approach response.

- ☐ Software Configuration Management – The Vendor must utilize software configuration management processes and tools to manage changes to software components.
- ☐ Technical Reviews – Conduct technical reviews and audits of completed application modules throughout the System Construction task, providing diagnostic output to support technical review presentations and audit findings.
- ☐ Unit Testing – The Vendor must perform unit tests to ensure that software applications function correctly on system hardware, and perform technical reviews and audits with the State.
- ☐ Testing Tools – The Vendor must provide tools to track testing that will be utilized in all phases of testing to record scenarios, indicate status, track test results, manage relationships (i.e. to requirements or to specific application components), and produce reports.
- ☐ Testing Environments – The Vendor must establish testing environments, along with the necessary data and application modules, to support integration, system, and acceptance testing activities.

Provide a detailed description of how your organization will meet AHS' expectations for the Construction and Unit Testing Services using the form found in Section 7, Appendix H.5 – MES Construction and Unit Testing Response.

3.6.7 – Integration and System Testing

The Vendor must perform Integration and System Testing to ensure MES is functioning according to the business, information, and technical requirements. The Vendor must address these items, along with any additional information, within its response.

- ☐ Integration and System Test Plan – Create an integration and system test plan for review and approval by AHS. This plan will detail the steps involved in integration

testing and discuss the different types of system testing being proposed (i.e. performance testing, regression testing).

- ❑ Test Scripts – Prepare and document the test scenarios necessary to perform integration and system testing of MES. The test scenarios will be reviewed and approved by the State prior to the start of these activities.
- ❑ Perform and Document Tests – Perform integration and system testing to ensure MES will appropriately perform all business functions and leverage the existing technical infrastructure such as workflow management tools, rules engine, and enterprise service bus (ESB). Additionally, perform capacity testing to ensure MES is meeting transactional benchmarks.
- ❑ Perform Tests utilizing Converted Data – Perform integration and system testing (including, but not limited to, parallel testing) using converted data to verify and validate the integrity of the converted data and that system functions perform as required with the converted data; ensure that all interfaces and network communications are functioning properly.
- ❑ System Corrections – Document and correct, using the approved change control process, any incorrect application code, incorrect data conversion, incorrect or inadequate documentation, or any other failure to meet specifications or performance standards as directed by the State.
- ❑ Testing Walk-Thru – Demonstrate to the State test results for all components of MES through the documented test results. During these meetings, AHS reserves the right to identify further test cases or situations to be demonstrated by the Vendor in order to ensure that each function is adequately tested.

Provide a detailed description of how your organization will meet AHS' expectations for the Integration and System Testing Services using the form found in Section 7, Appendix – H.6 – Integration Testing Response.

3.6.8 – User Acceptance Testing and Operational Readiness Testing

The User Acceptance Testing (UAT) task is designed to demonstrate that the MES, as installed by the Vendor, meets State specifications and performs all processes as defined by the approved design document. All MES components, modules, and interfaces must be tested. Also being tested are additional requirements developed during requirements sessions including data repository maintenance, system performance, and the format and content of all system inputs and outputs. These tests will use converted data repositories and data scenarios created by the Vendor for test purposes. The State will identify and approve all scheduled test cycles and resulting outputs. The State and the IV&V Vendor will be engaged in User Acceptance Testing.

UAT will be conducted in a controlled environment separate from all other environments using cycle times determined mutually between the State, IV&V Vendor, and the Vendor.

The Vendor must not make modifications to the software, data repositories, or test cases in the User Acceptance Testing library without State approval.

The Operational Readiness Test task is designed to ensure that the Vendor and the MES are ready to perform the basic functions such as processing all inputs, meeting all reporting requirements, using a properly functioning data communications network, meeting system performance requirements, and having a demonstrated backup capacity. Operational readiness testing will include a volume test of ninety days of production capacity volumes to demonstrate that MES, the State staff, and Vendor staff are prepared for full production. The Vendor must address these items, along with any additional information, within its response.

- ❑ Develop Plans – Cooperate with the State and IV&V Vendor to develop a UAT plan, operational readiness test plan, and systems implementation plan.
- ❑ UAT Environment – The Vendor must provide a separate and distinct UAT environment that exactly matches the production environment. This environment must have the capacity to roll-back data and application code to an established baseline. Also, the UAT environment must be maintained through the life of the contract and must be regularly updated to ensure the environments remain synchronized with the most recent version of approved code.
- ❑ UAT Support – Assist the State in the execution of the UAT plan with respect to generation of test transactions and data scenarios, as well as analysis of reasons for unanticipated processing results. Present the software and hardware necessary to allow the State and IV&V contractor to validate processes and test results.
- ❑ Documentation Updates – The Vendor must modify appropriate documentation (e.g., MES Help Desk, system, operations, user, and training) to reflect any changes resulting from completed UAT test scenarios. All updates must be submitted in advance to the State for review and acceptance.
- ❑ Operational Readiness - Prepare an operational readiness report that certifies MES, its functions, data processes, operational procedures, staffing, telecommunications, and all other associated support are in place and ready for Implementation. Also, process from receipt to final disposition, at least ninety days volume of actual or test claims as designated by the State, as an operational readiness test. Additionally, the State may require that the Vendor demonstrate samples of quarterly reports.

Provide a detailed description of how your organization will meet AHS' expectations for the UAT services using the form found in Section 7, Appendix H.7 – User Acceptance Testing Response.

3.6.9 – Organizational Change Management

The procurement of the MES will bring a significant amount of change into AHS. For this reason, the State is interested in collaborating with the Vendor to effectively define and

implement organizational and business process changes. The Agency realizes that business process reorganization and management will be a critical part of the MES implementation process.

The procurement of MES presents a tremendous opportunity to not only replace existing, outdated systems, but also a chance to reinvent many of the business processes within AHS. Opportunities exist to streamline workflow, enhance data exchanges, improve staff efficiencies, and realize the vision of integrated information technology systems that support the goal of customer-centric support. It is expected that business process changes will occur in virtually every process supported by the new MES.

The Vendor must demonstrate strong expertise in managing large-scale process improvement methodologies and describe the business process tools they propose to use. Vendors must address the following activities in their response:

- ☐ **Business Process Redesign** – The Vendor must describe its approach to BPM including any tools that will be utilized for evaluating existing business processes, producing future business models, including process descriptions, workflows, staff utilization and skill requirements, and planning the transition from the existing processes to the desired future-state.
- ☐ **Organizational Change Management** – The Vendor must describe its approach to successfully implementing the organizational changes necessary to support the future-State business processes within the environment of the new MES. As it is critical to deal with the staff impacts caused by the significant change associated with this project, the Vendor must describe its approach and experience in successfully leading teams through this type of transition.

Provide a detailed description of how your organization will meet AHS' expectations for Organizational Change Management Services using the form in Section 7, Appendix H.8 – Organizational Change Management Response.

3.6.10 – Training

The MES Vendor will be responsible for developing and delivering a comprehensive training program and related documentation and materials. The training materials and approach must include sufficient information for trainees to perform MES-related tasks. Proficiency testing, quality control reviews, and where necessary, re-training will be the responsibility of the Vendor so that the trained personnel demonstrate expected proficiency. Vendors must address the following activities in their response:

- ☐ **Training Plan** – The Vendor must submit for State acceptance a training plan that addresses the implementation of training curriculums for AHS staff and other entities identified by the State. The training plan should address proposed formats for training materials and methodologies for both facilitated and self-paced independent training sessions.

- ❑ Prepare Training Location – Cooperate with the State to furnish and maintain appropriate hardware, software, and telecommunications to support the development, maintenance, and presentation of training programs(s) at the State’s designated training facility.
- ❑ Training Resources – Vendors must provide the staff necessary to meet the training related requirements specified in this RFP, such as developing and maintaining training materials, delivering facilitated training, and evaluating the effectiveness of the training.
- ❑ Training Materials – The Vendor must ensure the training materials address the specific job functions of the persons being trained. It is critical that the training materials are modified to reflect the latest approved version of MES. The materials must utilize approved training media, such as teleconferencing, web-based and computer-based training. All materials must be approved by the State prior to distribution or inclusion in the training curriculum. All training collateral must be produced, maintained, and distributed as specified by AHS.
- ❑ Provide Training – Training must be conducted in a separate testing environment. This environment will be available for the Vendor to provide training to AHS staff and other entities, as designated by the State.
- ❑ Evaluate Effectiveness of Training –The Vendor must also address its methodologies and tools for evaluation of training effectiveness, and the re-training of individuals, if necessary.

Provide a detailed description of how your organization will meet AHS’ expectations for Training Services using the form found in Section 7, Appendix H.9 – Training Response.

3.6.11 – Implementation

During the Implementation task, the Vendor must perform final data conversions, deliver all final documentation, and make final preparations for the start of the Operations Phase.

The Vendor will be required to retain Implementation task staff on-site through the completion of any required Certification tasks to assist with resolving any issues encountered during the initial months of operations.

The Vendor's Implementation staff will monitor the performance of MES and modify MES, as needed, to resolve performance, and operational issues identified during the initial months of operations following approved change control standards. The following activities must be addressed in response to this RFP:

- ❑ Preparation for Go-Live – The Vendor must conduct reviews of Implementation task deliverables with the State to verify content, and identify, document, and resolve any issues. It is also critical for the State and the Vendor to validate the preliminary tasks identified in a system implementation plan have been successfully completed, which

includes the final conversion of data.

- ☐ Go-Live – The Vendor must describe its approach and capability to Go-Live with MES, in whole or in part, with minimal disruption to the State's Operations. Production processing for routine MES operations must begin no later than January 1, 2013.
- ☐ Post Go-Live – The Vendor must correct identified defects at no cost to the State.

Provide a detailed description of how your organization will meet AHS' expectations for the new MES Implementation Services using the form found in Section 7, Appendix H.10 – Implementation Task Response.

3.6.12 – Post-Implementation Evaluation and Certification

The State will conduct a comprehensive evaluation of MES and its operations. The evaluation will validate whether MES operations are ready for any required certification. The Vendor will be responsible for resolving all issues or deficiencies identified. The Vendor will assist in preparing for and will participate in the certification of the MES, including the preparation of certification documents, generating required reports, and ensuring that all MES certification requirements are met. These activities will include:

- ☐ Post-Implementation Review – The Vendor must describe its approach to post-implementation review. This includes documenting, at a minimum, lessons learned, project successes and failures, evaluation metric analysis, and ongoing contingencies or issues including the ownership and resolution of each issue.
- ☐ Transition Plan – The Vendor must prepare and execute a plan for the transition of the system operations from the development team to the on-going support team. This plan must document the knowledge transfer activities for transitioning the system, documentation, and key processes (change management, defect tracking, etc).
- ☐ Certification – The Vendor must prepare required certification manuals, reports, forms and documentation as specified. Vendor staff will assist AHS personnel in certification procedures, MES Operations and information needed for State staff to make certification presentations.

Provide a detailed description of how your organization will meet AHS' expectations for Post-Implementation Services using the form found in Section 7, Appendix H.11 – Post-Implementation Evaluation Response.

This page is intentionally blank.

Section 4 – Vendor Response Content and Format

The purpose of this Section is to provide instructions on how to qualify and submit a bid for this procurement.

4.1 – Vendor Eligibility to Participate

The State is seeking bids from qualified Vendors who are able to demonstrate knowledge, experience and ability to assist the State in implementing and supporting a wide range of administrative and operational services. Prospective bidders should read this Section to see if they meet all of the criteria listed in this Section.

4.1.1 – Prime Contracting Vendor

The State is interested in acquiring the most appropriate and cost-effective system and services which best meets its needs, whether by a single Vendor or an integrated multi-vendor solution. Any multi-vendor solution must identify a Prime Contractor that will act as the sole party legally and will be operationally responsible for all services and systems described within this Request for Proposal. The Prime Contractor will need to manage the activities necessary to implement and deliver all of the services and systems. The Prime Contractor will also be responsible for the integration of all systems within the State's technical framework. The Prime Contractor is responsible for submitting one consolidated response.

4.1.2 – Subcontractors

The State will only enter into a contract with the Prime Contractor. The Prime Contractor is directly and entirely responsible to the State for fulfilling contractual obligations and for the performance of any subcontractors.

If the Vendor intends to subcontract any part of the Scope of Work, the Vendor must provide detailed information about any subcontracting firm or individual subcontractor that will be engaged and clearly identify the services they will provide as indicated in Section 7 Appendix L – Vendor Information Response.

Vendors will also be asked to submit a statement from each proposed subcontractor indicating its willingness to work with Vendor as a subcontractor under any resultant Agreement, and its intent to sign a formal subcontract agreement with the Vendor must be submitted with the signature of the person authorized to bind the proposed subcontractor. All subcontract agreements shall be required to be fully executed before any resultant Agreement is approved by the State.

4.1.3 – Vendor Qualifications

All Vendors must meet the following list of qualifications:

- ☐ The Vendor must have at least one representative at the mandatory Vendor's Conference as referenced in Section 1 – Overview and General Information, unless a petition for an exception was received by the sole point of contact. The Prime Contractor must be a for-profit organization, non-profit organization, or other legally constituted business entity.
- ☐ The Prime Contractor and all subcontractors must have the ability to maintain adequate files and records and meet statistical reporting requirements.
- ☐ The Prime Contractor must have the administrative and fiscal capability to provide and manage the proposed services and to ensure an adequate audit trail.

4.1.4 – Performance Record

The Prime Contractor must demonstrate a record of satisfactory performance. If the firm, business, subcontractor or person submitting this proposal or participating in performance of the Scope of Work has been debarred, suspended, disqualified, or otherwise lawfully precluded from participating in any public procurement activity, the Vendor shall fully disclose and explain the circumstances relating to the preclusion or pending preclusion. The Vendor shall identify its status regarding eligibility to participate in public procurement activities in the Transmittal Letter (Section 4.3.2). Vendors who are or have been seriously deficient in current or recent contract performance, in the absence of circumstances properly beyond their control, will be presumed to be unable to meet this requirement.

4.2 – Submission Guidelines

This Section provides overall instructions and guidelines on how to submit a response to this Request for Proposal (RFP).

4.2.1 – Letter of Intent to Bid

All interested bidders must inform the State of the desire to bid by submitting a Letter of Intent to Bid to the RFP Point of Contact listed in Section 1 – Overview and General Information. The Letter of Intent may be submitted via e-mail or standard mail. They must be received no later than the Letter of Intent to Bid due date contained in Section 1 – Overview and General Information. The Prime Contractor may submit the Letter of Intent on behalf of all its partners. The Letter of Intent to Bid must include:

- ☐ The bidder's name and mailing address
- ☐ Name and e-mail address for designated contact person
- ☐ Telephone numbers for designated contact person
- ☐ A statement of intent to bid for the contract
- ☐ An authorizing signature

Submitting a Letter of Intent to Bid is a mandatory condition to submitting a Bid Proposal. Failure to submit a Letter of Intent to Bid by the deadline specified will result in the rejection of the bidder's Proposal.

4.2.2 – Proposal Preparation

Vendors must read this RFP carefully and follow all instructions, giving consideration to all requirements and requested documents described throughout this RFP.

The Vendor's response must demonstrate full understanding and experience with State Medicaid Management Information Systems (MMIS), financial operations, and Medicaid Enterprise Solution (MES) requirements, responsibilities, and business operations. It is in the best interest of each Vendor to demonstrate a clear understanding in the response of the depth and breadth of the unique features of the State of Vermont Medicaid program, the expanding Health Reforms, Blueprint for Health and other initiatives that guide the programs now and in the future. In addition, the Vendor must have demonstrated expertise, knowledge, and experience with providing/performing each of the required deliverables and/or services.

Vendor must submit a complete bid that addresses all requirements and functionality described in Section 3 – Scope of Work. No partial bids will be accepted. Any bids submitted that are deemed to be incomplete will be rejected by the State.

Each proposal must respond clearly and comprehensively to all requirements of the RFP. Any request lacking a response will be considered non-responsive. Failure to comply with the proposal instructions will disqualify the proposal. Noncompliant, inadequate, incomplete, or otherwise non-responsive proposals may result in disqualification or elimination.

4.2.3 – Proposal Submission Requirements

Vendor must meet the following conditions in submitting proposals:

- ☐ Vendors must respond completely and adhere to each of the requirements in this RFP.
- ☐ Adding any conditions to the proposal that are not specified, authorized, or requested, may result in the proposal's rejection and elimination from further review.
- ☐ Vendors are not to alter or modify any material published in this RFP and its Exhibits and Appendices, other than responding as instructed. If the State determines that any of the forms or data have been altered or modified in any manner they may reject the proposal.
- ☐ Proposals must be received no later than the filing due date. (See Section 1 – Overview and General Information).

- ☐ Submitting Vendors shall bear all risks associated with delays in delivery. Proposals received after the specified date and time will be returned unopened. No fax or e-mailed bids will be accepted.
- ☐ No correction or resubmission of proposals shall be accepted after the proposal submission due date. Error corrections may be received prior to the submission due date, reference Section 4.5 for additional information.
- ☐ Proposals and all documents submitted with the proposal must be clearly written in the English language.
- ☐ The State reserves the right to reject proposals that deviate from the prescribed format, sequence, or content, or that are deemed incomplete as described in Section 4.3 of the RFP.

4.2.4 – Proprietary Information

The successful response will become part of the contract file and will become a matter of public record, as will all other responses received. If the response includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material should be considered confidential. The bidder must identify each page or Section of the response that it believes is proprietary and confidential with sufficient grounds to justify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. Under no circumstances can the entire response or price information be marked confidential. Responses so marked may not be considered.

4.2.5 – Proposal Submission Instructions

Vendor must submit five (5) hard copy proposals, each in a three-ring binder and one (1) electronic copy of the proposal documents on a CD-ROM to the RFP Point of Contact listed in Section 1 – Overview and General Information. One of the hard copies must contain original signatures on all documents requiring signatures and should be clearly marked as the “Original”.

The proposal must be printed on 8½ X 11 inch paper (letter size) double sided. The text font of all Vendor responses must be Times New Roman. The text font size will vary based on the type and style of the Response Form. Vendor should conform to the font sizes and line spacing provided in the Response Forms. Section tabs are not required but may be included to improve readability.

Acceptable formats for the electronic responses are Microsoft Office Word 2003 and Microsoft Office Excel 2003. **All Response Forms must be completed and returned in the software format in which they are presented in this RFP.** Supporting documentation may be submitted in the formats above or Office Project Professional 2003, and Adobe Acrobat (.pdf files).

4.2.5.1 – Sealed Bid Instructions

All bids must be sealed and must be addressed to: John McIntyre State of Vermont, Purchasing and Contract Administration Division, 10 Baldwin Street, Montpelier, Vermont 05633-7501.

Bid envelopes must be clearly marked “SEALED BID” and show the title, “PROPOSAL FOR MEDICAID ENTERPRISE SOLUTION”, and include the proposal due date and the name of the Vendor.

Purchasing and Contract Administration Division may, for cause, change the date and/or time of bid openings or issue an addendum. If a change is made, the State will make a reasonable effort to inform all Vendors by posting at: <http://bgs.vermont.gov/purchasing/bids>. Vendors should check the web-site for updates as their will be no direct mailings or e-mail messages to announce changes.

All bids will be publicly opened. Any interested party may attend bid openings. At the sole discretion of Purchasing and Contract Administration the information disclosed may be limited to the names and addresses of the Vendors. Bid results may be requested in writing and are available once an award has been made.

4.2.5.2 – Delivery Methods

The following delivery methods for the sealed bid are acceptable:

- ☐ U.S. MAIL: Vendors are cautioned that it is their responsibility to originate the mailing of bids in sufficient time to ensure receipt by the State prior to the time of the bid opening.
- ☐ EXPRESS DELIVERY: If bids are being sent via an express delivery service, be certain that the RFP designation is clearly shown on the outside of the delivery envelope or box.
- ☐ HAND DELIVERY: Hand carried bids shall be delivered to the Point of Contact prior to the bid opening.

The following methods for delivery of sealed bids are **NOT** acceptable:

- ☐ ELECTRONIC EMAIL BIDS: Electronic email bids will NOT be accepted
- ☐ FAX BIDS: Faxed responses are NOT acceptable.

4.2.6 – Certification of Bid

The Vendor must guarantee the bid for a minimum of one (1) year. This certification must appear in the Letter of Transmittal. See Letter of Transmittal (Section 4.3.2.)

By signing the transmittal letter, Vendors certify that they comply with all of the terms and conditions set out in this RFP.

4.3 – Proposal Content and Sequence

The Proposal must be submitted according to the guidelines in this section. All Response Forms are contained in Section 7. All bids must include all forms in this Section fully completed to be considered a complete bid. In addition to these response forms the submitted Proposals must also contain a Letter of Transmittal and an Executive Summary as described in the sections below. The State of Vermont reserves the right to reject any bids deemed incomplete

Vendors are encouraged to provide succinct but complete responses to all questions and items.

4.3.1 – Proposal Sequence

The Proposals should be organized as indicated in the table below. Appendices “I”, “O”, and “Q” have been omitted for clarity.

Table 4.1: Vermont MES Proposal Sequence Guide

VT MES Proposal Sequence Guide		
No.	Document	Notes
Introductory		
1	Letter of Transmittal	See Section 4.3.2
2	Contact Sheet	See Section 4.3.3
3	Cover page	The proposal cover page should identify the name and address of Vendor and bear the words, “Proposal for the Vermont Medicaid Enterprise Solution”.
4	Table of Contents	The TOC should be a comprehensive listing of material included in the proposal response identified by sequential page numbers and by section references numbers.
5	Executive Summary	See Section 4.3.4 for description Appendix A – Executive Summary

VT MES Proposal Sequence Guide		
No.	Document	Notes
MES System and Support Services		
6	Business Architecture Response	Appendix B
7	Information Architecture Response	Appendix C
8	Technical Architecture Response	Appendix D
9	MITA Business Area Response	Appendix E
10	MES IT Support Services Requirements Response	Appendix F.1
11	MES IT Support Response	Appendix F1.a
12	Care Management Services Requirements Response	Appendix F.2
13	Care Management Support Response	Appendix F.2a
14	Member Management Services Requirements Response	Appendix F.3
15	Member Management Support Response	Appendix F.3.a
16	Operations Management Services Requirements Response	Appendix F.4
17	Operations Management Support Response	Appendix F.4a
18	Operations Management Pharmacy Services Requirements Response	Appendix F.5
19	Operations Management Pharmacy Support Response	Appendix F.5a
20	Program Integrity Services Requirements Response	Appendix F.6
21	Program Integrity Support Response	Appendix F.6a
22	Program Management Services Requirements Response	Appendix F.7
23	Program Management Support Response	Appendix F.7a
24	Provider Management Services Requirements Response	Appendix F.8
25	Provider Management Support Response	Appendix F.8a
26	Business Relationship and Contractor Management Services Requirements Response	Appendix F.9
27	Business Relationship and Contractor Management Support Response	Appendix F.9a
Project Management and Implementation Services		
28	Project Management Response	Appendix G
29	Project Initiation Response	Appendix H.1
30	Requirements Analysis and Validation Response	Appendix H.2
31	Data Conversion Response	Appendix H.3
32	System Design Response	Appendix H.4
33	MES Construction and Unit Testing Response	Appendix H.5
34	Integration Testing Response	Appendix H.6
35	User Acceptance Testing Response	Appendix H.7

VT MES Proposal Sequence Guide		
No.	Document	Notes
36	Organizational Change Management Response	Appendix H.8
37	Training Response	Appendix H.9
38	Implementation Task Response	Appendix H.10
39	Post-Implementation Evaluation Response	Appendix H.11
Business and Technical Requirements		
40	MITA Business Area Requirements Response	Appendix J.1 (self-assessment)
41	CMS Certification Checklist Requirements Response	Appendix J.2 (self-assessment)
42	Technical Requirements Response	Appendix K.1 (self-assessment)
43	Information and Technical Narrative Questionnaire	Appendix K.2
Other Required Information and Forms		
44	Vendor Information Response	Appendix L
45	Cost Proposal	Appendix M
46	Staffing Proposal Response	Appendix N
47	Vendor References	Appendix P
48	Reporting Strategy Response	Appendix R
49	Financial Information	See Section 4.3.5 for description
State Required Forms		
50	VT Certificate of Compliance	Appendix S
51	VT Workers Compensation	Appendix T
52	VT Offshore Outsourcing Questionnaire	Appendix U
53	VT Business Associates Agreement	Appendix V
Additional Material		
54	Additional Materials	See Section 4.6 for description

4.3.2 – Letter of Transmittal

All bids must include a Transmittal Letter on official letterhead of the Vendor and contain the following information:

- ☐ Vendor's name and address, and the name, title, address, telephone number, fax number, and e-mail address of the person authorized to sign the Bid on behalf of the organization.
- ☐ A statement that the Vendor understands and agrees that its submission of a proposal constitutes a firm and irrevocable offer that will be valid for one (1) year from the date of signature and an acknowledgment and acceptance of, and a willingness to comply with, all the terms and conditions of this RFP and any RFP addenda thereto, subject to the exceptions set forth in the proposal, if any.
- ☐ A statement that the Proposal was developed independently, without collusion of other bidders in an attempt to manipulate the outcome.

- ☐ A statement that all responses and information provided in the bid is true.
- ☐ A statement indicating whether the Vendor intends to perform this project as a single Contractor or as a Prime Contractor with one or more subcontractors.
- ☐ A statement indicating that the bidder is a corporation or other legal entity.
- ☐ A statement that the person signing this proposal certifies that he/she is the person in the bidder's organization responsible for, or authorized to make, decisions regarding the prices quoted. A proposal signed by an agent other than an authorized official must include a power of attorney authorizing the signature. All persons signing on behalf of the Vendor are required to warrant that they are authorized to sign on behalf of the Vendor. Failure to sign the transmittal letter by an authorized signatory will result in rejection of the bid.
- ☐ A statement of eligibility for public procurement or a disclosure of unsatisfactory performance, if necessary.
- ☐ A statement confirming that Vendor is qualified to do business in Vermont and an assurance that any subcontractor proposed is also qualified to do business in Vermont. The Vendor's federal tax identification number.

4.3.3 – Vendor Contact Information

The proposal must identify the names, physical address, email address, FAX number, and telephone number of:

- ☐ The proposing firm
- ☐ The person(s) authorized to respond to inquiries regarding the proposal
- ☐ The person(s) authorized to negotiate a contract resulting from this RFP
- ☐ The person(s) authorized to execute a contract resulting from this RFP.
- ☐ The person(s) responsible for the performance of a contract resulting from this RFP.

The proposal must also identify the office location responsible for the performance of a contract resulting from this RFP and how this location fits into the company's corporate structure, including reporting and contract responsibility.

The Vendor shall inform the State of any changes to the information provided in this Section in writing immediately upon occurrence.

4.3.4 – Executive Summary

The proposal shall include a summary of the Vendor's understanding of the project, in terms of scope, technical and business solutions, project approach, challenges, and risks (with suggestions for mitigating them). The Executive Summary should provide a summary of the Vendor's experience and other qualifications to meet all the requirements

set forth in this proposal. Vendor's Executive Summary will be used as orientation to the proposal. The Executive Summary must not exceed ten (10) pages, with a suggested length of approximately seven (7) pages. See Section 7 – Appendix A for further instructions and a preformatted checklist that should accompany the Executive Summary.

4.3.5 – Financial Information

The Vendor shall provide financial information in such a manner that the State can reasonably formulate a determination about the stability and financial strength of the organization. This must include but not be limited to company size, organization, date of incorporation, ownership, number of employees, revenues for the last fiscal year, and if available, audited financial statements for the most recent three (3) years. A current Dun and Bradstreet Report that includes a financial analysis of the firm would fulfill this requirement. A Vendor can use an Annual Report as verification of financial status provided it contains at a minimum a Compiled Income Statement and Balance Sheet verified by a Certified Public Accounting firm. The State reserves the right to contact the accounting firm if questions arise. As an alternative, for those Vendors unable to provide audited financial statements or a Dun and Bradstreet Report, the Vendor shall provide tax returns and financial statements including income statements and balance sheets for the most recent three (3) years, and any available credit reports.

The Vendor must disclose any and all judgments, pending or expected litigation, or other real potential financial reversals, which might materially affect the viability or stability of the Vendor's organization; or certify that no such condition is known to exist.

A confidentiality statement may be included if this portion is considered non-public information.

The State may request reports on financial stability from independent financial rating services in order to further substantiate stability.

4.4 – Multiple Bids

The Vendor may submit alternative service configurations and bids in response to this RFP. Alternative bids should demonstrate increased efficiencies, cost-effectiveness, or other benefits to the State. Optional bids should be submitted as a complete separate bid consistent with the Vendor response content and format requirements as described in Section 4.

4.5 – Error Corrections

If prior to the proposal submission due date, Vendor realizes that the submitted proposal contains one or more errors, the Vendor may request in writing that the proposal be withdrawn. If there are one or more errors, the Vendor may resubmit another proposal with each error corrected up to the proposal submission due date. Once the proposal submission

due date has passed, all proposals shall stand as written.

In addition, if the State determines at any time that there are one or more obvious errors (e.g., clerical or arithmetic errors) in any submitted proposal, the State may request in writing that the particular Vendor submit a written correction of the applicable portions of its proposal within a specified time period. Vendor understands and agrees that any such correction shall be limited to correcting the errors identified by the State. If Vendor fails to submit such correction within the specified time period, the proposal shall stand as written.

4.6 – Additional Vendor Materials

Vendors may include material not specifically requested by State that provides relevant information to support their response. Since additional materials submitted will not be scored and will have no bearing on final selection, Vendors should consider limiting the amount of extra material they submit with their responses. There is no guarantee that the evaluators will review such materials.

4.7 – Truth and Accuracy of Representations

All information provided in the proposal is subject to verification by the State of Vermont. If the response in one document conflicts with the response given in one or more other documents, the State reserves the right, at its sole discretion, to disqualify the proposal or to reduce the score accordingly. False, misleading, incomplete, or deceptively unresponsive statements in connection with the proposal shall be sufficient cause for rejection of the proposal.

4.8 – Updates to RFP and Amendments

Information pertaining to this procurement can be found at the following web site:

WWW.BGS.VERMONT.GOV/PURCHASING/BIDS.

The State will make no attempt to contact prospective bidders with updated information. It will be the responsibility of each Vendor to periodically check this site for the latest details and amendments.

This page is intentionally blank.

Section 5 – Evaluation Criteria and Contractor Selection

5.1 – Evaluation Overview

A review team, comprised of select individuals and staff from the State, will be charged with evaluating proposed Vendor solutions based on the criteria put forth in this RFP. During the evaluation process the State may contact Vendors for the purpose of obtaining clarification of their response. The State will, at its discretion, select finalists who would be required to travel to Vermont at their own expense to provide a scripted solution demonstration and presentation to the State. The State may, at its sole discretion, re-score related evaluation factors for one or more Vendors after any interviews, presentations, demonstrations, or other evaluation activities.

The evaluation process for this procurement will be completed as follows:

- ☐ Evaluation of Proposals - Proposals meeting the above requirements will then be evaluated on the basis of the following criteria:
 - Experience and Qualifications
 - Innovations
 - Strategic Approach
 - Medicaid Enterprise Solution (MES) Business Capabilities
 - MES Technical Approach
 - Service Approach and Requirements
 - Management and Implementation Approach
 - Price
- ☐ Evaluation of Solution Demonstrations – Vendor finalists will be selected to participate in solution demonstrations. Demonstrations will be based on standardized scripts provided in advance to the Vendor, and will allow for State representatives to ask questions in order to gain clarification on any materials presented by the Vendor in proposals and the demonstration. Vendor solutions will be evaluated based upon adherence to demonstration guidelines, demonstrated capabilities in meeting the State’s solution needs, and the Vendor’s understanding of the State’s business and technical environment.
- ☐ Review of Reference Checks – A minimum of three references will be checked to determine the level and quality of Vendor finalist experience, as well as client satisfaction.
- ☐ Performance of Site Visits – The State will conduct site visits for finalists. The intent of the site visits is to determine the actual level and quality of performance of the proposed MES installed at that site and the experiences and satisfaction of the customer at that site.
- ☐ Recommendation of Award – Based on the results of the evaluation of proposals, solution demonstrations, reference checks, and site visits, the State will identify the preferred

vendor and recommend an award. Once an award has been recommended, the State will conduct an Independent Review and initiate contract negotiations.

5.2 – Evaluation Team

Vendor solutions will be evaluated by an Evaluation Committee consisting of select individuals and State management staff from a cross section of State departments and agencies representing various business areas.

The State will establish an Evaluation Committee to assess the merits of proposals, perform final scoring, resolve compliance issues and make a final recommendation for selection. The State reserves the right to alter Committee composition, specific duties, and/or to use consultative expertise to assist in evaluation activities.

5.3 – Evaluation of Proposals

All proposals will be subject to the standard review process developed by the State. A primary consideration shall be the effectiveness of the agency or organization in the delivery of comparable or related services based on demonstrated performance.

The State will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. The State reserves the right to:

- ☐ Reject any and all proposals received.
- ☐ Waive minor irregularities.
- ☐ Request clarification, additional documentation, or amendments from any or all Vendors.
- ☐ Cancel this RFP.

Vendor proposals will be evaluated based on a combination of the Vendor's experience and qualifications, innovations, strategic approach, MES capabilities, MES technical approach, service approach, management and implementation approach, and price.

5.4 – Vendor Selection and Evaluation

The State will select two to four Vendor finalists based on the results of the proposal evaluation to participate in on-site demonstrations. Vendor finalists will be evaluated on their overall scores based on their proposals, solution demonstrations, reference checks, and site visits.

5.5 – Finalist Scripted Presentations

For the scripted presentations each finalists will be provided with a set of scripted test scenarios fifteen (15) days before the demonstration. The solution demonstrations dates can be expected to require two (2) days for each Vendor. In order to provide fifteen (15)

days notice, it will be necessary to establish the finalists' solution demonstration dates first. Finalist will be contacted to establish those dates.

The following represents the anticipated timeline of key evaluation events leading up to the scripted presentations.

Table 5.1: Anticipated Timeline for Scripted Presentations

Event	Date(s)
Proposals Due	February 7, 2011 – by 3:00 PM EST
Review of Proposals	February 7, 2011 – March 3, 2011
Finalist Selections	March 4, 2011
Finalist Scripted Presentations	March 8, 2011 – March 31, 2011

5.6 – Successful Vendor

The State will recommend an award to the Vendor receiving the highest aggregate evaluation score. The State retains the right to recommend a Vendor other than the Vendor receiving the highest aggregate evaluation score if, at its sole discretion, it is in the best interests of the State to do so.

5.7 – Federal and State Approvals

In order to ensure the State's goal of securing enhanced Federal Financial Participation (FFP) and State matching funds, the contract award is contingent upon both federal and State of Vermont reviews and approvals. Every effort will be made by the State, both before and after selection, to facilitate rapid approval.

This page is intentionally blank.

Section 6 – Exhibits

The following Exhibits are provided to assist Vendors in their response to this RFP.

Exhibit	Description
A	VT Sample Contract
B	Agency Enterprise Architecture Analysis
C	VT AHS Organization Chart
D	VT MITA Gap Assessment Summary
E	VT Fast Facts
F	VT MES Glossary of Terms

This page is intentionally blank.

Section 7 – Appendices

This page is intentionally blank.