



pennsylvania
DEPARTMENT OF HUMAN SERVICES
DIVISION OF PROCUREMENT

September 16, 2015

SUBJECT: Request for Proposal (RFP) 06-15 HealthChoices Physical Health Services for all Zones Commonwealth-Wide

Dear Prospective Offeror:

You are invited to submit a proposal for the above subject RFP for the Commonwealth of Pennsylvania, Department of Human Services in accordance with the attached Request for Proposal (RFP) 06-15.

All proposals must be submitted as follows:

Hardcopy:

- Technical Submittal: one (1) original and two (2) copies;
- Small Diverse Business Submittal (SDB): two (2) copies (sealed separately from the Technical Submittals).

CD-ROM/Flash Drive:

- Ten (10) separate CD-ROM/Flash Drives, each containing complete and exact copies of the Technical proposal; in Microsoft Office or Microsoft Office compatible format.
- Two (2) separate CD-ROM/Flash Drives each containing complete and exact copies of the entire proposal (Technical, and SDB Submittals, along with all supporting documentation; in Microsoft Office or Microsoft Office compatible format and
- One (1) CD-ROM/Flash Drive containing a copy of the redacted version of the Technical Submittal, excluding Financial Capability in Microsoft Office or Microsoft Office compatible format.

Proposals must be submitted to the Pennsylvania Department of Human Services, Division of Procurement, Room 402, Health and Welfare Building, 625 Forster Street, Harrisburg, PA 17120. **Proposals must be received at the above address no later than two o'clock P.M. (2:00 P.M.) on November 17, 2015. Late proposals will not be considered regardless of the reason.**

All questions should be directed to Barry Bowman, Project Officer, Department of Human Services, Office of Medical Assistance Programs, Bureau of Managed Care Operations via e-mail at RA-PWHLTHCHRFP06-15@pa.gov **no later than October 16, 2015.** Offerors will be provided with answers to questions asked by any one offeror.



pennsylvania
DEPARTMENT OF HUMAN SERVICES
DIVISION OF PROCUREMENT

In addition, a Pre-Proposal Conference will be held on October 20, 2015 from 10:00 AM to 3:30 PM at:

Pennsylvania Training and Technical Assistance Network (PaTTAN)
Conference Room # 1
6340 Flank Drive
Harrisburg, PA 17112-2764
Phone: 717-541-4960

<http://www.pattan.net/category/About/Offices/Location/?office=1>

Proposals **must** be signed by an official authorized to bind the vendor to its provisions. Also, please include your Federal Identification Number, SAP Vendor Number and the Point of Contact's email address on the cover sheet of your proposal. Evaluation of proposals and selection of vendors will be completed as quickly as possible after receipt of proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel R. Boyd".

Daniel R. Boyd
DHS Director of Procurement

Attachments

From:

RFP #: 06-15
Due Date: November 17, 2015 2:00PM
Department of Human Services
Division of Procurement
Room 402 Health and Welfare Building
625 Forster Street
Harrisburg, PA 17120

Technical Submittal

From:

RFP #: 06-15
Due Date: November 17, 2015 2:00PM
Department of Human Services
Division of Procurement
Room 402 Health and Welfare Building
625 Forster Street
Harrisburg, PA 17120

SDB Submittal



REQUEST FOR PROPOSALS FOR

MANAGED CARE ORGANIZATIONS
TO PROVIDE PHYSICAL HEALTH SERVICES
IN THE COMMONWEALTH OF PENNSYLVANIA
IN THE

FIVE HEALTHCHOICES ZONES:

SOUTHEAST ZONE
LEHIGH-CAPITAL ZONE
SOUTHWEST ZONE
NORTHWEST ZONE
NORTHEAST ZONE

ISSUING OFFICE

Commonwealth of Pennsylvania
Department of Human Services
Bureau of Financial Operations
Division of Procurement
Room 402 Health and Welfare Building
625 Forster Street
Harrisburg, PA 17120

RFP NUMBER

#06-15

DATE OF ISSUANCE

September 16, 2015

**REQUEST FOR PROPOSALS #06-15 FOR
HEALTHCHOICES PHYSICAL HEALTH SERVICES IN ALL
ZONES COMMONWEALTH-WIDE**

TABLE OF CONTENTS

CALENDAR OF EVENTS		Page v
Part I—GENERAL INFORMATION		1
I-1	Purpose	
I-2	Issuing Office	
I-3	Scope	
I-4	Problem Statement	
I-5	Type of Agreement	
I-6	Rejection of Proposals	
I-7	Incurring Costs	
I-8	Preproposal Conference	
I-9	Questions and Answers	
I-10	Addenda to the RFP	
I-11	Response Date	
I-12	Proposals	
I-13	Small Diverse Business Information	
I-14	Contractor Partnership Program	
I-15	Economy of Preparation	
I-16	Alternate Proposals	
I-17	Discussions for Clarification	
I-18	Prime Responsibilities	
I-19	Proposal Contents	
I-20	News Releases	
I-21	Restriction of Contact	
I-22	Debriefing Conferences	
I-23	Issuing Office Participation	
I-24	Term of Agreement	
I-25	Offeror’s Representations and Authorizations	
I-26	Notification of Selection	
I-27	Use of Electronic Versions of this RFP	
I-28	Information Technology Policies	

Part II—PROPOSAL REQUIREMENTS **15**

- II-1 Zones of Operation
- II-2 Management Summary
- II-3 Prior Experience
- II-4 Personnel
 - A. Executive Management
 - B. Key Administrative Positions
 - C. Staffing Plans
 - D. Subcontracts
- II-5 Work Statement Questionnaire
- II-6 Financial Condition
- II-7 Objections and Additions to Standard Terms and Conditions
- II-8 Small Diverse Business Submittal
- II-9 Domestic Workforce Utilization Certification
- II-10 Contractor Partnership Program
- II-11 Lobbying Certification and Disclosure

Part III—CRITERIA FOR SELECTION **35**

- III-1 Mandatory Responsiveness Requirements
- III-2 Technical Nonconforming Proposals
- III-3 Evaluation
- III-4 Criteria for Selection
 - A. Technical
 - B. Small Diverse Business Participation
 - C. Domestic Workforce Utilization
- III-5 Offeror Responsibility

Part IV—WORK STATEMENT **39**

- IV-1 Objectives
- IV-2 Nature and Scope
- IV-3 Requirements
- IV-4 Agreement Requirements –Small Diverse Business Participation
- IV-5 CPP Reporting Requirements

RFP APPENDICES

APPENDIX A - DRAFT HEALTHCHOICES AGREEMENT

APPENDIX B - FINANCIAL DATA

APPENDIX C - FORMAT FOR PRE-PROPOSAL QUESTIONS

APPENDIX D - PROPOSAL COVER SHEET

APPENDIX E - TRADE SECRET/CONFIDENTIAL PROPRIETARY NOTICE

APPENDIX F - OFFEROR'S MANAGED CARE EXPERIENCE

APPENDIX G - CORPORATE REFERENCE QUESTIONNAIRE

APPENDIX H - EXECUTIVE STAFF AND KEY ADMINISTRATIVE PERSONNEL CHECKLIST

APPENDIX I - OWNERSHIP STRUCTURE AND RELATED INFORMATION

APPENDIX J - DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

APPENDIX K - SMALL DIVERSE BUSINESS LETTER OF INTENT

APPENDIX L - PMPM SMALL DIVERSE BUSINESS ZONE CHART

APPENDIX M - LOBBYING CERTIFICATION AND DISCLOSURE

CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to [RA Account]	Potential Offerors	October 16, 2015
Preproposal Conference—Location: Pennsylvania Training and Technical Assistance Network (PaTTAN) Conference Room # 1 6340 Flank Drive Harrisburg, PA 17112-2764 Phone: 717-541-4960 http://www.pattan.net/category/About/Offices/Location/?office=1	DEPARTMENT/ Potential Offerors	October 20, 2015 10:00-3:30
Answers to Potential Offeror questions posted to the DGS website (http://www.dgsweb.state.pa.us/RTA/Search.aspx) no later than this date.	DEPARTMENT	October 26, 2015
Please monitor website for all communications regarding the RFP.	Potential Offerors	
Sealed proposal must be received by the Issuing Office at: Commonwealth of Pennsylvania Department of Human Services Bureau of Financial Operations Division of Procurement Room 402 Health and Welfare Building 625 Forster Street Harrisburg, PA 17120	Offerors	November 17, 2015 By 2:00 pm

PART I

GENERAL INFORMATION

I-1. Purpose.

This request for proposals (“RFP”) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Department of Human Service’s (“Department” or “DHS”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for Commonwealth-licensed Health Maintenance Organizations (“HMO”) to operate as Managed Care Organizations (“MCO”) in the HealthChoices Physical Health (PH) Program in the five (5) HealthChoices Zones Commonwealth-wide (“Project”).

I-2. Issuing Office.

The **Bureau of Financial Operations, Division of Procurement** (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Barry Bowman, the Project Officer for this RFP. Please refer all inquiries to the Project Officer.

Barry Bowman
Director, Division of Program Initiatives, Contracting & Communications
Department of Human Services/Office of Medical Assistance Programs
Bureau of Managed Care Operations
P.O. Box 2675
Harrisburg, PA 17105
E-Mail Address – RA-PWHLTHCHRFP06-15@pa.gov

I-3. Scope.

This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the services to be provided; requirements which Offerors must meet to be eligible for consideration and general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement.

The HealthChoices Physical Health Program is the Commonwealth’s statewide mandatory managed care program through which the majority of Medical Assistance (“MA”) consumers receive their physical health services. This RFP has been issued to procure the services of MCOs to operate the HealthChoices Physical Health Program in the five HealthChoices Zones which cover all 67 counties of the Commonwealth. In issuing this RFP, the Department’s objectives are to improve the HealthChoices Program and accomplish the following:

- Promote achievement of Triple Aim (better health, better care, lower costs);
- Improve care coordination between physical and behavioral health services;
- Promote the expansion of value-based purchasing of healthcare services;
- Promote the expansion of team-based approaches to care delivery (i.e. patient centered medical homes);
- Promote Community-based public health initiatives;
- Increase consumer access to needed services, especially in rural and underserved areas of the Commonwealth;
- Improve the efficiency of the HealthChoices Program; and
- Improve the provider experience with the HealthChoices Program.

To achieve these goals, selected MCOs must be as flexible and adaptable as possible, and demonstrate the ability to coordinate services across multiple programs, including programs whose focus is broader than the delivery of physical healthcare services. Selected MCOs will be challenged to assist their members in new ways to overcome personal barriers and ultimately to be self-sufficient, smart purchasers of services.

As part of such new approaches to service coordination and delivery, the Department may include additional populations to be served and/or modify benefit packages to be delivered. The general nature of the services to be provided by HealthChoices Physical Health (“PH”) MCOs will remain consistent with the work statements and program descriptions set forth in this RFP and the Draft HealthChoices Agreement Appendix A, as well as with the primary objectives as listed in this section.

The Draft HealthChoices Agreement in Appendix A provides for potential rate changes to accommodate changes in PH-MCO responsibilities. In the event that amendments, revisions or additions to the requirements of State or Federal law, regulations, guidelines or policies (including IT standards) or if the scope of consumers or services, inclusive of limitations on those services that are the responsibility of the PH-MCO is changed, the Department will determine whether the change is significant so that an actuarial analysis might conclude that a rate change is appropriate. If yes, the Department will arrange for the actuarial analysis, and the Department will determine whether a rate change is appropriate. The Department will take into account the actuarial analysis, and the Department will consider input from the PH-MCO, when making this determination. At a minimum, the Department will adjust the rates as necessary to maintain actuarial soundness of the rates.

The HealthChoices PH program is currently operational in all 67 counties that comprise five (5) geographic zones. HealthChoices is the sole program option for the majority of MA consumers residing in these five zones.

67 Counties in five (5) Zones

The HealthChoices PH Program operates statewide in the following five (5) geographic zones. Each zone is considered one combined service area, requiring that a selected PH-MCO be able to provide the services required under this RFP and Agreement in all counties of a zone for which it is selected.

- A. The Southwest Zone (SE) includes Bucks, Chester, Delaware, Montgomery and Philadelphia Counties.
- B. The Southwest Zone (SW) includes Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, Washington and Westmoreland Counties.
- C. The Lehigh/Capital Zone (L/C) includes Adams, Berks, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Lancaster, Lebanon, Lehigh, Northampton, Perry and York Counties.
- D. The Northwest Zone (NW) (formerly New West) includes Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Potter, Venango and Warren Counties.
- E. The Northeast Zone (NE) (formerly New East) includes Bradford, Carbon, Centre, Clinton, Columbia, Juniata, Lackawanna, Luzerne, Lycoming, Mifflin, Monroe, Montour, Northumberland, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne and Wyoming Counties.

Population projections for the PH HealthChoices Program can be uncertain and can be affected by changes in the economy, law and regulations, and policies. The Department publishes monthly and historical enrollment reports capturing many specific geographic and statistical elements. These reports can be reviewed at <http://www.dhs.state.pa.us/provider/healthcaremedicalassistance/managedcareinformation/index.htm>

Population – July 2015 Member Months

A projection shows that the newly eligible population could grow by 150,000-200,000 members between July and November of 2015. The Department anticipates that the Temporary Assistance Needy Families/Modified Adjusted Gross Income (“TANF/MAGI”) and Supplemental Security Income/Breast and Cervical Cancer (“SSI/BCC”) populations may be relatively stable in the future.

Zone	TANF/MAGI	SSI/BCC	Newly Eligible	Grand Total
Southwest	230,702	97,259	76,853	404,814
Southeast	420,378	160,924	116,994	698,295
Lehigh Capital	261,559	80,228	71,997	413,784
Northeast	157,910	53,267	48,439	259,616
Northwest	82,681	33,574	25,980	142,235
Grand Total	1,153,231	425,251	340,263	1,918,745

Offerors are not required to submit a proposal for all zones but may propose on one, several or all zones.

Certificate of Authority and County Operational Authority

Participation in the HealthChoices PH Program will be limited to Commonwealth-licensed HMOs. All MCOs awarded an agreement for the HealthChoices PH Program for any zone will be required to have a Certificate of Authority to operate as an HMO in Pennsylvania, as well as Pennsylvania Department of Health (DOH) operating authority in each county in each zone for which they are selected, no later than three months prior to the anticipated implementation date of 01/01/2017. By this date, all MCOs awarded an agreement for a HealthChoices PH Zone must provide to the Department, through the Project Officer, a copy of their Certificate of Authority to operate as an HMO in Pennsylvania, as well as a copy of the correspondence from the Pennsylvania DOH granting operating authority in each county in the Zone(s) for which they were selected for award.

I-5. Type of Agreement.

If the Department enters into agreements as a result of this RFP, they will be full risk, capitated Agreements. Regardless of the number of Zones which are awarded to a MCO, the Department will have one agreement with the MCO that covers all awarded Zones. Please see Appendix A for a draft Agreement.

As a result of this procurement, the Department anticipates awarding the following numbers of MCOs in each Zone:

- A. Southeast Zone: 4-5 MCOs
- B. Southwest Zone: 3-5 MCOs
- C. Lehigh/Capital Zone: 3-5 MCOs
- D. Northwest Zone: 3-4 MCOs
- E. Northeast Zone: 3-4 MCOs

The Department may enter into additional agreements with additional qualified PH-MCOs in future years.

The Department, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Department, show them to be qualified, responsible, and capable of providing the services.

The Department will pay each selected PH-MCO using a schedule of per member per month (PMPM) capitation rates. The Department may make other types of payments, as provided by the Agreement.

Supporting information related to HealthChoices PH program costs and rates is included in **Appendix B, Financial Data**. This historic information does not necessarily predict the revenue that the Department will provide in its final agreements with the selected MCOs.

Agreement pricing for 2017

This RFP does not require a cost proposal. The Department's actuary will provide a set of actuarially sound rate ranges for the January-June 2017 program period, using 2013 rate cost base as a basis for preparing these rate ranges. The Data Book for the 2016 Contract Year presents this historical cost data relative to the 2013 cost base year and can be found on the Department's website at <http://www.dhs.state.pa.us/provider/healthcaremedicalassistance/managedcareinformation/> the following link:

The Department will share the rate ranges and supporting documentation with selected Offerors prior to negotiations over financial terms.

At a later date, the Department's actuary will prepare a set of actuarially sound rate ranges for the July-December 2017 program period. The Department will share the rate ranges and supporting documentation including a Data Book with the selected PH-MCOs, and the Department will schedule negotiations for financial terms. The purpose of the bifurcation of the rate year is to enable the actuary to prepare rate ranges for the second half of the year using more current and complete data.

The Department anticipates that the initial Agreements will include:

- Capitation rates for two geographic rating areas within each of the five HealthChoices Zones
- Risk adjustment of capitation rates (see section below)
- Maternity care payments
- High Cost Risk Pools, not immediately applicable to a new entrant
- Home Nursing Risk Sharing
- Specialty Drug Risk Sharing and Quality Risk Pools
- Pay for Performance incentives

The Department will determine a date by which negotiations must be completed and an agreement must be signed by the selected Offerors. If the Offeror does not accept the Department's final rate offer for a Zone, the Department may, at its sole discretion, reject the proposal for all or some of the Zones for which it was selected.

Agreement pricing for 2018 and beyond

For 2018 and subsequent program years, the Department plans to provide each PH-MCO with rate ranges, supporting documentation and a financial proposal prior to annual negotiation of agreement terms. Steps are subject to change as needed to accommodate changes in Centers for Medicare & Medicaid Services ("CMS") requirements and changes in the Department's objectives and practices.

Risk Adjustment

The Department anticipates that most capitation rates paid to the PH-MCOs in the HealthChoices PH Program will be subject to risk adjustment. Risk adjustment is a process where capitation payments made to the PH-MCOs are adjusted based on the relative health risk of each PH-MCO's members. The Department has used risk adjustment to adjust capitation payments in its HealthChoices program since 2003, and plans to continue this practice into the foreseeable future.

A general overview of the risk adjustment process is provided in Appendix B of this RFP. The overview provides a high-level description of the risk-adjustment process as it currently stands and also addresses potential changes that may occur in the near future. Additionally, the latest version of the Risk Adjusted Rates (RAR) Manual, *HealthChoices Risk Adjusted Rates Manual Version 2.5* can be reviewed on the Department's website at the following link: http://www.dhs.state.pa.us/cs/groups/webcontent/documents/document/c_209461.pdf

The RAR Manual provides in-depth documentation of the risk adjustment process utilized in the HealthChoices program. It should be noted that the latest version of the RAR Manual reflects the methodology effective through December 31, 2014 (minor changes have occurred since then). These resources have been provided to Offerors to enable a better understanding of the risk adjustment process. The Department may make changes to the risk adjustment process that it determines to be appropriate. The Department will provide comprehensive documentation with timely updates to each PH-MCO on the risk adjustment method.

I-6. Rejection of Proposals.

The Department may, in its sole and complete discretion, reject any proposal received as a result of this RFP.

I-7. Incurring Costs.

The Department is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP and Readiness Review process or in anticipation of agreement award.

I-8. Preproposal Conference.

The Department will hold a Preproposal conference as specified in the Calendar of Events. The purpose of this conference is to provide an opportunity for clarification of the RFP. Offerors should forward all questions to the RFP Project Officer in accordance with **Part I, Section I-9** to ensure adequate time for analysis before the Department provides an answer. Offerors may also ask questions at the conference. The Preproposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Department. All questions and written answers will be posted on the Department of General Services' (DGS) website as an addendum to, and shall become part of, this RFP. Attendance at the Pre-proposal Conference is **optional, but strongly encouraged**.

I-9. Questions & Answers.

If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP #06-15 Question”**) to the Project Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Project Officer by any other means. The Department shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events. An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Project Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Project Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Department shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum.

I-10. Addenda to the RFP.

If the Department deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at <http://www.dgsweb.state.pa.us/RTA/Search.aspx>. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-11. Response Date.

To be considered for selection, proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Department will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Department otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Department will reject unopened, any late proposals.

I-12. Proposals.

To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Part II**, providing three (3) **paper copies of the Technical Submittal**

and two (2) paper copies of the Small Diverse Business Submittal. In addition to the paper copies of the proposal, Offerors shall submit **ten (10) complete and exact** copies of the technical proposals on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format and **two (2) complete and exact** copies of the entire proposal (Technical and Small Diverse Business Submittals, along with all supporting documentation) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. To the extent that an Offeror designates information as confidential or proprietary or trade secret protected in accordance with Part I, Section I-19, the Offeror must also include one (1) redacted versions of the Technical Submittal, excluding Financial Capability on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. Offerors may not lock or protect any cells or tabs. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted.

Offerors should not include any costing information in the technical submittal. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (**Appendix D** to this RFP) and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid for **120** days or until an agreement is fully executed. If the Department selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through negotiations, obligations under the agreement.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

I-13. Small Diverse Business Information.

The Department encourages participation by small diverse businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use small diverse businesses as subcontractors and suppliers.

A Small Diverse Business is a DGS-verified minority-owned business, woman-owned business, veteran-owned business or service-disabled veteran-owned business.

A small business is a business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual

revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Small Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: gs-bsbo@pa.gov
Website: www.dgs.state.pa.us

The DGS' directory of BSBO-verified minority, women, veteran and service disabled veteran-owned businesses can be accessed from: [Searching for Small Diverse Businesses](#).

I-14. Contractor Partnership Program (CPP).

A. Overview

The Contractor Partnership Program (CPP) was created by the Department to provide additional employment opportunities within the Commonwealth. The CPP is designed to leverage the economic resources of the Department to create jobs for individuals currently receiving TANF cash assistance by maximizing the recruitment, hiring and retention of those individuals by Commonwealth contractors, subcontractors, providers, and grantees. The CPP utilizes its partnerships with the local Workforce Investment Agencies (WIAs), County Assistance Offices (CAOs), service delivery providers and other community action agencies to advance this goal.

The CPP requires entities entering into agreements with the Department make a commitment to fill their vacancies and new positions with individuals currently receiving TANF cash assistance. The CPP will work cooperatively with entities to assist in these efforts by coordinating the resources of local service providers to assist in the identification of qualified individuals for employment opportunities. While the CPP will provide assistance, the selected MCO is ultimately responsible for ensuring its goal is met.

Through CPP, the Department expects not only to increase the employment rate for individuals receiving TANF cash assistance, but to continue to contribute to the economic growth of the Commonwealth.

B. Eligibility Requirements

In order for a MCO to get credit for meeting its CPP commitment, it must hire individuals currently receiving TANF cash assistance from the Department. This includes but it is not limited to individuals currently participating in any of the Department's employment and training programs such as Employment, Advancement and Retention Network ("EARN"),

Supported Work, Supported Engagement, Industry Specific Initiatives, KEYS., as well as, those individuals in self-initiated activities at the CAO. Individuals receiving medical assistance or foods stamps only **are not** eligible.

For more information about the Contractor Partnership Program please contact: Contractor Partnership Program
PA Department of Human Services
Health & Welfare Building
2nd Floor West
7th & Forster Streets
Harrisburg PA 17105
Attn: Brian Holler
Phone: 1-866-840-7214/Fax: (717) 787-4106
Email: RA-BETPCPP@pa.gov

I-15. Economy of Preparation.

Offerors should prepare proposals simply and economically, providing a straightforward and concise description of the Offeror's ability to meet the requirements of the RFP and the agreement.

I-16. Alternate Proposals.

The Department has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Department will not accept alternate proposals.

I-17. Discussions for Clarification.

Offerors may be required to make an oral or written clarification of their proposals to the Department to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Project Officer will initiate requests for clarification.

I-18. Prime Responsibilities.

The agreement will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontracts/sub agreements. The Department will consider the selected Offeror to be the sole point of contact with regard to agreement matters.

I-19. Proposal Contents.

- A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the

signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

- B. Commonwealth Use.** All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Department's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of an agreement. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure.** After the award of an agreement pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to Appendix E of the RFP for a Trade Secret Confidential Proprietary Information Notice form that may be used as the signed written statement, if applicable. Financial capability information submitted in response to Part II, Section II-6 of this RFP is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-20. News Releases.

Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Department and then only in coordination with the Department.

I-21. Restriction of Contact.

From the issue date of this RFP until the Departments selects proposals for award; the Project Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Department to reject the offending Offeror's proposal. If the Department later discovers that the Offeror has engaged in any violations of this condition, the Department may reject the offending Offeror's proposal or rescind its award. Offerors must agree not to distribute any part of their proposals beyond the Department. An Offeror who shares information contained in its proposal with other Commonwealth personnel or competing Offeror personnel may be disqualified.

I-22. Debriefing Conferences.

Offerors whose proposals are not selected will be notified of the name of the selected Offerors and given the opportunity to be debriefed. The Project Officer will schedule the time and location of the debriefing. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror's proposals.

I-23. Issuing Office Participation.

Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-23**.

Prior to the enrollment of MA consumers in a MCO, the Department will conduct a readiness review. MA Consumers will not be able to enroll in a selected MCO until the Department determines that the MCO has satisfied the readiness review requirements. The Department will monitor selected MCOs for compliance with the requirements of the PH HealthChoices Program Agreement. The Department will designate staff to coordinate the project, provide or arrange for technical assistance, and monitor for Readiness Review, and compliance with agreement requirements, the approved waiver and program policies and procedures. At its discretion, the Department may commence monitoring before the effective or operational dates of the agreement, and before the formal Readiness Review period.

I-24. Term of agreement

The term of the agreement will commence on 1/1/2017 or a later date selected by the Department and will have a three (3) year term. The Department may, at its discretion, choose to extend the term of the agreement for one additional period of two (2) years.

I-25. Offeror's Representations and Authorizations.

By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A.** The Offeror's information and representations in the proposal are material and important, and the Department may rely upon the contents of the proposal in awarding the agreement. The Commonwealth shall treat a misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- B.** The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal to this RFP, or to submit a noncompetitive proposal or other form of complementary proposal.
- C.** The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- D.** To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract or agreement, or have been excluded from participating in any federal health care programs,

except as disclosed in its proposal. Further, to the best knowledge of the person signing the proposal for the Offeror, the Offeror has no relationships which are prohibited under 42 C.F.R. §438.610 Prohibited Affiliations with individuals debarred by Federal agencies.

- E.** To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- F.** The Offeror is not currently under suspension or debarment and has not been excluded from participation in any federally funded health care program by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- G.** The Offeror has not made, under separate agreement with the Department, any recommendations to the Department concerning the need for the services described in its proposal or the specifications for the services described in its proposal.
- H.** Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- I.** Until the selected Offeror receives a fully executed and approved written agreement from the Department, there is no legal and valid agreement, in law or in equity.

I-26. Notification of Selection.

The Department will notify the selected Offerors in writing of their selection for negotiation after the Department has determined, taking into consideration all of the evaluation factors, the proposals that are the most advantageous to the Department.

I-27. Use of Electronic Versions of this RFP.

This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

I-28. Information Technology Policies.

To the extent applicable, services provided as a result of this RFP are subject to the Information Technology Policies (ITPs) issued by the Office of Administration, Office for Information Technology (OA-OIT); and the DHS Business and Technical Standards created and published by DHS. ITP's may be found at

<http://www.portal.state.pa.us/portal/server.pt?open=512&objID=416&PageID=210791&mode=2>.

The DHS Business and Technical Standards may be found at <http://www.dhs.state.pa.us/provider/doingbusinesswithdhs/busandtechstandards/index.htm>.

All proposals must be submitted on the basis that all ITPs and DHS Business and Technical Standards are applicable to this procurement. The Offeror is responsible to read and be familiar with the ITPs and DHS Business and Technical Standards. Notwithstanding the foregoing, if the Offeror believes that any ITP or DHS Business and Technical Standard is not applicable, it must list all such ITPs and DHS Business and Technical Standards in its technical submittal, and explain why it believes the ITP or DHS Business and Technical Standard is not applicable. DHS may, in its sole discretion, accept or reject any request that an ITP and/or DHS Business and Technical Standard not be considered to be applicable to the procurement. Offeror's failure to list an ITP and/or Business and Technical Standard will result in its waiving its right to do so later, unless DHS, in its sole discretion, determines that it would be in the best interest of the Commonwealth to waive the pertinent ITPs or Business and Technical Standard.

PART II

PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. Small Diverse Business cost data relating to the proposal should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following two (2) separately sealed submittals:

A. Technical Submittal, which shall be a response to RFP Part II, Sections II-1 through II-7 and Sections II-9 through I-11;

B. Small Diverse Business Submittal, in response to RFP Part II, Section II-8;

Offerors may submit one proposal for multiple Zones, however; if an Offeror is proposing on multiple Zones, **any and all** portions of the proposal that describe different, separate, or additional components specifically designed to address RFP requirements in one particular Zone should be provided under separately tabbed sections of the Offeror's response, and clearly labeled as "Section [*insert number and name of relevant section*] HealthChoices [zone name] **Zone**," and Section [*insert number and name of relevant section*] HealthChoices [zone name] **Zone**," respectively. For example, Offerors should note that in Section II-4, "Personnel," the Department is specifically requesting that any such different, separate, and/or additional organizational structure(s) or personnel be provided under separately tabbed sections of the Offeror's proposal, and clearly labeled as "Section II-4 HealthChoices [zone name] Personnel," and Section II-4 HealthChoices [zone name] Personnel," respectively.

Offerors must submit proposals in the following format:

- a. Pages must be 8.5 by 11 inches with right and left margins of one (1) inch; and be double-sided.
- b. Must use Arial or Times New Roman font with a size of twelve(12)
- c. Tab and Section Headings must be used
- d. Each page must include a page number and identification of the Offeror in the page footer.
- e. Materials provided in any Appendix must be specifically referenced by page number(s) in the body of the proposal.
- f. Exceptions for paper and font size are permissible for project schedule (Microsoft Project) or for graphical exhibits and material in appendices which may be printed on white paper with dimensions of 11 by 17 inches.

The Department may request additional information which, in the Department's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP and the Agreement.

The Department may make investigations as deemed necessary to determine the ability of the Offeror to perform as a PH HealthChoices MCO, and the Offeror shall furnish to the Department all requested information and data. The Department may reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Department that such Offeror is properly qualified to carry out the obligations of the RFP and the Agreement.

II-1. Zone(s) of Operation.

Indicate the Zone or Zones of operation in which the Offeror wishes to participate. See RFP Part I, Section I-4 Problem Statement for a description of the Zones.

II-2. Management Summary.

Include a narrative description of the proposed effort and a list of the Program services to be provided. The summary will condense and highlight the contents of the technical submittal in a manner that allows a broad understanding of the Technical submittal.

II-3. Prior Experience.

In addition to relevant prior work done by your company, experience shown should include relevant work done by specific individuals who will be assigned to the Zone(s).

- A. Corporate Background.** The Offeror must describe the corporate history and relevant experience of the Offeror and any subcontractors. This section must detail information on the ownership of the company (names and percent of ownership), the date the company was established, the date the company began operations, the physical location of the company, and the current size of the company.

The Offeror must submit, as an appendix, its organization's Articles of Incorporation. If its Articles of Incorporation do not include all the information in Appendix I Ownership Structure and Related Information, this information must also be provided.

Offerors must identify any current contracting or subcontracting relationship(s) that may result in a conflict of interest with the requirements of this RFP, including 42 C.F.R. §438.58. Offerors must also abide by the Department's conflict of interest standards identified in Appendix A, Agreement. Exhibit D, Standard Terms and Conditions for Services and Exhibit F, Department of Human Services Addendum to Standard Terms and Conditions.

- B. Corporate Experience.** The Offeror must describe its experience providing similar services, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted. This section of the proposal must include a description of the Offeror's:

1. Qualifications and experience with Medicaid managed care systems;

2. Qualifications and experience operating any managed care medical program; and
3. Experience with other Commonwealth agencies.

The Offeror must also submit **Appendix F**, Offeror's Managed Care Experience. If the Offeror has no prior experience as referenced above, explain what qualifications or past experiences may serve as a substitute.

C. References. The Offeror must provide a list of at least three (3) relevant contracts within the past three (3) years to serve as corporate references. This list shall include the following for each reference:

1. Name of contract
2. Type of contract
3. Contract description, including type of service provided
4. Total contract value
5. Contracting officer's name and telephone number
6. Role of subcontractor(s) (if any)
7. Time period in which service was provided

The Offeror must submit **Appendix G**, Corporate Reference Questionnaire, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Offeror. The reference individual should sign their name over the seal. The Offeror must include these sealed references with its proposal.

II-4. Personnel.

The Offeror must submit a description of the MCO's overall organizational structure and its proposed organizational structure for the operation in each HealthChoices Zone(s) for which it is submitting a proposal. As part of the organizational structure, Offerors should include a description of the positions and staffing as well as the proposed reporting lines. The Offeror should demonstrate that all of the requirements set forth in this RFP and in the draft Agreement (Appendix A) are sufficiently addressed in the Offeror's proposed organizational structure and personnel. If the Offeror is proposing on multiple zones, and if the Offeror is proposing to employ different, separate, and/or additional organizational structure(s) or personnel to address RFP requirements in different zone(s), the Offeror must provide descriptions of the different, separate, and/or additional organizational structure(s) or personnel under separately tabbed sections of the Offeror's Technical Submittal clearly labeled as "Section II-4 HealthChoices [zone name] Personnel," and Section II-4 HealthChoices [zone name] Personnel," respectively.

For those functions described in this section, an Offeror may propose to combine functions or split the responsibility across multiple HealthChoices Zones, unless otherwise indicated, as long as it can demonstrate that the duties of the function will be carried out. If an Offeror proposes to combine or split responsibility, its response to this section must clearly indicate which individuals and offices will be responsible for each duty and function, and demonstrate that such duties and functions will be effectively performed and coordinated in each Zone.

Similarly, a selected Offeror may contract with a third party to perform functions, subject to the subcontractor conditions set forth in the draft Agreement. If an Offeror proposes to engage a subcontractor to perform any of the functions discussed in this section of the RFP, Offerors may cross-reference and need not duplicate the descriptions of such subcontractors requested below in Section II-4.D of this RFP, Subcontracts. Selected Offerors are required to keep the Department informed at all times of the management individual(s) whose duties include each of the responsibilities outlined in this section.

For the following functions, provide the individual's name and, through resume or similar document, the individual's qualifications, including education and experience as well as other requested information. Offerors who do not currently employ individuals responsible for a function described in this section, may instead provide job descriptions, including the minimum required education and experience and the related information requested. Such Offerors, however, must take care that their responses to the Work Statement in Sections II-5 of this RFP clearly establish that qualified individuals will be employed, and their names and résumés provided to the Department, as part of the readiness review process.

A. Executive Management (Section V.M of the draft Agreement)

Full time positions for executive management as described in V.M. of the Agreement mean full time positions dedicated to the HealthChoices PH Managed Care Program in Pennsylvania.

For the Administrator, Chief Financial Officer, Medical Director, Pharmacy Director, HealthChoices Program Manager and the Information Systems Coordinator, please provide the following information for each position:

1. Describe the executive's role in the organization.
2. During the most recent 36 months, how many months was this position not filled by an employee permanently assigned to the position? During the most recent 36 months, how many different people filled this position?
3. Describe the level of effort he/she provides related to each of the major program areas of program management, financial management, quality management, utilization management, data management, consumer services and provider utilization.

For all management positions specifically identified in your proposal, including the executive management positions listed above, provide:

- Résumés of the management personnel for the position..
- A job description for each management position for the proposed organizational structure for the PH HealthChoices Program.
- Specify where management personnel will be physically located during the time they are engaged to work.

B. Key Administrative Positions (Section V.N of the draft Agreement)

In this section, the Offeror must identify the name and position of the person authorized to finalize an agreement with the Department.

In addition, for each of the key administrative positions/functions listed below, provide the following information:

1. Attach a job description that includes minimum education experience required for each position.
2. Specify where these personnel will be physically located during the time they are engaged to work.

Key Administrative Positions/Functions

- Quality Management Coordinator
- Utilization Management Coordinator
- Special Needs Coordinator
- Government Liaison
- Maternal Health/EPSTD Coordinator
- Member Services Manager
- Provider Services Manager
- Complaint, Grievance and DHS Fair Hearing Coordinator
- Claims Administrator
- Contract Compliance Officer
- HEDIS Project Manager
- Other key personnel identified by Offeror

For ease of reference, Offerors may use the chart in **Appendix H**, Executive Staff and Key Administrative Personnel Checklist, to ensure that their response provides all the documents and information pertaining to the Executive Management and Key Administrative positions and functions discussed in this section.

Board Members

The Offeror must describe the role of board members in governance and policy making and specify the manner in which MA consumers will be represented in an advisory and decision making capacity for the HealthChoices Zones. In accordance with Pennsylvania DOH regulations, one-third of the board's membership must be "subscribers" of the MCO.

C. Staffing Plans

The Offeror must include a comprehensive statement of its proposed staffing plan demonstrating how it will provide adequate staffing to address all requirements found in the RFP and the Agreement. Include comprehensive organizational charts that detail the number of staff and positions for each existing or proposed department within the MCO.

D. Subcontracts

Provide a description of each subcontractor with responsibilities related to the provision of services to consumers including, but not limited to, the provision of medical services, and consumer services and administrative support including, but not limited to, claims processing along with an organizational synopsis of services to be provided by each of these subcontractors. Provide a separate response for each subcontract. (Limit to 2 pages for each subcontract)

Note that, if the subcontract provides for any financial risk, the HealthChoices MCO will be required to comply with the subcontracting requirements set forth in Section XIII of the Agreement.

II-5. Work Statement Questionnaire: (Soundness of Approach).

In this section, the Offeror will respond to the following questionnaire, taking care to be as concise as possible in its responses. In responding, the Offeror should repeat each question and then follow each question with the specific response. Please note that page limits have been established for the response to each question. While the Department will take note of an Offeror's adherence to these limits, they represent only the maximum permissible length of a response. Offerors are not required to and should not expand their responses to the maximum length if a question may be fully answered in fewer pages. **All page limits apply to response text only; not to any requested documents.**

When possible, **Offerors currently participating in HealthChoices** are encouraged to describe their current practices and to also describe changes or improvements to their current operations and to use examples from their HealthChoices line of business when explaining their future plans related to a question.

Offerors new to HealthChoices should provide responses on line(s) of business deemed to be most relevant. They should also describe how they would adapt their current line(s) of business to the PH HealthChoices Program.

If the Offeror is proposing on multiple zones, **any and all** portions of a response to questions in Section II-5 that describe different, separate, or additional components of the response that is specifically designed to address the needs of one particular zone should be provided under separately tabbed sections of the Offeror’s Technical Submittal, and clearly labeled as “Section II-5 Work Statement Questionnaire HealthChoices [zone name] **Zone**,” and “Section II-5 Work Statement Questionnaire HealthChoices [zone name] **Zone**,” respectively.

If the Offeror is proposing on multiple zones and its response to any question is the same for all zones, it need not duplicate its response for each zone.

WORK STATEMENT QUESTIONNAIRE	
PLANNED APPROACH	
1.	Describe in detail how you will develop your network and set up operations capable of supporting membership and meeting requirements of the RFP and Agreement, no later than three months prior to the anticipated implementation date of 1/1/17. Describe your approach for meeting the requirements and include: <ul style="list-style-type: none"> • A detailed description of your project management methodology. The methodology should address, at a minimum the following: <ul style="list-style-type: none"> ○ Issue identification, assessment, alternatives and resolution; ○ Resource allocation and deployment; and ○ Reporting of status and other communications with the Department, including a description of your proposed method for ensuring adequate and timely reporting of information to Department personnel and executive management. (Limit to five pages)
2.	Provide a work plan for program implementation. At a minimum, the work plan should include: <ul style="list-style-type: none"> • A description of all activities necessary to obtain required contracts for your provider network as specified in the Agreement; and • An itemization of activities that you will undertake during the period between notification of selection to precede to Readiness Review and the implementation date of 1/1/17. The activities shall have established deadlines and timeframes. (Limit to four pages)
MEMBER MANAGEMENT	
1.	Describe the innovative approaches your organization takes to promote personal responsibility among MA or other consumers by involving them in managing their own healthcare benefits and providing incentives that encourage wellness and healthy lifestyles. For any existing programs, include the number of consumers engaged and any results. Describe how your MCO plans to disseminate such programs. Describe the approaches to be used for the HealthChoices PH Program. (Limit to four pages)
2.	Describe the innovative approaches your organization uses to directly engage consumers as well as those approaches to be used for the HealthChoices PH Program. Include a description of your use of community health workers to outreach to membership. Describe your results. (Limit to four pages)
3.	Describe your organization’s experience using technology such as telehealth, social media or other methods to provide your members with resources for managing their own healthcare

	benefits and your planned use of technology for the HealthChoices PH Program. (Limit to two pages)
4.	Describe the management techniques, policies, procedures or initiatives you have implemented to promote health care equity (i.e., reductions in disparity in treatment and outcomes among disparate races and ethnic groups). Please provide evidence of success. Describe the strategy to be used for the HealthChoices PH Program. (Limit to six pages)
5.	Describe the management techniques, policies, procedures or initiatives you have in place to effectively and appropriately increase the use of pediatric dental preventive services. Please outline successes you have achieved in ensuring children receive preventive dental services on an ongoing basis and include the number of full time equivalent licensed and non-licensed telephonic and community based personnel involved in these activities. Describe your strategy to improve performance for the HealthChoices PH Program. (Limit to six pages)
6.	Describe the disease management programs your organization has in place and how you have determined their success including how members are educated about their availability. Incorporate how you coordinate with your care management programs to ensure there is a patient-centered approach taken for disease and care management activities including any technology to stratify and track those members that are most in need of case/disease management. Identify and describe the program(s) that will be used if selected for award. (Limit to four pages)
UTILIZATION MANAGEMENT	
1.	Describe your approach to utilization management for the HealthChoices PH Program, including: <ul style="list-style-type: none"> • Lines of accountability for utilization policies and procedures and for individual medical necessity determinations; • Data sources and processes to determine which services require prior authorization and how often these requirements will be re-evaluated; • Process and resources to develop utilization review criteria; • Prior authorization processes for Members requiring services from non-participating providers or for members who require expedited prior authorization review and determination due to conditions that threaten the Member’s life or health; • Processes to ensure consistent application of criteria by individual clinical reviewers; and • How your utilization management reviews will utilize the HealthChoices definition of Medically Necessary. (Limit to six pages)
2.	Describe your approach for training your staff and providers in the submission and review of Letters of Medical Necessity and other supporting material so that appropriate and consistent utilization review decisions are made. Describe the steps to minimize the number of denials for services that are issued, especially for children’s services, due to a lack of all information being submitted at the initial request. (Limit to four pages)
CARE MANAGEMENT	

1.	Describe the techniques, policies, procedures or initiatives you have in place to effectively and appropriately control avoidable hospital and emergency department admissions. Please include the number of full time equivalent licensed and non-licensed telephonic and community based personnel involved in these activities. Describe how you currently use community health workers to directly engage consumers. Describe your strategy for the HealthChoices PH Program to improve performance in this area. (Limit to six pages)
2.	Describe any specific programs that focus on consumers with persistent serious mental illness and/or substance use disorder. Describe how you currently interact with Behavioral Health MCOs and use community health workers to directly engage consumers. Describe your strategy for the HealthChoices PH Program to improve performance in this area. (Limit to four pages)
3.	Describe the techniques, policies, procedures or initiatives you have in place to effectively and appropriately manage the Transition of Care (TOC) for members being discharged from inpatient care and how these techniques control hospital readmissions. Please include the number of full time equivalent licensed and non-licensed telephonic and community based personnel involved in these activities. Describe the strategy to be used if selected for award. (Limit to six pages)
4.	Describe the organization’s philosophy on Community Based Care Management and outline any key initiatives as well as any initiatives to be used if selected for award. Describe the results of these initiatives that demonstrate improved health outcomes for the members that were served. (Limit to two pages)
5.	Describe any experience you have related to the use of Health Homes and/or Patient Centered Medical Homes as well as any planned use if selected for award. (Limit to two pages)
6.	Describe how you will provide community-based care management to the perinatal population that is consistent with the Healthy Beginnings Plus Program, including any plan to deploy community based licensed and unlicensed personnel. Describe how the strategy will lead to improvement in the HEDIS measures of Frequency of Ongoing Prenatal Care: ≥ 81 Percent of the Expected Number of Prenatal Care Visits; Prenatal Care in the First Trimester; and Postpartum Care. <ul style="list-style-type: none"> • Detail how you will implement a community based health home at higher volume hospitals/health systems that focus on pregnant women with substance use disorders. • Describe how your strategy will improve birth outcomes and reduce neonatal intensive care unit costs. (Limit to six pages)

SPECIAL NEEDS

1.	Describe your approach to ensuring that children are receiving appropriate Early and Periodic Screening Diagnostic and Testing, (EPSDT) services. Describe how you ensure that individual children get the health care they need when they need it and that families are educated on these services. Explain how the organization assesses the parent’s engagement and understanding of the importance of the EPSDT services? (Limit to four pages)
2.	Describe the processes for transitioning and coordinating care for members as they age into adult categories of assistance that may provide less service coverage as well as your strategy if selected for award. (Limit to two pages)
3.	Describe your process for care coordination so that members receive adequate in-home services

	to divert them from entering long term care facilities. (Limit to two pages)
4.	Describe your process to ensure that appropriate coordination of care and discharge planning is occurring when members requiring home shift care are discharged home from either inpatient care or from a pediatric facility. Include any policies which address the coverage of necessary EPSDT services while the coordination of care/discharge plan is fully implemented. (Limit to four pages)
5.	Describe in detail your planned initiatives to inform all members and providers in each Zone of the existence and function of the Special Needs Unit. (Limit to two pages)
6.	Describe how person-centered planning will be incorporated into your Special Needs and/or Care Management processes. (Limit to two pages)
7.	Describe the process and initiatives to actively identify and outreach to members with complex or chronic special needs conditions who would benefit from assistance from the Special Needs Unit. Include how this outreach will address the unique cultural and ethnic populations in that exist in the Zones. (Limit to four pages)
MANAGEMENT TO IMPROVE QUALITY	
1.	Describe initiatives or processes your organization already has in place to support a movement toward increasing Value Based Purchasing (VBP) strategies within your network contracts? <ul style="list-style-type: none"> Indicate the current percentage of the medical portion of the capitation and maternity revenue or percentage of network spending that is applied to VBP strategies. Provide a breakdown of the specific VBP strategies employed. (Limit to two pages)
2.	Describe your strategy for meeting the VBP requirements in Section VII. of the draft Agreement (Appendix A of the RFP). <ul style="list-style-type: none"> Detail the steps you will take for each calendar year from CY 2017 through CY 2019. (Limit to five pages)
3.	Describe your strategy for achieving improved quality performance and outcomes. (Limit to four pages)
4.	Describe the steps you will take to build relationships and develop contracting strategies to pursue VBP contracts with Accountable Care Organizations. (Limit to two pages)
COORDINATION OF CARE	
1.	Describe the procedures and processes you have in place for coordination of care to ensure a smooth transition for MA consumers who transfer between MCOs and delivery systems as well as those procedures which will be used if selected for award. (Limit to two pages)
2.	Describe the procedures and processes you have in place for continuity of care when a consumer transitions between and among delivery systems as well as those procedures and processes that will be used if selected for award. (Limit to two pages)
3.	Describe the procedures and processes you will have in place for coordination of care with all current Pennsylvania waiver services and programs (listed and described in Appendix A, Agreement, Exhibit O, Description of Facilities and Related Services, and Exhibit P, Out-of-Plan Services. (Limit to two pages)
4.	Describe your plan to create, maintain, and continuously improve collaboration with HealthChoices Behavioral Health Managed Care Organizations (BH-MCOs). <ol style="list-style-type: none"> 1) Include a description of methods you will use to exchange information relevant to providing care coordination using behavioral health utilization data provided by the Department. 2) Include any planned initiative to work with the BH-MCOs to minimize and provide appropriate utilization of Psychotropic medication with children, especially those in substitute care. (Limit to four pages)

5.	Describe the process you will use to coordinate with County Offices of Children, Youth and Families to provide Children in Substitute Care with necessary services. Describe challenges the organization anticipates or has experienced when coordinating care for children in substitute care and provide any strategies that will be or have been used to improve coordination. (Limit to two pages)
PHARMACY	
1.	Describe your approach to control pharmacy costs while maintaining access to MA covered outpatient drugs. Describe programs or initiatives that have been successful at controlling costs. (Limit to five pages)
2.	Describe your policies, procedures or processes for identifying opportunities and conducting both retrospective (RDUR) and prospective drug utilization review (ProDUR) within the MA Program’s Drug Utilization Review guidelines. Provide examples of RDUR and ProDUR initiatives, interventions and outcomes. Describe innovative practices or future enhancements to be used for drug utilization review. (Limit to four pages)
3.	<ul style="list-style-type: none"> • Describe how your formulary or preferred drug list will be developed and maintained; • Describe other outpatient drug utilization strategies; • Describe the Pharmacy and Therapeutics (P&T) Committee, including the membership and function. (Limit to four pages)
4.	<p>Describe your pharmacy prior authorization policies, procedures and process, including the following:</p> <ul style="list-style-type: none"> • How are prior authorization criteria developed? • How are requests for prior authorization made? • How are temporary supplies obtained for drugs requiring prior authorization for new and ongoing medication? • How do providers (pharmacies and prescribers) and consumers learn about the authorization process and criteria? • Who makes medical necessity decisions? • What is the timeline for processing prior authorization requests? • How are the Continuity of Care requirements for children and adults incorporated into the prior authorization process? • Provide example of denial language for an Outpatient Drug Denial Notice • If you will make payment for designated outpatient drugs under both the pharmacy and medical benefits depending on place of service, describe the prior authorization process for those drugs • If you will make payment for designated outpatient drugs under the pharmacy or medical benefit only, describe the prior authorization process for those drugs. <p>(Limit to ten pages)</p>
5.	<p>With regard to outpatient drug claims, explain:</p> <ul style="list-style-type: none"> • How you provide access to all Medicaid covered outpatient drugs? • How you prevent payment for coverage exclusions? • How the MCO’s payment methodology for outpatient drugs results in access and how consistent is it with other private third-party payers in the Commonwealth? • Who will adjudicate your outpatient drug claims? • How do you achieve adequate oversight and monitoring of the drug claims processor, including fraud and abuse and encounter data?

	<ul style="list-style-type: none"> • Will all outpatient drugs be processed through NCPDP pharmacy point of sale? If not, what other method of claims processing will be used (e.g., professional claim with HCPCS codes)? • How will the MCO require that all paid outpatient drug claims include the accurate 11 digit National Drug Code (NDC) and corresponding NDC units for the product dispensed? • How will the MCO ensure that NDC and units for physician-administered drugs is appropriate for the HCPCS code billed by the provider? • Describe the process by which the MCO will audit outpatient drug claims for accuracy? (Limit to fifteen pages)
6.	<p>Describe your specialty pharmacy program and include the following:</p> <ul style="list-style-type: none"> • The MCO definition of a specialty drug. • How the MCO will comply with the requirement to contract on an equal basis with the willing and qualified pharmacies under Section 449 of the Public Welfare Code. • The clinical supports and programs to be provided by specialty pharmacies. • How the MCO's care management programs will coordinate care for MA beneficiaries using specialty drugs. • Clinical and financial outcomes associated with the specialty pharmacy program. • Describe any innovative or future plans for your specialty pharmacy program including plans to purchase and effectively manage specialty drugs. (Limit to five pages)
7.	<p>Describe how your outpatient drug claim information is and will be coordinated with medical claim data such as hospitalizations, emergency department visits, diagnosis codes, etc. to provide comprehensive care management. (Limit to two pages)</p>
8.	<p>Describe how you will meet the requirement that all data required by the Department for all outpatient drugs paid for by the MCO are submitted timely, completely and accurately to the Department. (Limit to four pages)</p>
9.	<p>Describe how your organization will coordinate outpatient covered drugs with the BH MCOs. (Limit to two pages)</p>
MANAGEMENT INFORMATION SYSTEMS	
1.	<p>Provide a general systems description, including:</p> <ul style="list-style-type: none"> • A systems diagram that describes each component of the management information system and all other systems that interface with or support it; • How each component will support the major functional areas of HealthChoices (In-Plan Services; Coordination of Care; Member Services; Maternity Care Payments; Complaint, Grievance and Fair Hearings; Outpatient Drug; Special Needs; Provider Network; Provider Services; Service Access; Quality Management/Utilization Management (QM/UM); Claims Payment and Processing, and; Encounter Data Reporting System). (Limit to ten pages, including the diagram)
2.	<p>Describe any modifications or updates to your Management Information System (MIS) that will be necessary within the next year to meet the requirements of the Agreement, and your plan for their completion. (Limit to four pages)</p>
3.	<p>What is the current capacity of your MIS/claims processing? Explain your process to readily expand your MIS/claims processing should the capacity of either be exceeded. (Limit to two pages)</p>
4.	<p>Explain your process for ensuring your subcontractors meet the same MIS requirements for which you are responsible, including any incentives or assessments that are utilized. (Limit to</p>

	three pages)
5.	Describe the capability to access a database of service information to create ad hoc reports for both MCO management and the Department. Include a description of the system and software, an overview of the data that will be held, and the resources and the capability you will have to use large amounts of data to create ad hoc reports. (Limit to five pages and list of reports that includes report descriptions)
6.	Describe the capability you will have to access your subcontractor's information to create ad hoc reports. (Limit to three pages)
7.	Describe how you will verify that providers and subcontractor(s) submit timely, accurate, complete and required encounter data elements for subsequent transmission to the Department, including the frequency of verification. (Limit to three pages)
8.	Describe how you will manage the non-submission of encounter data by a provider or subcontractor, including any corrective actions or assessments that will be imposed. (Limit to two pages)
9.	Describe in detail your process for utilizing the Department's daily and monthly 834 membership files to manage your membership. Include the process for resolving discrepancies and your process for resolving errors if a member record does not process correctly. (Limit to four pages)
10.	Explain in detail your process for reconciling your membership using the Department's 820 Premium Payment File. Include your process for resolving errors if an 820 record does not process correctly. (Limit to three pages)
11.	Explain in detail your process for providing membership information to each of your subcontractors (dental, vision, etc.). Include the subcontractor's name, their purpose and how often membership data is submitted. (Limit to three pages)
12.	Explain your process for maintaining your provider file with sufficient information on each provider to support provider payment and also meet the Department's reporting and Encounter Data Requirements. Include how you will cross-reference your internal provider ID number with the PROMISE provider ID and Service Location and the provider's NPI number with taxonomy and zip code. (Limit to two pages)
13.	Explain your processes for verifying that providers are enrolled in MA and have a valid PROMISE Provider ID number/Service Location and NPI/taxonomy/Zip code. Include how you will monitor your subcontractors to ensure their providers are enrolled in MA and have a valid PROMISE Provider ID number/Service Location and NPI/taxonomy/zip. (Limit to two pages)
14.	Describe your plan to comply with the standards for claims timeliness and the timely and correct payment of providers. (Limit to two pages)
15.	Describe your approach for achieving the accurate and timely submission of complete encounter data consistent with required formats. (Limit to two pages)
16.	Describe how you will comply with the data completeness monitoring program requirements, including the submission of a plan (See Section VIII.B.#1 of Appendix A, Agreement). (Limit to three pages)
PROVIDER NETWORK COMPOSITION AND NETWORK MANAGEMENT	
1.	Describe the processes you have used to correct deficiencies and make improvements in provider network access and accessibility. <ul style="list-style-type: none"> • Describe provider incentives or programs used to encourage greater access throughout the network. • Describe how regular provider network adequacy and access monitoring is integrated in your

	<p>overall quality improvement programs.</p> <ul style="list-style-type: none"> • Describe the plan to maintain current providers, recruit new providers and correct deficiencies should they occur. • Describe the methods your provider network support staff utilize to engage and educate providers. • Explain the circumstances that would result in providers not being approved to participate in your network. (Limit to four pages)
2.	<p>Describe actions taken to incent growth in the Dental provider network.</p> <ul style="list-style-type: none"> • Describe how your organization will have a Dental provider network beyond compliance levels in the realms of pediatric and special needs dentistry through the use of incentives or other provider attraction techniques. • Provide recent examples of dental network improvements made by your organization. (Limit to two pages)
3.	<p>Describe your organization’s oversight process for subcontractors that manage provider networks-such as Dental, Vision, and other Benefits Managers.</p> <ul style="list-style-type: none"> • Describe actions taken in the past as well as those that will be taken to correct identified network deficiencies or problems with accurate/timely provider reimbursement. • Describe incentives, quality improvement processes or assessments pursued to increase network access and accessibility of subcontractor provider networks as well as those that will be used if selected for award. (Limit to three pages)
4.	<p>Describe risk adjustment strategies and/or provider incentives you will employ in Primary Care Physician (“ PCP”) contracting to provide members with complex medical needs with adequate access to primary care and care coordination services? How do you measure the adequacy of access and what programs will you have in place to measure the quality outcomes of the services? (Limit to two pages)</p>
5.	<p>Describe the processes to assess the satisfaction level of the provider network with your organization.</p> <ul style="list-style-type: none"> • When low satisfaction rates are identified, indicate the processes to address those areas. • Indicate how provider satisfaction is integrated into the on-going provider network management. • Provide a specific example of a recent provider network satisfaction assessment and any improvement initiatives that resulted. • Provide an example of the organization’s timeline or schedule for visitation of network providers by your provider support staff. (limit to four pages)
6.	<p>Describe current strategies to increase community-based cooperative care teams as part of your overall network strategy as well as those strategies to be used if selected for award.</p> <ul style="list-style-type: none"> • Specifically discuss incentives and technical assistance being offered by the organization to support these functions and increase them as network options. (Limit to two and a half pages)
7.	<p>Provide assessments of how many of your high-volume eligible providers participate in the Medicaid or <i>Medicare Electronic Health Record Meaningful Use</i> Program and how many hospital/health systems and eligible providers are linked to a Health Information Organization that allows for health information exchange. Describe your plans to work with your provider</p>

II-6. Financial Condition.

The Offeror must submit information about the financial condition of the company in this section. For ease in assembling the proposal, the Offeror should append its financial documentation rather than including it in the main body of the proposal. The Offeror must provide the following information:

- A.** The identity of each entity that owns at least five percent (5%) of the Offeror.
- B.** For the Offeror and for each entity that owns at least five percent (5%) of the Offeror. (The Offeror may **also** include information for other affiliates as long as they still provide the requested information for each entity that owns at least 5%):
 - 1.** Audited financial statements for the two (2) most recent fiscal years for which statements are available. The statements must include a balance sheet, statement of revenue and expense, and a statement of cash flow. Statements must include the auditor's opinion and the notes to the financial statements submitted by the auditor to the Offeror. If audited financial statements are not available, explain why and submit unaudited financial statements.
 - 2.** Unaudited financial statements for the period between the last date covered by the audited statements through the quarter before the submission of the proposal.
 - 3.** Documentation about available lines of credit, including maximum credit amount and amount available thirty (30) business days prior to the submission of the proposal.
 - 4.** The most recent sets of quarterly and annual financial statements filed with the Insurance Department.
 - 5.** State of incorporation.
 - 6.** Type of incorporation, as profit or non-profit.
 - 7.** Bond rating.
 - 8.** A.M. Best rating for life/health.
 - 9.** Standard and Poor rating.
 - 10.** Weiss rating.
 - 11.** Its Risk Based Capital Ratio for the year filed most recently with the Pennsylvania Insurance Department.

If any information requested is not applicable or not available, provide an explanation. Offerors may submit appropriate documentation to support information provided.

- C. Describe your financial stability and economic capacity to perform the HealthChoices PH Program requirements.
- D. If the Offeror plans to enter into a subcontract at a cost of at least eighty percent of anticipated agreement revenues received from the Department, and if the subcontract provides for financial risk on the part of the subcontractor, provide items listed in Section II-6.B above, as they relate to the proposed subcontractor.
- E. Identify any proposed subcontractor in which the Offeror has five percent (5%) or more ownership interest.
- F. The Offeror or entity(ies), identified in II.6.A above, who is a HMO or licensed insurer, must have SAP-basis equity, as of June 30, 2015 or a subsequent date prior to submission of the proposal, equal to the highest of the amounts determined by the following “Three (3) Part Test”:
 - 1) \$20.00 million;
 - 2) 5.5% of revenue earned by the Offeror or entity(ies) during the most recent four (4) calendar quarters; or
 - 3) 5.5% of revenue earned by the Offeror or entity(ies) during the current quarter multiplied by three (3).

If the Offeror (not a related party) does not have the required SAP-basis equity, explain why and provide GAAP-basis equity. An assertion of equity must be supported by a copy of a filing with the Pennsylvania Insurance Department. If the Pennsylvania Insurance Department’s filing is not available, explain why and provide a balance sheet that is attested to by an independent public accounting firm.

Failure to comply with the equity requirement, or with the requirement to provide documentation satisfactory to the Department, may result in rejection of the proposal.

- G. The Department will not permit a selected Offeror to implement a HealthChoices PH Program unless it has SAP-basis equity, as of the last day of the second quarter prior to the program implementation date, or a subsequent date as determined by the Department, equal to the highest of the amounts determined by the following “Three (3) Part Test”:
 - 1) \$20.00 million;
 - 2) 5.5% of revenue earned by the Offeror during the most recent four (4) calendar quarters; or
 - 3) 5.5% of revenue earned by the Offeror during the current quarter multiplied by three (3). The equity of an entity identified in II.6.A above may not be relied upon to satisfy this requirement.

- H. The Offeror shall explain how it will fund development and start-up costs, including the source of funds. Provide information and documentation to enable the Department to conclude whether sources have and are committed to providing the expected funds.
- I. List any ownership interest in proposed subcontractors. Copies of proposed subcontract arrangements are to be included as an appendix. The Department will approve all subcontracts used by the selected Offeror.
- J. The Offeror will state whether it has changed its independent actuary or independent auditor in the last two years. If it has, it must provide the date and explain why.

II-7. Objections and Additions to Standard Contract Terms and Conditions.

The Offeror will identify which, if any, of the terms and conditions (contained in **Appendix A, and its Exhibits E and F**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the agreement. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Department may consider late objections and requests for additions if to do so, in the Department's discretion, would be in the best interest of the Commonwealth. The Department may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions. All terms and conditions must appear in one integrated agreement. The Department will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal on the basis of the terms and conditions set out in **Appendix A, and its Exhibits E and F**. The Department will reject any proposal that is conditioned on the negotiation of the terms and conditions.

II-8. Small Diverse Business Submittal.

- A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, by providing:

A photocopy of its DGS issued certificate entitled "Notice of Small Business Self-Certification and Small Diverse Business Verification" indicating its diverse status.

If the Offeror is proposing on multiple Zones, it must submit separate SDB commitments for each Zone under separately tabbed section of the Offeror's SDB Submittal. Offerors must clearly label the SDB commitment for each Zone as "Section II-8 Small Diverse Business Submittal HealthChoices [zone name] Zone," and "Section II-8 Small Diverse Business Submittal HealthChoices [zone name] Zone," respectively.

B. In addition to the above verification letter, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:

- 1.** Since this RFP does not require a cost submittal, Offerors will propose an Administrative Per-Member-Per-Month (PMPM) Small Diverse Business (SDB) commitment expressed as a dollar amount for each consumer enrolled in the Offeror's program each month. For reference, the Department estimates an average Administrative PMPM amount of \$35.30. Offerors must use RFP Appendix L as part of the SDB submission to satisfy this requirement.

Offerors must indicate the following for each commitment in each Zone on Appendix L PMPM Zone Chart:

- i. The percentage of each Administrative SDB commitment as to the average Administrative PMPM and dollar amount of each Administrative PMPM commitment to a SDB.
- ii. The name of each SDB. The Offeror will not receive credit for stating that after the contract is awarded it will find an SDB.

In addition, for each Zone, Offerors must provide the following information:

- i. The services or supplies each SDB will provide, including the timeframe for providing the services or supplies.
 - ii. The location where each SDB will perform services.
 - iii. The timeframe for each SDB to provide or deliver the goods or services.
 - iv. A subcontract or letter of intent signed by the Offeror and the SDB for each SDB identified in the SDB Submittal.
The subcontract or letter of intent must identify the specific work, goods or services the SDB will perform, how the work, goods or services relates to the project, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided. In addition, the subcontract or letter of intent must identify the fixed percentage and PMPM dollar amount commitment that each SDB will receive. Attached is a letter of intent template (**Appendix K**) which may be used to satisfy these requirements.
 - v. The name, address and telephone number of the primary contact person for each SDB.
- 2.** For each Zone in which the Offeror is selected, the percentage of Administrative SDB PMPM commitment and each SDB subcontractor commitment will become agreement obligations once the final agreement is fully executed.
 - 3.** The name and telephone number of the Offeror's project (contact) person for the SDB information.

- C. The Offeror is required to submit **two** copies of its SDB participation submittal. The submittal shall be clearly identified as SD Business information and sealed in its own envelope, separate from the remainder of the proposal.
- D. A SDB can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- E. An Offeror that qualifies as a Small Diverse Business and submits a proposal as a Prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

II-9. Domestic Workforce Utilization Certification.

Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix J** of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal.

II-10. Contractor Partnership Program.

As part of the Technical Submittal, the Offeror should provide the following information:

- a. County where the Offeror's headquarters is located if in Pennsylvania.
- b. The name, title, telephone number, mailing and email address of the contact person for the Contractor Partnership Program.
- c. Mailing address for all satellite offices located in Pennsylvania including the county.
- d. Type of business entity. (i.e. not for profit, government entity, public corporation, university etc.)
- e. If a subcontractor will provide the primary service of the contract, list the company name and mailing address for offices located in Pennsylvania including the county.
- f. Type of positions needed for this project. Please specify management or non-management positions.

In addition to the above requested information, Offerors should provide a written narrative that addresses the following statements in the Contractor Partnership Tab. All of the statements listed below pertain to the hiring of individuals that are currently receiving TANF cash assistance.

- 1. Identify the anticipated number of employees that will be assigned to this project including vacancies.
- 2. Identify the number of management and non-management employees.
- 3. State the number of TANF cash assistance consumers that will be hired. Please **do not** include percentages.

4. Describe the strategy that will be employed to identify and recruit individuals that meet the eligibility requirements for the Contractor Partnership Program.
5. Describe the methods that will be used to retain TANF consumers once they are employed.
6. Provide a brief explanation of the efforts that will be made to ensure TANF hiring commitments are met and remain in effect throughout the existence of the Agreement.

I-11. Lobbying Certification and Disclosure.

The Agreement will be funded in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from being expended by the recipient or any lower tier sub-recipients of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. Offerors who submit proposals in response to this RFP must sign the “Lobbying Certification Form” (attached as Appendix M) and, if applicable, complete the “Disclosure of Lobbying Activities” form available at: <http://www.whitehouse.gov/omb/assets/omb/grants/sfllin.pdf>.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements.

To be eligible for selection, a proposal must be:

- A. Timely received from an Offeror;
- B. Properly signed by the Offeror.

III-2. Technical Nonconforming Proposals.

The two Mandatory Responsiveness Requirements set forth in Section III-1 are the only RFP requirements that the Commonwealth considers to be non-waiveable. The Department, in its sole discretion; may (1) waive technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of Offeror's proposal.

III-3. Evaluation.

The Department has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BSBO will review the SDB submittals and provide the Department with a rating for this component of each proposal. The Department will notify in writing of its selection for negotiation the responsible Offerors whose proposals are determined to be the most advantageous to the Commonwealth as determined by the Department after taking into consideration all of the evaluation factors.

III-4. Evaluation Criteria.

The following criteria will be used in evaluating each proposal.

- A. Technical:** The Department has established the weight for the Technical criterion for this RFP as 80 % of the total points. Evaluation will be based upon the following in order of importance:

1. Work Statement Questionnaire/Soundness of Approach

For the Zones that an Offeror includes in its proposal, the Department's evaluation will include but is not limited to review of:

- Whether the Offeror has fully and appropriately accounted for the particular and/or unique healthcare resources available to and healthcare challenges faced by MA consumers in the Zone(s), and;

- Content that demonstrates how the Offeror's approach has been specifically crafted to address the particular and/or unique demographic, cultural, economic, geographic, or other relevant characteristics of the regions, counties and municipalities comprising the Zone(s)

2. **Financial Condition**
3. **Personnel Qualifications**
4. **Prior Experience**

B. Small Diverse Business Participation:

BSBO has established the weight for the SDB participation criterion for this RFP as 20 % of the total points. Each SDB participation submittal will be rated for its approach to enhancing the utilization of SDBs in accordance with the below-listed priority ranking and subject to the following requirements:

1. To receive credit for an SDB subcontracting commitment, the SDB subcontractor must perform at least fifty percent (50%) of the work subcontracted to it.
2. A significant commitment is a minimum of five percent (5%) of the average Administrative PMPM described in RFP Part II, Section 8.
3. A commitment less than five percent (5%) of the average Administrative PMPM revenue amount available is considered nominal and will receive reduced or no additional SDB points depending on the priority ranking.

Priority Rank 1: Proposals submitted by SDBs as prime offerors will receive 150 points. In addition, SDB Offerors that have significant subcontracting commitments to additional SDBs may receive up to an additional 50 points (200 points total available).

Additional subcontracting commitments to SDBs are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 2: Proposals submitted by SDBs as prime contractors, with no or nominal subcontracting commitments to additional SDBs, will receive 150 points.

Priority Rank 3: Proposals submitted by non-small diverse businesses as prime contractors, with significant subcontracting commitments to SDBs, will receive up to 100 points. Proposals submitted with nominal subcontracting commitments to SDBs will receive points equal to the percentage level of their total SDB subcontracting commitment.

SDB subcontracting commitments are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in

proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 4: Proposals by non-small diverse businesses as prime contractors with no SDB subcontracting commitments shall receive no points under this criterion.

To the extent that there are multiple SDB Participation submittals in Priority Rank 1 and/or Priority Rank 3 that offer significant subcontracting commitments to SDBs, the proposal offering the highest total percentage SDB subcontracting commitment shall receive the highest score (or additional points) available in that Priority Rank category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage SDB subcontracting commitment. Proportional scoring is determined by applying the following formula:

$$\frac{\text{SDB \% Being Scored}}{\text{Highest \% SDB Commitment}} \times \frac{\text{Points/Additional Points Available}^*}{\text{Awarded/Additional SDB Points}}$$

Priority Rank 1 = 50 Additional Points Available

Priority Rank 3 = 100 Total Points Available

Please refer to the following webpage for an illustrative chart which shows SDB scoring based on a hypothetical situation in which the Commonwealth receives proposals for each Priority Rank:

http://www.portal.state.pa.us/portal/server.pt/community/rfp_scoring_formulas_overview/20124

C. Domestic Workforce Utilization:

Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFP. The maximum bonus points for this criterion is 3% of the total points for this RFP. To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the agreement. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal. The certification will be included as a contractual obligation when the contract is executed.

III-5. Offeror Responsibility.

To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the agreement requirements in all respects and the integrity and reliability to assure good faith performance of the agreement.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for agreement negotiations:

- (1) The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **70%** of the **available technical points**; and.
- (2) The Offeror's financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the agreement. The Department will review the Offeror's financial information, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror's financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

Further, the Issuing Office will award an agreement only to those Offerors determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

PART IV
WORK STATEMENT

IV-1. Objectives.

This RFP has been issued to procure the services of MCOs for operation of the HealthChoices PH Program in the five (5) Zones Commonwealth-wide.

IV-2. Nature and Scope of the Project.

Selected Offerers will be responsible to operate the HealthChoices Physical Health Program in all of the counties in the Zone(s) for which they were selected to participate; and to improve the accessibility, continuity and quality of health care services for participants in the Commonwealth's Medical Assistance Program.

The Department publishes monthly and historical enrollment reports capturing many specific geographic and statistical elements. These reports can be reviewed at <http://www.dhs.state.pa.us/provider/healthcaremedicalassistance/managedcareinformation/index.htm>

IV-3. Requirements.

A full description of the requirements for the provision of Physical Health services for the HealthChoices Program is set forth in the draft agreement (**Appendix A**). The provisions of this RFP and its Appendices will become a part of the HealthChoices operational agreement.

A. Emergency Preparedness

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that entities providing critical services to MA consumers have planned for such an emergency and put contingencies in place to provide services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of emergency preparedness:
 - Employee training, including the frequency of training.
 - Identified essential business functions and key employees necessary to carry them out
 - Contingency plans for:

- How your organization will handle staffing issues when a portion of key employees are incapacitated.
- How employees in your organization will carry out the essential functions if prevented from coming to the primary workplace.
- How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
- How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

IV-4. Agreement Requirements—Small Diverse Business Participation.

All agreements containing SDB participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to SDB at the time of proposal submittal or negotiations, unless a change in the commitment is approved by the BSBO. All agreements containing SDB participation must include a provision requiring SDB subcontractors to perform at least **50%** of the subcontracted work.

The selected MCO's commitments to SDB made at the time of proposal submittal or agreement negotiation shall, the extent so provided in the commitment, be maintained throughout the term of the agreement and through any renewal or extension of the agreement. Any proposed change must be submitted to BSBO, which will make a recommendation to the Project Officer regarding a course of action.

If an agreement is assigned to another MCO, the new MCO must maintain the Small Diverse Business participation of the original agreement.

The selected MCO shall complete the Quarterly Utilization Report (or similar type document containing the same information) and submit it to the DHS Project Officer and BSBO within **10** workdays at the end of each quarter the agreement is in force. This information will be used to determine the actual dollar amount paid to SDB subcontractors and suppliers. Also, this information will serve as a record of fulfillment of the commitment the selected MCO made and for which it received SDB points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DIVERSE BUSINESS STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.

IV-5. CPP Reporting Requirements.

The approved hiring commitment will become an obligation included in the agreement. Hiring commitments shall be maintained throughout the term of the agreement, including any renewal or extensions. In the event of a renewal or extension of the original agreement term and upon request of CPP, the selected MCO will submit an updated plan. Any proposed change must be submitted to the Contractor Partnership Program, which will make a recommendation to the Project Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the agreement. If an agreement is assigned to another MCO, the new contractor must maintain the CPP recruiting and hiring plan of the original agreement.

The selected Offeror is required to complete and submit the PA 1540 Quarterly Employment Report Form on a quarterly basis to document the number of TANF cash assistance consumers hired for that quarter. The form must be completed in its entirety and forwarded to the Contractor Partnership Program, with a copy sent to the DHS Project Officer, by the fifteenth day of the following month after the quarter ends. If the 15th falls on a weekend or state holiday the report is due the next business day. The quarters are based on the DHS' fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its agreement Effective Date, must submit the PA 1540 based on the schedule above. If an agreement begins in the middle of a quarter the information reported will be based on activity that occurred from the agreement Effective Date through the end of the quarter. If no activity occurred the form must be completed by stating “No Activity in this Quarter with the Contractor’s comments. This report must be signed by the entity that holds the agreement with the Department; it **may not** be signed by a subcontractor.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its hiring requirements.

Verification

The Contractor Partnership Program will review the PA 1540 Form for accuracy and completeness. In addition, the individuals reported on the 1540 Form as TANF cash assistance consumers will be verified through the Department’s Client Information System (CIS). The Department will take a statistical sample of all public assistance hires reported to determine if the selected Offeror will receive credit. The results of the sample will determine if additional verification measures are needed.

***Please note that the PA 1540 Form will be mailed to the MCO after their agreement is executed.**