



Notice of Request for Proposal

SOLICITATION # YH24-0002

External Quality Review Organization (EQRO) Services

AHCCCS Procurement Officer:

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Senior Procurement Specialist

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Issue Date: February 7, 2024

RFP DESCRIPTION	External Quality Review Organization (EQRO) Services
Pre-Proposal Conference:	A Pre-Proposal Conference has NOT been scheduled.
<p>QUESTIONS DUE: Questions shall be submitted to the procurement on the Q&A form provided with this RFP. Answers will be posted publicly on the AHCCCS website in the form of a Solicitation Amendment for the benefit of all Potential Offerors.</p>	<p>February 23, 2024 by 3:00 PM Arizona Time</p>
<p>INTENT TO BID DUE ALL OFFERORS MUST REQUEST ACCESS TO THE AHCCCS SECURE FILE SHARE (ASFS) See Proposal Submission Instructions for details.</p>	<p>March 4, 2024 by 3:00 PM Arizona Time</p>
<p>PROPOSAL DUE DATE: Proposals shall be submitted in accordance with the solicitation proposal instructions prior to the time and date indicated here, or as may be amended through a solicitation amendment.</p>	<p>March 28, 2024 by 3:00 PM ARIZONA TIME</p>

Late proposals shall not be considered.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

Persons with a disability may request reasonable accommodation, such as a sign language interpreter, by contacting the person named above. Requests should be made as early as possible to allow time to arrange the accommodation.

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ATTACHMENTS and EXHIBITS BELOW ARE INCORPORATED INTO THIS SOLICITATION BY REFERENCE AND LOCATED WITH THE RFP HERE:

<https://www.azahcccs.gov/Resources/OversightOfHealthPlans/SolicitationsAndContracts/open.html>

Attachment 1 – Pricing Sheet

Attachment 2 – Experience/Expertise

Attachment 3 – Boycott of Israel Disclosure

Attachment 4 – Forced Labor of Ethnic Uyghurs Ban Certification

Attachment 5 – Intent to Bid

Exhibit A – Task Order Example – CY 2022 PIP Validation and Reporting

Exhibit B – Example of Compliance Review Tools (Located in the Bidders Library folder of the ASFS, accessible upon receipt of Offeror’s Attachment 5 - Intent to Bid)

Exhibit C – Chart of Deliverables

Exhibit D – Service Level Agreement

Solicitation Questions and Answers Form

OFFER AND ACCEPTANCE

OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and final proposal revisions (if any). Signature also certifies Small Business Status.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name:

Federal Employer Identification No.:

Title:

E-Mail Address:

Phone:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the Offeror certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror _____ is / _____ is **not** a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The Offeror is in compliance with A.R.S. § 18-132 when offering electronics or information technology products, services, or maintenance; and
6. The Offeror certifies that it is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, state, or local government.

ACCEPTANCE OF OFFER (to be completed by AHCCCS)

Your offer, including all exhibits, amendments, and final proposal revisions (if any), contained herein, is accepted. The Contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS.

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until the Contractor receives a Purchase Order, contact release document or written notice to proceed.

This contract shall henceforth be referred to as

Contract No. YH24-0002

CONTRACT SERVICE START DATE: **Contingent on CMS Approval, upon CMS Approval or August 1, 2024, whichever is later.**

AWARD DATE: _____

MEGGAN LAPORTE, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. AHCCCS OVERVIEW

Arizona Healthcare Cost Containment System (AHCCCS) is the single state Medicaid agency for the State of Arizona. In that capacity, AHCCCS is responsible for operating the Arizona Medicaid Title XIX and Children's Health Insurance Program (CHIP) Title XXI KidsCare programs through Arizona's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services.

As of June 1, 2023, AHCCCS provides coverage to approximately 2.3 million members in Arizona. In addition, AHCCCS administers several Non-Title XIX/XXI programs through federal grant funds received from the Substance Abuse and Mental Health Services Administration (SAMHSA).

The program has a total fund budget for SFY 2023 of approximately \$19 billion. AHCCCS has over 121,000 active providers in Arizona, such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. AHCCCS contracts with Managed Care Organizations (MCO) that are responsible for providing Acute, DCS/CHP, Long Term Care (LTC), and Behavioral Health Services. A list of contracted plans can be found here:

<https://www.azahcccs.gov/Members/ProgramsAndCoveredServices/availablehealthplans.html>

MCOs contracted with AHCCCS are subject to change throughout the term of this Contract.

Approximately 15% of AHCCCS program's expenditures in SFY 2022 were through Fee-For-Service (FFS) programs. Additional information regarding the AHCCCS Program can be found on the AHCCCS Website.

2. PURPOSE OF THE RFP

The purpose of this RFP is to secure Contractors to perform EQR-related activities including those specified in 42 CFR 438.358(b) and 42 CFR 438.358(c), produce EQR Annual Technical Report(s) as specified in 42 CFR 438.364(a), and to further ensure compliance by the State with CMS requirements including those set forth in 42 CFR 438.66. This RFP and subsequent contract awards are contingent upon Center for Medicare and Medicaid Services (CMS) approval. Awarded Contracts will be utilized on an "as needed, if needed" basis. There is no guarantee as to the amount of work that may be performed under resulting Contracts.

3. PROJECT OR SERVICE OBJECTIVES

This RFP details the work that the Contractor may be requested to perform as an AHCCCS External Quality Review Organization (EQRO).

3.1. AHCCCS will award the following activities to one (1) EQRO Contractor for the term of this Contract. This may result in AHCCCS awarding each activity listed below to different EQRO Contractors or AHCCCS awarding the two activities below to a single EQRO Contractor.

3.1.1. External Quality Review (EQR) Annual Technical Report(s)

3.1.2. Network Adequacy

3.2. AHCCCS will award each of the following Mandatory EQRO activities to one (1) EQRO Contractor for the term of this Contract. This may result in AHCCCS awarding each activity listed below to different EQRO Contractors or AHCCCS awarding one (1) or more of the activities below to a single EQRO Contractor. Due to anticipated

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variation in the scope of project activities from year to year, AHCCCS will issue *Non-competitive Task Orders* to the awarded EQRO Contractor(s) for the performance of these activities throughout the term of this Contract.

- 3.2.1. Performance Improvement Project (PIP) Validation
- 3.2.2. Performance Measure Validation
- 3.2.3. Compliance Reviews (i.e., Operational Reviews)

3.3. AHCCCS will award each of the following Optional EQRO activities to one (1) or more EQRO Contractor. Based on business need, AHCCCS will issue *Competitive Task Orders* to the EQRO Contractor(s) awarded for that specific activity. There is no guarantee that award of the Optional EQRO activity will result in the award of related Task Order(s):

- 3.3.1. Encounter Data Validation
- 3.3.2. Member and Provider Surveys Administration and Validation
- 3.3.3. Performance Measure Calculations
- 3.3.4. Conducting PIPs
- 3.3.5. Conducting Studies on Quality
- 3.3.6. Assisting with Quality Rating System (QRS)

3.4. AHCCCS has prepared this RFP with its knowledge of the current AHCCCS delivery system and CMS EQRO requirements. If CMS issues new requirements or expectations of the State or EQRO Contractors, impacting the activities specified in this RFP, the Contractor(s) will be expected to adhere to the new requirements. Should the new requirements cause material changes in the Contract or pricing, the awarded contractor(s) and AHCCCS will discuss adjustments as necessary. In addition, all timelines described per activity may be subject to change.

4. LEGAL AUTHORITY

This solicitation and any resultant contract are being entered into pursuant to A.R.S. § 36-2906, and any rules adopted thereunder.

5. CONTRACTOR REQUIREMENTS

5.1. **EQRO Requirements - General** - The Contractor(s) shall:

- 5.1.1. Meet and maintain the qualification requirements of an EQRO as specified in 42 CFR 438.354.
- 5.1.2. Obtain and maintain all certifications including but not limited to NCQA HEDIS Compliance Audit Certification and/or NCQA CAHPS Survey Certification for applicable elements with HEDIS/CAHPS requirements.
 - 5.1.2.1.1. Deliverable: The Contractor shall submit Certifications as specified in Exhibit C.
- 5.1.3. Have the ability and capacity to conduct all work/activities indicated within the Offeror's proposal, RFP Attachment 2, and related Task Orders.
- 5.1.4. Comply with the most current CMS EQR/EQRO and other applicable federal requirements, including any policies related to public reporting requirements and [CMS EQR Protocols](#).
- 5.1.5. Meet, maintain, and keep in current status, all Federal, State, local, and other licenses and permits required to comply with and complete Contract Requirements.
- 5.1.6. Apply current, standard research methodologies including national best practices, and innovative approaches for improvement.
- 5.1.7. Develop and maintain efficient processes for communication, collaboration, development and sharing of materials with AHCCCS, MCOs, other AHCCCS-contracted EQROs, and other entities.
- 5.1.8. Share all information, data, reporting, etc. with other AHCCCS-contracted EQROs as necessary, and as requested by AHCCCS, in order to meet the requirements of this Contract. AHCCCS-contracted EQROs are prohibited from identifying information, data, reporting, etc. as proprietary when sharing EQR-related information, data, reporting, etc. with one another or with AHCCCS to develop the final required

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products.¹

- 5.1.9. Utilize all information, data, reporting, etc. provided by AHCCCS, other AHCCCS-contracted EQROs, and other entities as directed by AHCCCS, as applicable and necessary to complete awarded activities.
- 5.1.10. Collaborate with other entities or state agencies, as requested by AHCCCS (e.g., Arizona Department of Health Services, Health Information Exchange, Arizona's Quality Improvement Organization).
- 5.1.11. Ensure adherence to AHCCCS and CMS reporting due dates while accommodating flexible timelines as needed and requested by AHCCCS when completing EQR-related deliverables, providing information, data, reporting, etc., and collaborating with AHCCCS and other AHCCCS-contracted EQROs.
- 5.1.12. Be accountable for, and oversee, all subcontractor functions [42 CFR 438.356(c)].
- 5.1.13. Ensure its subcontractors performing EQR or EQR-related activities meet the requirements for independence, as specified in 42 CFR 438.354(c).

5.2. **Data and Data Sharing** – The Contractor shall:

- 5.2.1. Ensure data derived from, or utilized within, EQR-related activities and associated deliverables, including the annual EQR Annual Technical Report(s), is validated and reported in alignment with the most current CMS EQRO Protocols available and/or with AHCCCS instructions.
- 5.2.2. Ensure data (e.g., member survey data) is shared with other entities (e.g., AHCCCS, MCOs, other AHCCCS-contracted EQROs, AHCCCS-contracted vendors, or other entities) as required by AHCCCS, in a format and via a sharing mechanism required by AHCCCS.
- 5.2.3. Obtain and maintain Data Sharing Agreements required to conduct work for EQR-related activities with State Agencies that are contracted with AHCCCS as an MCO (e.g., Department of Child Safety and Department of Economic Security) and other MCOs, in alignment with AHCCCS project needs and requirements.
- 5.2.4. Obtain and maintain Data Sharing Agreements required to conduct work for EQR-related activities with other State Agencies and entities external to AHCCCS (e.g., Arizona Department of Health Services, Health Information Exchange) in alignment with AHCCCS project needs and requirements.

5.3. **Software and Systems** – The Contractor shall:

- 5.3.1. Obtain and maintain all software requirements necessary to complete Contract requirements including but not limited to obtaining and maintaining software licenses.
- 5.3.2. Obtain access to and utilize AHCCCS' Secured File Transfer Protocol (SFTP), ASFS (i.e., Kiteworks), SharePoint, or other secure file share systems as required by AHCCCS.
 - 5.3.2.1. The Contractor shall maintain the ability to provide and receive applicable data [including data to be used for the annual EQR Annual Technical Report(s)] through the AHCCCS SFTP utilizing approved login IDs and passwords to access and retrieve the data.
 - 5.3.2.2. As necessary, AHCCCS will also use other mechanisms to transmit data and/or to communicate with the Contractor.
- 5.3.3. Meet and maintain adherence to all current and future IT Privacy and Security requirements.
 - 5.3.3.1. **Deliverable:** The Contractor shall submit IT Privacy and Security Compliance deliverable as specified in Exhibit C.
- 5.3.4. Develop, if required, and utilize, a secure web-based system for maintaining, displaying, and sharing information, data and files, reporting, etc. with AHCCCS, MCOs, other AHCCCS-contracted EQROs, and other entities while applying appropriate security protocols and user-level access.
- 5.3.5. As applicable to the Offeror's RFP proposal (work/activities indicated within the Offeror's RFP Attachment 2) and any resulting Contract/task orders awarded:

¹ An AHCCCS-awarded EQRO shall not be required to share source code or methodologies used to derive validation findings and/or required deliverables with another AHCCCS-awarded EQRO, nor shall an AHCCCS-awarded EQRO require this information of another AHCCCS-awarded EQRO in order to complete awarded Task Order(s).

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- 5.3.5.1. Calculate and report performance measure rates utilizing the National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS®) source code and methodology for the associated measurement year, as well as CMS Core Set methodology for the associated measurement year.
 - 5.3.5.2. Obtain access to and utilize NCQA Quality Compass® for benchmarking, trending, and conducting comparative analysis of performance results, as specified by AHCCCS.
 - 5.3.5.3. Submit member survey results (e.g., Consumer Assessment of Healthcare Providers and Systems) to the Agency for Healthcare Research and Quality (AHRQ) database, in alignment with AHRQ data file specifications and reporting timeframes, or other entities as directed by AHCCCS.
 - 5.3.5.4. Obtain and utilize NCQA Accreditation materials, and systems, as necessary.
- 5.4. **Staffing and Key Personnel Requirements** – The Contractor shall maintain sufficient staff who are available in quantity and qualifications to complete the awarded work/activities as specified in this RFP. At a minimum, the following full-time Key Personnel shall be on staff:
- 5.4.1. A *Senior Contract Manager* that performs the following:
 - 5.4.1.1. Serves as a liaison between the Contractor and AHCCCS for all awarded Task Orders and Contractor responsibilities.
 - 5.4.1.2. Acts as an authorized representative on matters that include, but are not limited to, work performance, and to be the individual with whom AHCCCS can elevate concerns to.
 - 5.4.1.3. Holds decision-making authority on work performance-related matters.
 - 5.4.1.4. Ensures prompt resolution of identified issues.
 - 5.4.1.5. Attends and participates in regular meetings (at least semi-annually) with AHCCCS to discuss status of work performance.
 - 5.4.1.6. Oversees the team of personnel described below.
 - 5.4.2. A *team of personnel* that includes, at a minimum, Project/Team Manager(s), Data Analyst(s)/Data Processing Staff, Professional Staff, and Technical Staff with subject matter expertise and capacity to complete all work/activities, as applicable to the Contractor’s RFP proposal (RFP Attachment 2).
 - 5.4.3. Deliverable - Notify AHCCCS of Key Personnel Replacements as specified in Exhibit C, Chart of Deliverables and bear all transitional expenses incurred due to the replacement of any Key Personnel. The replacement Key Personnel shall:
 - 5.4.3.1. Be of equivalent qualifications and/or experience and shall be able to meet all project timelines and produce required deliverables.
 - 5.4.3.2. Be prepared to productively continue services on a given project from the point where the prior Key Personnel left the project.
- 5.5. **Meeting Requirements** – The Contractor shall meet with AHCCCS personnel as needed or directed by AHCCCS based on the requirements of awarded Task Orders and associated work/activities. Formal agendas shall be established by the Contractor, in consultation with AHCCCS, and provided to invitees no later than three (3) business days prior to the scheduled meeting. Meeting topics may include, but are not limited to:
- 5.5.1. Discussion of barriers and concerns that require immediate attention.
 - 5.5.2. Provision of informal evaluations of trends and patterns.
 - 5.5.3. Sharing of information collected from AHCCCS, MCOs, other AHCCCS-contracted EQROs, and other entities.
- 5.6. **EQR-Related Work/Activities Requirements – General** - The Contractor shall, based on Contract award(s):
- 5.6.1. Produce detailed EQR Annual Technical Report(s) that summarize findings on access and quality of care for each AHCCCS program/population and MCO, as described in 5.7.
 - 5.6.2. Conduct Mandatory Activities including those defined by CMS in 42 CFR, 438.358(b) and Optional

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Activities defined in 42 CFR 438.358(c) [refer to tables below]:

MANDATORY ACTIVITIES	
Network Adequacy	Validation of the MCO's compliance with the network adequacy requirements under 42 CFR 438.358, 42 CFR 438.68 and 42 CFR 438.206. [Refer to additional requirements below].
PIP Validation	The validation of PIPs required in accordance with 42 CFR 438.330(b)(1) that were underway during the preceding 12 months. This includes the analysis and evaluation of the MCOs' PIPs. [Refer to additional requirements below].
Performance Measures Validation	The validation of MCO performance measures required in accordance with 42 CFR 438.330(b)(2) or MCO performance measures calculated by the state during the preceding 12 months, utilizing the calculation methodologies specified by AHCCCS. [Refer to additional requirements below].
Compliance Reviews (i.e., Operational Reviews)	Conduct reviews of MCOs, at least once within a three-year period, to determine MCO compliance with standards set forth in 42 CFR 438.358(b)(1)(iii), State standards, and MCO Contract requirements. [Refer to additional requirements below].

OPTIONAL ACTIVITIES	
Encounter Data Validation	Validation of encounter data reported by an MCO in accordance with 42 CFR 438.310(c)(2).
Member and Provider Surveys Administration and Validation	Administration or validation of consumer (member) or provider surveys of quality of care. This may include the administration of nationally established survey instruments including but not limited to National Core Indicators (NCI [®]) and Consumer Assessment of Healthcare Providers and Systems (CAHPS [®]) Survey.
Performance Measure Calculations	Calculation of performance measures in addition to those reported by an MCO and validated by an EQRO, utilizing the calculation methodologies specified by AHCCCS.
Conducting PIPs	Conduct PIPs required by the state in addition to those conducted by an MCO and validated by an EQRO.
Conducting Studies on Quality	Conduct studies on quality that focus on a particular aspect of clinical or non-clinical services at a point in time, as specified by AHCCCS.
Assisting with QRS	Assist with the quality rating of MCOs required by the state to comply with requirements set forth in 42 CFR 438.334. This may include the development, implementation, and ongoing support of the QRS, in alignment with CMS and AHCCCS expectations and goals.

- 5.6.3. Report results and findings to AHCCCS at the MCO level, program, population, and/or other levels as specified by AHCCCS.
- 5.6.4. Provide feedback to AHCCCS on strengths, as well as opportunities for improvement, at the MCO level, program, population, and/or other levels as specified by AHCCCS.
- 5.6.5. Provide technical assistance to AHCCCS and/or the MCOs as specified by AHCCCS.
- 5.6.6. Ensure validation processes comply with 42 CFR 438, Subpart E.
- 5.6.7. Adhere to the requirements set forth in 42 CFR 438.360 related to nonduplication of mandatory activities.
- 5.6.8. Adhere to the most current CMS EQR Protocols available and methods consistent with those established by CMS in accordance with 42 CFR 438.352 for all work/activities conducted and reports produced.

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5.6.9. Comply with and complete Task Orders as awarded throughout the term of the Contract and understand that EQR-related work/activities awarded via Task Order may be required to be performed beyond the term of contract to carry out activities to completion.

5.7. **EQR Annual Technical Report(s)** - The Contractor awarded this EQRO activity shall, each year, produce detailed EQR Annual Technical Report(s)² in alignment with 42 CFR 438.364 (and 42 CFR 438.360 as applicable), that meet all federal requirements and include all the required elements specified within the most current version of the CMS EQR Protocols available during report production. As the Report(s) will be posted on the AHCCCS website and submitted to CMS no later than the date stipulated by CMS, the information included in the Report(s) shall not disclose the identity or other protected health information of any member and the reports shall adhere to all applicable State, Federal, and other public reporting requirements. Requirements, tasks, and deliverables for this EQRO Activity are as follows:

5.7.1. The Contractor shall:

5.7.1.1. Provide to AHCCCS Report(s) that includes, at a minimum:^{3 4}

- 5.7.1.1.1 All programs and eligible Medicaid and CHIP plans. Current programs include:⁵
 - 5.7.1.1.1.1 AHCCCS Complete Care (ACC) – 7 MCOs – Populations served: ACC Medicaid and ACC CHIP
 - 5.7.1.1.1.2 AHCCCS Complete Care - Regional Behavioral Health Agreement (ACC-RBHA) – 3 MCOs - Populations Served: ACC Medicaid, ACC CHIP, SMI-Designated Population, and SMI-Designated CHIP
 - 5.7.1.1.1.3 Department of Child Safety Comprehensive Health Plan (DCS/CHP) – 1 MCO - Populations Served: Medicaid and CHIP
 - 5.7.1.1.1.4 Arizona LTC, Elderly & Physical Disabilities (ALTCS-EPD) - 3 MCOs – Population served: Medicaid.
 - 5.7.1.1.1.5 Arizona LTC, Developmental Disabilities (ALTCS-DD) – 1 MCO – Population served: Medicaid.
- 5.7.1.1.2 A summary of MCO-specific and Program-level (as applicable) findings on quality, access to care, and timeliness of care for each MCO that provides benefits to Medicaid and CHIP members for all applicable mandatory and optional EQR-related activities, as directed by AHCCCS.
- 5.7.1.1.3 Methodologically appropriate, comparative information about all MCOs.
- 5.7.1.1.4 An assessment of the strengths and weaknesses of each MCO with respect to quality, access to care, and timeliness of care to the health care services furnished by MCO's and timeliness of care, for all applicable mandatory and optional EQR-related activities, (as directed by AHCCCS).
- 5.7.1.1.5 An assessment of the degree to which each MCO has effectively addressed the recommendations for quality improvement made by the EQRO during the previous year's EQR.
- 5.7.1.1.6 Recommendations for improving the quality of health care services furnished by each MCO, for all applicable mandatory and optional EQR-related activities, as directed by AHCCCS.
- 5.7.1.1.7 Recommendations for how AHCCCS can target goals and objectives in the quality strategy, under 42 CFR438.340, to better support improvement in the quality,

² AHCCCS may elect to include all programs within one EQR Annual Technical Report or include one or more programs within separate reports, if needed, to accommodate business needs.

³ Mandatory and Optional EQR-related activities include, but are not limited to, Performance Measures, PIPs, Network Adequacy, Compliance Review, and Member Survey Results. Note: The number of performance measures, PIPs, compliance reviews, surveys and survey types may vary from year to year.

⁴ Required elements may change based on updates to the CMS EQR Protocols.

⁵ Number of programs and MCOs subject to change.

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timeliness, and access to health care services furnished to Medicaid or CHIP members.

- 5.7.1.1.8 Other elements as determined by AHCCCS (e.g., AHCCCS overview including program background/history; AHCCCS Key Initiatives and Accomplishments; legislative, waiver, strategic plan, and quality strategy updates).
 - 5.7.1.2. Summarize findings on access and quality of care for each AHCCCS program/population and describe how the data from all EQR-related activities conducted in accordance with 42 CFR 438.358 were aggregated and analyzed, and what conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCOs.
 - 5.7.1.3. Provide the analysis and evaluation of information generated from the EQR-related activities (or via nonduplication, if applicable) regarding the quality, timeliness, and access to the health care services that an MCO, or its subcontracted health plans, furnish to members.
 - 5.7.1.4. Utilize all information, data, reporting, etc. provided by AHCCCS and other awarded AHCCCS-contracted EQROs as applicable and necessary in order to develop the EQR Annual Technical report(s) and to avoid duplication of previously conducted mandatory and optional EQR-related activities.
 - 5.7.1.5. Deliverables – Submit the following Deliverables as specified in Exhibit C, Chart of Deliverables:
 - 5.7.1.5.1. A Proposed Project Timeline that includes at a minimum:
 - 5.7.1.5.1.1. Milestones with due dates,
 - 5.7.1.5.1.2. Document submission due dates,
 - 5.7.1.5.1.3. Draft 1 Annual Technical Reports due to AHCCCS for review/comment.
 - 5.7.1.5.1.4. Draft 2 Annual Technical Reports due to AHCCCS for review/comment.
 - 5.7.1.5.1.5. Draft 3 Annual Technical Reports due to AHCCCS for review/comment.
 - 5.7.1.5.1.6. Date the Final Annual Technical Reports are to be submitted to AHCCCS.⁶
 - 5.7.1.5.2. Final EQR Annual Technical Report(s) - Submit the Final EQR Annual Technical Report(s) to AHCCCS in accordance with the agreed upon Timeline, unless otherwise requested by AHCCCS.
 - 5.7.1.6. AHCCCS will, specific to the EQR Annual Technical Reports:
 - 5.7.1.6.1. Provide documentation to the Contractor, as necessary, for completion of project tasks. This may include MCO-specific deliverables, reports, findings, and other results of Medicare or private accreditation review activities applicable to the standards for the EQR activities.
 - 5.7.1.6.2. Ensure AHCCCS staff availability to answer questions and/or provide insight on EQR-related activities.
 - 5.7.1.6.3. Issue payment based on Deliverables: 50% at the receipt of the Draft EQR Annual Technical Report(s) and 50% at the receipt of the Final EQR Annual Technical Report(s).
- 5.8. **Network Adequacy** - The Contractor awarded this EQRO activity shall each year validate the MCOs' compliance with the network adequacy requirements under 42 CFR 438.358, 42 CFR 438.68 and 42 CFR 438.206, and the AHCCCS Contractor Operations Manual (ACOM) Policy 417 and 436. The Contractor shall:
- 5.8.1. Work with AHCCCS and the MCOs to validate the MCO's compliance with GeoAccess and appointment timeliness standards adopted under 42 CFR 438.68 and 42 CFR 438.206, and the AHCCCS Contractor Operations Manual (ACOM) Policy 417 and ACOM Policy 436.

⁶ The timeline must be prepared in a manner in which AHCCCS will receive the final report no later than two weeks before the CMS established due date.

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- 5.8.1.1. Carry out the following tasks supporting the validation of MCO network adequacy evaluations:
 - 5.8.1.1.1. Validating the processes and tools utilized to determine MCO's compliance with standards.
 - 5.8.1.1.2. Applying CMS EQRO network adequacy protocols in this determination.
 - 5.8.1.1.3. Providing feedback to AHCCCS and the MCOs on strengths, as well as opportunities for network building at both the MCO and AHCCCS levels.
 - 5.8.1.1.4. Assisting AHCCCS and MCOs in researching and troubleshooting data errors.
 - 5.8.1.1.5. Assisting AHCCCS in migrating these processes towards compliance with future CMS regulatory changes.
 - 5.8.1.1.6. Creating any necessary data files that assist in troubleshooting and network building and make these files available to AHCCCS and MCOs.
 - 5.8.1.1.7. Providing the results of validation to AHCCCS in a format to be described by AHCCCS and work with AHCCCS to develop a web-based, public-facing dashboard, if requested.
 - 5.8.2. Incorporate the results of reviews and their validation efforts into the EQR Annual Technical Report.
 - 5.8.3. Meet with AHCCCS each year to address and incorporate into its review any changes in these activities based upon changes in CMS, AHCCCS or state oversight and requirements. These changes include any changes necessary to comply with the impact of finalized rules, currently in proposed rulemaking under "Ensuring Access to Medicaid Services" and "Managed Care Access, Finance, and Quality" or other Rules that impact the work carried out under the Network Adequacy EQRO Activity.
 - 5.8.4. Pursue data sharing agreements with AHCCCS and the Department of Child Safety's Comprehensive Health Plan to carry out work under this section.
 - 5.8.5. Deliverables – Submit the following Deliverables as specified in Exhibit C, Chart of Deliverables:
 - 5.8.5.1. Proposed Project Timeline that includes at a minimum:
 - 5.8.5.1.1. Milestones with due dates.
 - 5.8.5.1.2. Document submission due dates.
 - 5.8.5.2. Annual Network Adequacy Evaluation Report summarizing the results of its validation along with any recommendations for improvement in a format to be determined to AHCCCS in accordance with the agreed upon Timeline, unless otherwise requested by AHCCCS.
 - 5.8.5.3. Network Adequacy Results as part of the EQR Annual Technical Report(s) (refer to Exhibit C) in a format to be determined and specified by AHCCCS.
- 5.9. **PIP Validation** – PIPs are mandated by AHCCCS; however, MCOs are required to implement additional PIPs meaningful to the population(s) served, based on self-identified opportunities for improvement, as supported by root cause analysis, internal/external data, surveillance of trends, or other information available to the MCOs. AHCCCS may elect to implement Rapid Cycle PIPs with the MCOs being required to report at the intervals indicated within the associated PIP methodology. In addition, the Contractor Self-Selected PIP timelines may vary (with MCOs encouraged to implement Rapid Cycle PIPs, where applicable and appropriate). Based on the issuance and award of a non-competitive task order, the awarded Contractor shall:
- 5.9.1. Validate MCO PIPs underway during the preceding 12 months in accordance with the required elements specified within the most current version of the CMS EQR Protocols available during the validation process, as well as additional elements as required by AHCCCS. The number and type of PIPs to be validated will be specified within the non-competitive Task Orders issued.
 - 5.9.1.1. The Contractor shall utilize standardized PIP Validation checklist documents, that can be shared with the MCOs within the timeframe indicated by AHCCCS⁷ prior to the MCOs' PIP Report submission due date (earliest submissions currently due on July 15 of each year)⁸,

⁷ Timeframe subject to change

⁸ MCO PIP Report submission due dates subject to change

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- providing the criteria that will be utilized to evaluate the PIP submissions in alignment with CMS EQR PIP Validation Protocols.
- 5.9.1.2. The Contractor shall report and communicate initial MCO-level findings, utilizing the PIP Validation checklist described above, within the timeframe indicated by AHCCCS following the PIP submission due date⁹.
 - 5.9.1.2.1. AHCCCS shall have the opportunity to review and provide feedback that shall be considered and incorporated into the final checklists, as appropriate, prior to submission to the MCOs.
 - 5.9.1.2.2. MCOs that fail to meet CMS-required criteria included within the checklist shall be given the opportunity to correct and resubmit the PIP submission, for which additional review and feedback will be required.
 - 5.9.1.3. The Contractor shall produce an MCO-specific PIP Validation Findings Narrative Report for each MCO that summarizes the MCOs' performance in alignment with the CMS PIP Validation EQR Protocols.
 - 5.9.1.4. The Contractor shall report and communicate final MCO-level findings, utilizing the PIP Validation checklist described above and the associated MCO-specific PIP Validation Findings Narrative Reports, within the timeframe(s) indicated by AHCCCS following the PIP submission due date¹⁰.
 - 5.9.1.4.1. AHCCCS shall have the opportunity to review and provide feedback that shall be considered and incorporated into the final checklists, as appropriate, prior to submission to the MCOs.
 - 5.9.2. Produce a formal PIP Snapshot Report for each AHCCCS-Mandated PIP¹¹. AHCCCS methodology documents for each active AHCCCS-Mandated PIP may be accessed on the [AHCCCS Quality & Performance Improvement webpage](#); the AHCCCS-Mandated PIPs and methodology documents are subject to change.
 - 5.9.2.1. PIP Snapshot Reports shall be specific to each AHCCCS-Mandated PIP topic and include discussion related to the following:
 - 5.9.2.1.1. PIP Background,
 - 5.9.2.1.2. Purpose,
 - 5.9.2.1.3. Population,
 - 5.9.2.1.4. Indicator Criteria,
 - 5.9.2.1.5. Data Sources,
 - 5.9.2.1.6. Data Validation,
 - 5.9.2.1.7. Performance summary [current MCO, program, population, and aggregate level performance (as determined by AHCCCS) compared to previous measurement years, as applicable (e.g., remeasurement year/period two compared to remeasurement year/period one and baseline year/period)],
 - 5.9.2.1.8. Disparities (based on applicable stratifications),
 - 5.9.2.1.9. Data Limitations,
 - 5.9.2.1.10. Works Cited, and
 - 5.9.2.1.11. Other elements as directed and agreed upon with AHCCCS.
 - 5.9.2.2. As the PIP Snapshot Report(s) will be posted on the AHCCCS website and the PIP validation findings will be submitted to CMS via the EQR Annual Technical Reports no later than the date

⁹ Required timeframes for PIP Validation and related reporting to be detailed within associated non-competitive task orders issued under this Contract.

¹⁰ Required timeframes for PIP Validation and related reporting to be detailed within associated non-competitive task orders issued under this Contract.

¹¹ Required timeframes for PIP Validation and related reporting to be detailed within associated non-competitive task orders issued under this Contract.

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stipulated by CMS, the information included in the Report(s) shall not disclose the identity or other protected health information of any member, and the reports shall adhere to all applicable State, Federal, and other public reporting requirements.

- 5.9.3. Provide ongoing PIP-related technical assistance to AHCCCS and Contracted MCOs, including workgroup participation when requested, for the purposes of helping ensure:
 - 5.9.3.1. Readiness to report,
 - 5.9.3.2. Alignment with PIP methodology, and
 - 5.9.3.3. Adherence to CMS PIP validation requirements.
 - 5.9.4. Conduct other PIP Validation related activities as needed and required by AHCCCS and outlined within associated PIP-validation non-competitive task orders issued under this Contract.
- 5.10. **Performance Measure Validation** – AHCCCS’ MCOs shall calculate and report performance measures (inclusive of all associated sub-measure rates and required reporting stratifications) included as part of the CMS Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set) for the associated measurement period and Mandatory Core Set of Children’s Health Care Quality Measures for Medicaid and CHIP (Child Core Set) for the associated measurement period, as well as select NCQA HEDIS® or other AHCCCS-required performance measures (e.g., LTSS-focused performance measures). Based on the issuance and award of a non-competitive Task Order, the awarded Contractor shall:
- 5.10.1. Validate performance measures in accordance with the required elements specified within the most current version of the CMS EQR Protocols available during the validation process, as well as additional elements required by AHCCCS. The number and type of measures to be validated will be specified within the non-competitive task orders issued.
 - 5.10.1.1. The Contractor shall report and communicate initial MCO-level findings to AHCCCS, within the timeframe indicated by AHCCCS¹².
 - 5.10.2. Validate and report MCO-calculated, MCO-specific administrative, hybrid, and ECDS performance measures inclusive of all associated stratifications required per the associated measure steward technical specifications, CMS reporting requirements, and/or AHCCCS requirements. Reporting shall include:
 - 5.10.2.1. Formal rate tables inclusive of MCO-specific numerator, denominator, and rate/percentage detail for each required measure, including associated sub-measures and other stratifications required, and
 - 5.10.2.2. Formal narrative reporting specific to each MCO that outlines performance measure validation findings as required and outlined within the CMS EQR Protocols.
 - 5.10.3. Produce and report program and/or population aggregate (roll up) rates as directed by AHCCCS. Reporting shall include:
 - 5.10.3.1. Formal rate tables inclusive of program and/or population-specific numerator, denominator, and rate/percentage detail for each required measure, including associated sub-measures and other stratifications required.
 - 5.10.4. Produce and report statewide aggregate rates comprised of a roll up of program and population aggregate rates, as directed by AHCCCS. Reporting shall include:
 - 5.10.4.1. Formal rate tables inclusive of statewide-specific numerator, denominator, and rate/percentage detail for each required measure, including associated sub-measures and other stratifications required.
 - 5.10.5. Produce a formal rate table inclusive of all levels of reporting specified in 5.10.2-5.10.4 within one combined document (or other medium) to enhance ease in referencing the data, as directed by AHCCCS.

¹² Required timeframes for PM Validation and related reporting to be detailed within associated non-competitive task orders issued under this Contract.

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- 5.10.6. Produce an Impact Assessment Report for program, population, and statewide-specific performance measures with significant variances noted within reported numerators, denominators, and/or rates/percentages when compared to previous year's reporting, changes in specifications, and recommendations related to trending.
 - 5.10.7. Produce stratified reporting for calculated measure rates in accordance with the associated measure specifications, CMS, and AHCCCS requirements. Additional measures or stratifications may be required based on forthcoming federal requirements [e.g., Primary Language, Geography (Rural/Urban), Disability Status, Sex (Assigned at Birth), Sexual Orientation and Gender Identity (SOGI)], and/or 1115 Wavier requirements.
 - 5.10.7.1. Based on the stratified reporting results, the Contractor shall identify disparities and produce a formal report inclusive of general recommendations for addressing identified disparities at the program/population/statewide level as directed by AHCCCS.
 - 5.10.8. Provide ongoing technical assistance to AHCCCS and MCOs, including workgroup participation, for the purposes of ensuring readiness and alignment with performance measure technical specifications, calculation methodologies, and validation activities required under CMS EQR Protocols.
- 5.11. Compliance Reviews (i.e., Operational Reviews) - The Contractor shall:**
- 5.11.1. Follow CMS's most current Protocol Review of Compliance with Medicaid and CHIP Managed Care Regulations for determining MCO compliance with Medicaid Managed Care Proposed Regulations. In alignment with the Protocol:
 - 5.11.1.1. Establish compliance thresholds.
 - 5.11.1.2. Perform the preliminary review.
 - 5.11.1.3. Conduct MCO compliance review.
 - 5.11.1.4. Conduct onsite visits, if required.
 - 5.11.1.5. Compile and analyze findings (post-compliance review).
 - 5.11.1.6. Report results to the State.
 - 5.11.2. Develop tools and scoring methodology for evaluating MCO compliance with standards. Evaluation tools and scoring methodology shall be submitted to AHCCCS for prior approval. Refer to Exhibit B for examples of Operational Review Tools.
 - 5.11.3. Develop procedures with AHCCCS for submission of completed evaluation tools.
 - 5.11.4. Evaluate MCO compliance submissions, develop findings, and required CAPs; subject to AHCCCS approval.
 - 5.11.5. Participate in regular scheduled meetings:
 - 5.11.5.1. Monthly/quarterly compliance meetings.
 - 5.11.5.2. Regularly scheduled meetings with AHCCCS Leadership and OR Teams.
 - 5.11.6. Submit all Operational Review materials to AHCCCS for prior approval. AHCCCS holds prior approval authority for the following:
 - 5.11.6.1. Tools and Templates.
 - 5.11.6.2. Scheduling plans.
 - 5.11.6.3. Operational Review Processes.
 - 5.11.6.4. Scoring criteria and methodology.
 - 5.11.6.5. Draft Operational Review Report including findings.
 - 5.11.6.6. Final Operational Review Report including resolution of challenges.
 - 5.11.6.7. MCO CAPs.
 - 5.11.7. Conduct ad hoc focus reviews as needed, to determine MCO compliance with all or portions of standards set forth in 42 CFR 438.358(b)(iii), State standards, and MCO Contract requirements, as requested by AHCCCS.

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- 5.11.8. Nonduplication Review Project - Obtain and utilize NCQA Accreditation materials, and systems, as necessary to complete Compliance Reviews and Nonduplication of Mandatory Activities (42 CFR 438.360).
- 5.11.9. Evaluate components of the MCO Operational Review Tools in comparison to NCQA Accreditation Standards and the NCQA Medicaid Managed Care Toolkit and identify areas of duplication as described in 42 CFR 438.360, nonduplication of mandatory activities with Medicare or accreditation review.
- 5.11.10. Subsequent annual review of the NCQA Medicaid Managed Care Tool Kit/Revisions to the Tool Kit against the NCQA Standards/Revisions to Standards and the AHCCCS OR Standards to identify areas of duplication and revise OR Tools accordingly.
- 5.11.11. Update Operational Review Tools as needed, with approval from AHCCCS, to indicate areas identified under nonduplication and adjust scoring as needed.

6. AHCCCS will:

- 6.1. Issue Task Orders in a manner that best serves the State for work to be performed under this Contract.
 - 6.1.1. Each Non-competitive Task Order will be awarded to the one EQRO Contractor awarded the related EQR-Related activity under this Contract.
 - 6.1.2. Each Competitive Task Order will be awarded to an EQRO Contractor based on the established evaluation criteria.
 - 6.1.2.1. All awarded Task Orders will be submitted to, and must be approved by, CMS prior to AHCCCS issuing payment to a Contractor for invoiced services.
 - 6.1.2.2. Services may begin only upon award of a Task Order and receipt of a Purchase Order.
 - 6.1.2.3. Refer to Exhibit A for a Task Order example.
 - 6.1.2.4. A Task Order Scope of Work may include the following:
 - 6.1.2.4.1. Statement of objective/purpose.
 - 6.1.2.4.2. Responsibilities/tasks.
 - 6.1.2.4.3. Deliverables/milestones with associated deadlines.
 - 6.1.2.4.4. Reporting requirements.
 - 6.1.2.4.5. Requirements for submitting a response to the Task Order.
 - 6.1.2.4.6. Evaluation criteria.
 - 6.1.2.4.7. Invoicing requirements.
 - 6.1.3. Specific tasks and requirements will be further detailed in the related Competitive and Non-Competitive Task Orders, where applicable.
- 6.2. Maintain the right to assess and implement Administrative Action(s) for Contractor non-compliance with meeting Contract and/or Task Order requirements including but not limited to meeting deliverable timelines specified by AHCCCS, issuance of monetary penalty(ies) by CMS, or noncompliance with EQR-related activities/work.
 - 6.2.1. Administrative Action(s) may include:
 - 6.2.1.1. Notice(s) of Concern.
 - 6.2.1.2. Notice(s) to Cure.
 - 6.2.1.3. Corrective Action Plan(s) (CAPs).
 - 6.2.1.4. Monetary Penalty(ies).
 - 6.2.1.4.1. Monetary penalty(ies) may be imposed and accrue where incidents of noncompliance are caused either in part or in full by the Contractor.
 - 6.2.1.4.2. Should Monetary Penalty(ies) apply, AHCCCS will impose monetary penalties as stipulated in Exhibit D, Service Level Agreement).
 - 6.2.1.5. Termination of Contract.

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- 6.3. Inspect, review, and evaluate all services, materials, and deliverables, to ensure quality assurance and acceptability to AHCCCS.
- 6.4. Any work performed by the Contractor that does not meet AHCCCS requirements as described in Contract and/or Task Order will not be paid for by AHCCCS.
- 6.5. Require the Contractor to revise substandard work to meet standards acceptable to AHCCCS and resubmit the work to AHCCCS in the timeframe specified.

7. NOTICES SECTION

7.1. HIPAA Security

All notices of HIPAA security breaches or incidences, report to:
AHCCCS/Office of General Counsel (OGC)
AHCCCS Privacy Officer
privacy@azahcccs.gov

7.2. Programmatic

Programmatic notices and inquiries to AHCCCS, submit to:
AHCCCS/Division of Healthcare Services (DHCS)
EQRO-Program@azahcccs.gov

7.3. Contractual and/or Legal

Contractual and/or Legal Notices, report to:
AHCCCS Procurement Office
Senior Procurement Specialist procurement@azahcccs.gov

8. Invoices

Invoices submitted shall include the following:

- 8.1. The contract number and Purchase Order number (Task Order number if applicable)
- 8.2. Description of service performed and/or deliverable submitted for each fee.
- 8.3. Name of AHCCCS Program contact
- 8.4. Date(s) services/deliverable were completed.
- 8.5. Signature and title of authorized representative

All invoices shall be submitted electronically to: AHCCCSDBFAdminPayables@azahcccs.gov

DEFINITIONS OF TERMS

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. **AHCCCS:** The Arizona Health Care Cost Containment System – a managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq. and is also the name of the State agency.
2. **AHCCCS COVERED SERVICES:** Those services set forth in A.R.S. § § 36-2907 and 36-2939, A.A.C. Title 9 Chapter 22, Articles 2 and 12 and, Chapter 28, Articles 2 and 11.
3. **ASFS:** AHCCCS Secure File Share
4. **ARIZONA ADMINISTRATIVE CODE (AAC):** The official publication of Arizona’s codified Rules and published by the Administrative Rules Division.
5. **ARIZONA LONG TERM CARE SYSTEM (ALTCS):** An AHCCCS program which delivers long-term, acute, behavioral health and Case Management services as authorized by A.R.S. § 36-2931 et seq., to eligible members who are either Elderly and/or have Physical Disabilities (E/PD), and to members with Developmental Disabilities (DD), through contractual agreements and other arrangements.
6. **ARIZONA REVISED STATUTES (A.R.S.):** Laws of the State of Arizona.
7. **ATTACHMENT:** Any item the Solicitation requires an Offeror to submit as part of the Offer.
8. **BEST AND FINAL OFFER (BAFO):** A revision to an Offer submitted after negotiations are completed that contains the Offeror’s most favorable terms for price, service, and products to be delivered. Sometimes referred to as a Final Proposal Revision.
9. **CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS):** The Federal agency within the United States Department of Health and Human Services (HHS), which administers the Medicare (Title XVIII) and Medicaid (Title XIX) programs and the State Children’s Health Insurance Program (Title XXI).
10. **CODE OF FEDERAL REGULATIONS (CFR):** The general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government.
11. **CONSUMER ASSESSMENT OF HEALTHCARE PROVIDER AND SYSTEMS (CAHPS) SURVEY:** A patient survey that rates experience of health care services and related experiences.
12. **CONTRACT:** The combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Best and Final Offers; any Solicitation Amendments or Contract Amendments; and any terms applied by law.
13. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes to the contract.
14. **CONTRACTOR:** A person, organization or entity who has a contract with AHCCCS.
15. **CULTURAL and LINGUISTIC COMPETENCE:** A set of congruent behaviors, attitudes, and policies that come together in a system, agency, or among professionals that enables effective work in cross-cultural situations. 'Culture' refers to integrated patterns of human behavior that include the language, thoughts, communications, actions, customs, beliefs, values, and institutions of racial, ethnic, religious, or social groups. 'Competence' implies having the capacity to function effectively as an individual and an organization within the context of the cultural beliefs, behaviors, and needs presented by consumers and their communities.
16. **DAYS:** Calendar days unless otherwise specified. If a due date falls on a Saturday, Sunday, or legal holiday, then the due date is considered the next business day. A business day means a Monday, Tuesday, Wednesday, Thursday, or Friday unless a legal holiday falls on Monday, Tuesday, Wednesday, Thursday, or Friday. Computation of time begins the day after the event that triggers the period and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next business day.
17. **DELIVERABLES:** All items that the Contractor is required to deliver under this Contract.
18. **DOCUMENTATION:** Means all documents, including documents that are Deliverables described in the Statement of Work that are to be delivered by Contractor under this Contract. Documentation includes documents in hard copy or electronic form.

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19. **EXHIBIT:** Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation generally containing maps, schematics or other documents that will be used to perform the requirement after contract award.
20. **EXTERNAL QUALITY REVIEW (EQR):** An analysis and evaluation by an External Quality Review Organization (EQRO) of aggregated information on quality, timeliness, and access to the health care services that a Contractor provides to members.
21. **EQR-RELATED:** Activities related to external quality review, including but limited to those described in 42 CFR 438.358.
22. **EXTERNAL QUALITY REVIEW ORGANIZATION (EQRO):** An organization that meets the competence and independence requirements as specified in 42 CFR 438.354 and, performs External Quality Review (EQR) and other EQR-related activities as specified in 42 CFR 438.358, or 42 CFR 438.320.
23. **GRATUITY:** A payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
24. **HEALTH PLAN:** A Managed Care Organization (MCO).
25. **KEY PERSONNEL:** Contractor's Authorized Representative, the Project Manager, and all other Contractor personnel designated as Key Persons.
26. **KIDSCARE:** Federal and State Children's Health Insurance Program (CHIP) administered by AHCCCS. The KidsCare program offers comprehensive medical, preventive, treatment services, and behavioral health care services statewide to eligible children under the age of 19, in households with income between 133% and 200% of the Federal Poverty Level (FPL).
27. **KNOWLEDGE TRANSFER:** Activities designed to impart detailed information from Contractor to the Agencies in relation to the activities described in the Scope of Work. Knowledge Transfer goes beyond formalized training and documentation to include Contractor ensuring that staff is prepared to launch a successful Modularity program. Knowledge Transfer includes AHCCCS/MQD staff and other resources being integrated into Contractor's work activities and being an integral part of identifying and resolving issues. Knowledge Transfer activities include 'shoulder to shoulder' training, which is informal training with the specific intent of developing skills or knowledge working side by side with Contractor.
28. **MANAGED CARE:** The systems that integrate the financing and delivery of health care services to covered individuals by means of arrangements with selected providers to furnish comprehensive services to members; explicit criteria for the selection of health care providers; significant incentives for members to use providers and procedures associated with the plan, and formal programs for quality assurance and utilization review.
29. **MANAGED CARE ORGANIZATION (MCO):** An organization which contracts with the AHCCCS Administration to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS members enrolled with the health plan. MCO and Health Plan are used interchangeably.
30. **MATERIAL OMISSION:** A fact, data or other information excluded from a report, contract, etc. the absence of which could lead to erroneous conclusions following reasonable review of such report, contract, etc.
31. **MATERIALS:** All property, including equipment, supplies, printing, insurance, and leases of property but does not include land, a permanent interest in land or real property or leasing space.
32. **MAY:** Indicates something that is not mandatory but permissible.
33. **MEDICAID:** A Federal/State program authorized by Title XIX of the Social Security Act, as amended.
34. **MEMBER:** An eligible individual who is enrolled in AHCCCS, as specified in A.R.S. § 36-2931, § 36-2901, § 36-2901.01 and A.R.S. § 36-2981. Also referred to as Title XIX/XXI member or Medicaid member.
35. **NATIONAL ASSOCIATION OF HEALTHCARE QUALITY (NCQA):** A private, not-for-profit organization dedicated to improving health care quality by evaluating and reporting on the quality of managed care and other health care organizations in the United States.¹³

¹³ Taken from <https://www.ahrq.gov/professionals/quality-patient-safety/talkingquality/resources/initiatives/ncqa.html>

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36. **NATIONAL PROVIDER NUMBER:** This single, unique ID is used for billing purposes by the provider to all third party payers, including billing for reimbursement under the DSC Program. All typical health care providers must have a 10-digit National Provider Identifier (NPI).
37. **NTE:** Not-to-Exceed amount.
38. **OFFER:** A response to a solicitation.
39. **OFFEROR:** A vendor or person who responds to a Solicitation.
40. **PERFORMANCE IMPROVEMENT PROJECT (PIP):** A planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. This process includes measuring the impact of the interventions or activities aimed toward improving quality of care and service.
41. **PERFORMANCE IMPROVEMENT/QUALITY IMPROVEMENT:** The approach utilized to better services and/or outcomes through the continuous improvement of processes intended to prevent or decrease the likelihood of issues. This is generally accomplished through identifying areas of opportunity and testing new solutions/interventions to correct underlying causes of persistent/systemic issues or overcome identified barriers.
42. **PERSON:** Any corporation, business, individual, union, committee, club or other organization or group of individuals.
43. **POPULATION(S):** Medicaid (Title XIX), CHIP (Title XXI), Fee-for-Service (FFS). When referring to the AHCCCS ACC-RBHA program and/or AHCCCS ACC-RBHA MCOs, population may also refer to the ACC population and/or SMI designated population.
44. **PROCUREMENT OFFICER:** The person, or their designee, duly authorized by the State and AHCCCS to enter into and administer Contracts and made written determinations with respect to the Contract.
45. **PROGRAM(S):** AHCCCS Line(s) of Business: AHCCCS Complete Care (ACC); AHCCCS Complete Care-Regional Behavioral Health Agreements (ACC-RBHA); Arizona Long Term Care Services Elderly and/or Physically Disabled (ALTCS E/PD); Department of Child Safety/Comprehensive Health Plan (DCS/CHP); and Arizona Long Term Care Services- Developmental Disabilities (ALTCS-DD).
46. **RELATED PARTY:** A party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. "Related parties" include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.
47. **REQUEST FOR PROPOSAL (RFP):** A document prepared by AHCCCS which describes the services required and which instructs a prospective Offeror how to prepare a response (proposal).
48. **SCOPE OF WORK:** The documents that describe the Services to be provided by Contractor, including the Tasks, Deliverables and Milestones, Documentation, Work Product, the attributes (including requirements and specifications) of each Deliverable, identification of the Deliverables and Services that are associated with each Task, and a completion date for each Milestone and Deliverable, the payment schedule for each Deliverable and Milestone, and any other items as agreed by the parties.
49. **SERVICES:** Means the furnishing of labor, time or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance but does not include employment agreements or collective bargaining agreements.
50. **SHALL, MUST:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
51. **SHOULD:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the State may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.
52. **SOLICITATION:** An Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).

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53. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
54. **STATE:** Means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.
55. **STATE FISCAL YEAR:** The period beginning July 1 and ending June 30.
56. **STATEWIDE:** For the purposes of Performance Measure calculations, statewide refers to a combination of all populations and programs (AHCCCS lines of business).
57. **SUBCONTRACT:** Any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
58. **SUBCONTRACTOR:** means a person who contracts to perform work or render Services to a Contractor or to another Subcontractor as a part of a Contract with the State.
59. **TASK ORDER:** A Task Order is a mini government contract. Once a contractor has a basic contract, Task Orders are agreements for specific goods or services to meet the over-arching goals of the basic contract. Task Orders can be either “competitive” or “non-competitive”. Competitive Task Orders are issued to multiple contractors to obtain the best price and methodology for conducting services. Non-competitive Task Orders are justified by Procurement, through unusual or unique situation to be impracticable to compete, and therefore issued to one specific contractor.
60. **TITLE XIX:** Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.
61. **TITLE XXI:** Title XXI of the Social Security Act provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of child health benefits coverage.
62. **VALIDATION:** When used in this document as an EQRO task, means the process whereby the EQRO analyzes and evaluates (1) The methodology utilized by AHCCCS/others to develop tools and processes, and (2) The Agency's results and plans of action in meeting the Federal mandatory and/or optional requirements for external quality reviews.

UNIFORM INSTRUCTIONS TO OFFERORS

1. **Definitions** – all definitions listed in the definition of terms.

2. **Inquiries:**

- 2.1. **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.
- 2.2. **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Procurement Officer.
- 2.3. **Submission of Inquiries:** All inquiries related to the Solicitation are required to be submitted via email to the Procurement Officer listed on the front page of this solicitation and on the Solicitation Questions and Answers Form. All responses to inquiries will be answered in the form of a solicitation amendment. Offerors are prohibited from contacting any State employee other than the Procurement Officer concerning the procurement while the solicitation and evaluation are in process.
- 2.4. **Timeliness:** Any inquiry or exception to the Solicitation shall be submitted as soon as possible and shall be submitted no later than the date and time indicated on the **Notice of Request for Proposal (RFP front page)** for review and determination by AHCCCS. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5. **No Right to Rely on Verbal Responses:** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6. **Solicitation Amendments:** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7. **Pre-Offer Conference:** If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time, and location shall appear on the Solicitation cover sheet. Offerors should raise any questions they may have about the Solicitation at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8. **Persons with Disabilities:** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. **Offer Preparation:**

- 3.1. **Electronic Documents:** The Solicitation is provided in an electronic format. Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission. Any unidentified alteration or modification to any Solicitation, attachments, exhibits, forms, charts, or illustrations contained herein shall be null and void. The Offeror's electronic files shall be submitted in a format acceptable to the State. Acceptable formats include Microsoft Word, Excel and PowerPoint, Adobe Acrobat PDF, or as otherwise included in the solicitation. Offerors wishing to submit files in any other format shall submit an inquiry to the Procurement Officer.

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- 3.2. Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, may result in rejection of the Offer.
- 3.3. Exceptions to Terms and Conditions: All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
- 3.3.1. All exceptions that are contained in the Offer may negatively impact an Offeror's susceptibility for award. An Offer that takes exception to any material requirement of the solicitation may be rejected.
- 3.3.2. Any exceptions submitted with your proposal shall be listed as C4 (See Special Instructions To Offerors).
- 3.4. Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.5. Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.6. Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 3.7. Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.7.1. Employee Identification: Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared with only appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 3.8. Identification of Taxes in Offer: The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation. When applicable, the tax rate and amount shall be identified on the Pricing Sheet.
- 3.9. Disclosure: If the firm, business, or person submitting this Offer has been debarred, suspended, or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the

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effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

- 3.10. Delivery (commodities only): Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.
- 3.11. Federal Immigration and Nationality Act: By signing of the Offer, the Offeror warrants that both it and all proposed subcontractors are in compliance with federal immigration laws and regulations (FINA) relating to the immigration status of their employees. The State may, at its sole discretion, require evidence of compliance during the evaluation process. Should the State request evidence of compliance, the Offeror shall have 5 days from receipt of the request to supply the adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the offer not being considered for contract award.
- 3.12. Offshore Performance of Work Prohibited: Any service that are described in the specifications or scope of work that directly serve the State of Arizona or its clients involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. **Offerors shall declare all anticipated offshore services in the Offer.**

4. Submission of Offer:

- 4.1. Offer and Acceptance: Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer and shall be submitted no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.
- 4.2. Solicitation Amendments: Each Solicitation Amendment shall be signed by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 4.3. Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.4. Public Record: All Offers submitted and opened are public records and must be retained by the State for a period of time in accordance with the law. Offers shall be open and available to public inspection after Contract award, except for such portions deemed to be confidential in accordance with the procurement.
- 4.5. Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - 4.5.1. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.5.2. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and

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that it complies with all applicable federal, state, and local laws and executive orders regarding employment.

5. **Evaluation:**

- 5.1. Taxes: If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.
- 5.2. Late Offers: An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.3. Disqualifications: An Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
- 5.4. Offer Acceptance Period: An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred and twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred and twenty (120) days from the Best and Final Offer due date.
- 5.5. Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:
 - 5.5.1. Waive any minor informality;
 - 5.5.2. Reject any and all Offers or portions thereof; or
 - 5.5.3. Cancel the Solicitation.

6. **Award:**

AHCCCS shall award a Contract to the responsible and responsive Offeror whose proposal is determined most advantageous to the State under A.R.S. §36-2906 (R9-22 Article 6).

- 6.1. Number or Types of Awards: AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is deemed most advantageous to AHCCCS and to the State.
 - 8.5.1.
- 6.2. Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3. Effective Date: The effective date of this Contract shall be the date that the Procurement officer signs the Offer and Acceptance form or other official contract form unless another date is specifically stated in the Contract.
- 6.4. A response to this Request for Proposal is an offer to contract with AHCCCS based upon the terms, conditions, scope of work and specifications of the RFP. All of the terms and conditions of the Contract are contained in this Solicitation, Solicitation amendments and subsequent Contract amendments, if any, signed by the AHCCCS Chief Procurement Officer. Proposals do not become Contracts unless and until they are accepted by the AHCCCS Chief Procurement Officer. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS. A Contract is formed when the AHCCCS Chief Procurement Officer signs

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the award page and provides written notice of the award(s) to the Successful Offeror(s), and the Offeror accepts any special provisions to the Contract and the final rates awarded. All Offerors will be promptly notified of Contract award.

6.5. If awarded a Contract, the Offeror must meet all AHCCCS requirements, irrespective of what is requested and evaluated through this Solicitation. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS and the Offeror shall comply with all commitments and statements included in its RFP submission.

7. **Protests:** Any protest shall comply with and be resolved according to A.R.S. § 36-2906 and rules adopted thereunder. Protests shall be submitted via email to the AHCCCS Procurement officer.

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1. **Anticipated Procurement Schedule:** All dates here are subject to change at any time.

ACTIVITY	DATE
RFP Release/Issue Date	February 7, 2024
Pre-Proposal Conference	A Pre-Proposal Conference has <u>NOT</u> been scheduled.
Offeror Questions Due	February 23, 2024
Intent to Bid Due	March 4, 2024
Offeror's Proposals Due	March 28, 2024
Contingent Award (contingent upon CMS approval)	June 1, 2024
Final RFP Award (Subject to change)	August 1, 2024
Services Start / Contract Effective Date (Subject to change)	August 1, 2024

2. **Questions:** All questions concerning this solicitation shall be submitted **via email using the AHCCCS Questions and Answers Form found with the solicitation document** to the Procurement Officer identified on the first page of this solicitation document. Offerors may not contact other AHCCCS employees concerning this solicitation.

3. **Evaluation Criteria and Selection Process:**

- 3.1. In accordance with the A.R.S. 36-2903 et seq., awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria.
- 3.2. Proposals will be evaluated based upon the ability of the Offeror to satisfy the requirements of the RFP in a cost-effective manner. The scored portions of the evaluation are listed in their relative order of importance for the following:
- 3.2.1. **EQR Annual Technical Report(s)**
 - 3.2.1.1. Method of Approach
 - 3.2.1.2. Experience/Expertise
 - 3.2.1.3. Cost
 - 3.2.2. **Network Adequacy**
 - 3.2.2.1. Method of Approach
 - 3.2.2.2. Experience/Expertise
 - 3.2.2.3. Cost
 - 3.2.3. **PIP Validation**
 - 3.2.3.1. Method of Approach
 - 3.2.3.2. Experience/Expertise
 - 3.2.3.3. Cost
 - 3.2.4. **Performance Measure Validation**
 - 3.2.4.1. Method of Approach
 - 3.2.4.2. Experience/Expertise

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- 3.2.4.3. Cost
- 3.2.5. **Compliance Reviews (i.e., Operational Reviews)**
 - 3.2.5.1. Method of Approach
 - 3.2.5.2. Experience/Expertise
 - 3.2.5.3. Cost
- 3.2.6. **Encounter Data Validation**
 - 3.2.6.1. Method of Approach
 - 3.2.6.2. Experience/Expertise
 - 3.2.6.3. Cost
- 3.2.7. **Member and Provider Surveys Administration and Validation**
 - 3.2.7.1. Method of Approach
 - 3.2.7.2. Experience/Expertise
 - 3.2.7.3. Cost
- 3.2.8. **Performance Measure Calculations**
 - 3.2.8.1. Method of Approach
 - 3.2.8.2. Experience/Expertise
 - 3.2.8.3. Cost
- 3.2.9. **Conducting PIPs**
 - 3.2.9.1. Method of Approach
 - 3.2.9.2. Experience/Expertise
 - 3.2.9.3. Cost
- 3.2.10. **Conducting Studies on Quality**
 - 3.2.10.1. Experience/Expertise
 - 3.2.10.2. Method of Approach
 - 3.2.10.3. Cost
- 3.2.11. **Assisting with QRS**
 - 3.2.11.1. Experience/Expertise
 - 3.2.11.2. Method of Approach
 - 3.2.11.3. Cost
- 3.3. Notwithstanding any other provision of this Solicitation, AHCCCS expressly reserves the right to:
 - 3.3.1. Waive any immaterial mistake or informality,
 - 3.3.2. Reject any or all Proposals, or portions thereof, and/or
 - 3.3.3. Reissue a Request for Proposal.
- 3.4. Evaluators will be focused on information expressly provided by the Offeror. No inferences or assumptions will be made by the evaluation team when scoring in order to evaluate information submitted by the Offeror which is not clear, explicit, or thoroughly presented. Use of contingent language such as 'exploring' or 'taking under consideration' will not be given any weight during the scoring evaluation process. A policy, brochure, or reference to a policy or manual does not constitute an adequate response and will not be given any weight during the scoring evaluation process.

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3.5. It is the responsibility of the Offeror to examine the entire RFP, timely seek clarification of any requirement that may not be clear and review all responses for accuracy before submitting its Proposal. The Proposal becomes a part of the Contract. Therefore, whatever information is stated in the Proposal may be evaluated either during the Proposal evaluation process or subsequently during other reviews. If any information contained inside an Offeror's proposal contradicts or does not comply with the solicitation requirements, the solicitation requirements prevail, unless otherwise accepted by AHCCCS in writing.

4. **Submission of Proposal:**

4.1. The Offeror shall submit its proposal to the ASFS. Once the Intent to Bid (RFP Attachment 5) is received, the Offeror will receive an email with access and instructions to the ASFS. Inside the ASFS will be a folder labeled BIDDERS LIBRARY containing Exhibit B – Example of Compliance Reviews Tools. Failure to follow the prescribed format for submission may result in AHCCCS determining that the submission is non-responsive. **The deadline to request access to the ASFS is March 4, 2024.** Offerors must request access to ASFS by this date in order to submit a proposal.

4.2. **Font and Margins:** All proposals shall be submitted in Calibri 11-point font or larger with margins no less than ½”.

4.3. **Page Limits:** The Offeror has the discretion to include or exclude the narrative submission requirement text as a part of the Offeror's response; however, the required page limit applies regardless of whether or not the text is included. AHCCCS will only consider the information provided within the allotted page limit and permitted attachments, if any, in response to a specific submission requirement when evaluating the Offeror's Proposal. AHCCCS will not consider information outside the allotted page limit, or any other information provided elsewhere in the Proposal when reviewing a specific response to an individual submission requirement.

5. **Contents of Proposal:**

The Offeror's Proposal shall contain the following and be organized as follows:

PART A

- A1 Transmittal Letter
- A2 Signed Offer and Acceptance Page
- A3 Signed Solicitation Amendment(s)
- A4 IT Privacy and Security Requirements

PART B

- B1 Narrative Proposal Method of Approach
- B2 Narrative Proposal Experience/Expertise
- B3 Cost – Attachment 1 – Pricing Sheet

PART C

- C1 Intent to provide insurance.
- C2 Separate, signed, legal Analysis for Confidential /Proprietary Determination (if any)
- C3 Signed Attestations for Attachment 3 (Boycott of Israel Disclosure) and Attachment 4 (Forced Labor of Ethnic Uyghurs Ban Certification)
- C4 Exceptions to any part of solicitation

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5.1. **Transmittal Letter (A1):**

The Transmittal Letter must briefly summarize the Offeror's ability to supply the requested services that meet the requirements defined in the Proposal. The letter must also contain a statement indicating the Offeror's willingness to provide the services subject to the terms and conditions set forth in the RFP.

A person authorized to commit the Offeror to its representations and who can certify that the information offered in the proposal meets all general conditions must sign the Transmittal Letter. In the Transmittal Letter, indicate the principal contact for the proposal along with an address, telephone number, and an e-mail address if that contact is different than the individual authorized for signature.

5.2. **IT Privacy and Security Requirements (A4)**

As part of the proposal submission, the Contractor shall submit:

- 5.2.1. FedRAMP or StateRAMP authorization,
- 5.2.2. HITRUST Certification, or
- 5.2.3. A security and privacy assessment and SSAE-18 assessment or its equivalent.
- 5.2.4. Documented evidence of compliance with the privacy and security requirements in their RFP proposal submission, as well as a primary point of contact (POC) for any privacy or security concerns.

5.3. **Narrative Proposal (Part B):**

Narrative Proposals must be structured and numbered according to the RFP section numbers and headers as presented below. Responses in each section must be addressed in the order given. Since the evaluators have already read the Scope of Work for the services described, it is not necessary for the Offeror to repeat the exact language, nor to present a paraphrased version, as an original idea for the method of approach. The language of the narrative must be straightforward and limited to facts, solutions to problems, and plans of proposed action. The usage of technical language must be minimized and used only to describe a technical process.

Narrative Proposals will be evaluated based on the Offeror's distinctive plan for providing these specialized services. The Offeror shall utilize a written narrative or any other printed technique to demonstrate the ability to satisfy the Scope of Work. When appropriate, the Narrative Proposal should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described.

The Narrative Proposal shall be broken into two files:

- B1 – Method of Approach, and
- B2 – Experience/Expertise.

5.3.1. **Method of Approach Narrative Proposal (B1):**

5.3.1.1. This section defines how the Method of Approach Narrative Proposal shall be prepared. The Method of approach Narrative Proposal must be restricted to the page limits indicated below.

5.3.1.2. For each work/activity being bid on by the Offeror (*EQR Quality Review Annual Technical Report(s); Network Adequacy; PIP Validation; Performance Measure Validation; Compliance Reviews (i.e., Operational Reviews); Encounter Data Validation; Member and Provider Surveys Administration and Validation; Conducting PIPs; Conducting Studies on Quality; and/or Assisting with QRS*) the Offeror shall:

5.3.1.2.1. EQR Annual Technical Report(s)

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Submit the Offeror's Proposal for the EQR Annual Technical Report(s) that includes the following [**9-Page Limit**]:

- 5.3.1.2.1.1. The Offeror's proposal for producing detailed EQR Annual Technical Report(s) that meets the requirements stipulated in section 5.7 of the Scope of Work.
 - 5.3.1.2.1.1.1. The Offeror's proposal for assessing the strengths and opportunities for improvement (weaknesses) of each MCO with respect to quality, access, and timeliness of care.
 - 5.3.1.2.1.1.2. The Offeror's proposal for assessing the degree to which each MCO has effectively addressed the recommendations for quality improvement made by the EQRO during the previous year's EQR.
 - 5.3.1.2.1.1.3. The identification of information and data required by the Offeror to support the development of the EQR Annual Technical Report(s) as well as required involvement of MCOs, AHCCCS, other AHCCCS-contracted EQROs, and/or other entities.
 - 5.3.1.2.1.1.4. The Offeror's strategy for coordinating and communicating with AHCCCS, AHCCCS' MCOs, other AHCCCS-contracted EQROs, and/or other entities necessary to support the production of the EQR Annual Technical Report(s) within the required timeframe without undue duplication of efforts/burden.
 - 5.3.1.2.1.1.5. A timeline for the activities that will be carried out in producing the EQR Annual Technical Report(s), if awarded, utilizing a CMS due date of April 30.

5.3.1.2.2. Network Adequacy

Note regarding data sources for network adequacy, AHCCCS and its MCOs have the following data sources available to Offerors:

- 5.3.1.2.2.1. AHCCCS MCO data on their membership and provider network from their internal data systems, currently used by MCOs to calculate their network adequacy performance.
- 5.3.1.2.2.2. MCO public and internal provider directories.
- 5.3.1.2.2.3. AHCCCS data from the MCOs outlining their provider networks. This data is reported to AHCCCS twice each year according to the Provider Affiliation Transmission File (PAT File), refer to the Provider Affiliation Transmission User Manual.
- 5.3.1.2.2.4. AHCCCS data on MCO provider enrollment.
- 5.3.1.2.2.5. AHCCCS-registered provider data.
- 5.3.1.2.2.6. AHCCCS MCO current and historical submissions under ACOM Policy 417 and ACOM Policy 436.
- 5.3.1.2.2.7. Previous network adequacy validation results.
- 5.3.1.2.2.8. Submit the Offeror's proposal for providing Network Adequacy services that meets the requirements stipulated in section 5.8 of the Scope of Work that includes the following [**6-Page Limit**]:

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- 5.3.1.2.2.8.1. The Offeror's plan for validating MCO GeoAccess network validation.
 - 5.3.1.2.2.8.2. The Offeror's plan for validating MCO appointment timeliness standards.
 - 5.3.1.2.2.8.3. Identification of the expected data sources and AHCCCS-required involvement in this effort.
 - 5.3.1.2.2.8.4. How the Offeror's plan complies with the requirements of the current CMS External Quality Review Protocols for Validation of Network Adequacy.
 - 5.3.1.2.2.8.5. A timeline for the activities that will be carried out in the first year's network adequacy review. The readiness activity for the first year begins with contract award, but the work for this period begins January 2025.
 - 5.3.1.2.2.8.6. The Offeror's communication plan that addresses how the Offeror will carry out the following activities:
 - 5.3.1.2.2.8.6.1. Coordination with the Offeror awarded the contract for the EQR Annual Technical Report.
 - 5.3.1.2.2.8.6.2. Provision of feedback to AHCCCS and the MCOs on the strengths, weaknesses, and opportunities for improvement of AHCCCS and MCO data and processes used to evaluate network adequacy.
- 5.3.1.2.3. PIP Validation
Submit the Offeror's methodology and approach that includes the following **[10-Page Limit]**:
- 5.3.1.2.3.1. The Offeror's proposal for validating MCO PIPs underway during the preceding 12 months including any tools or resources anticipated to be utilized as part of the validation process.
 - 5.3.1.2.3.2. The Offeror's proposal for assessing the strengths and opportunities for improvement (weaknesses) of each MCO with respect to quality, access, and timeliness of care as it pertains to each PIP validated.
 - 5.3.1.2.3.3. The Offeror's proposal for producing a formal PIP Snapshot Report for each AHCCCS-Mandated PIP.
 - 5.3.1.2.3.4. The identification of information and data required by the Offeror to support the PIP validation and associated PIP reporting (MCO-specific PIP Validation Findings Narrative Report and checklists; PIP Snapshot Reports) efforts as well as required involvement of MCOs, AHCCCS, other AHCCCS-contracted EQROs and/or other entities, as applicable.
 - 5.3.1.2.3.5. The Offeror's strategy for coordinating and communicating with AHCCCS and AHCCCS' MCOs to support the PIP validation and

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associated MCO-specific PIP Validation reporting within the required timeframes.

- 5.3.1.2.3.6. The Offeror's strategy for coordinating and communication with AHCCCS, other AHCCCS-contracted EQROs, and/or other entities to support the inclusion of PIP validation results within the EQR Annual Technical Reports, as needed.
- 5.3.1.2.3.7. The Offeror's proposal for providing ongoing PIP-related technical assistance to MCOs and AHCCCS.
- 5.3.1.2.3.8. A timeline for the activities that will be carried out in validating MCO PIPs and producing the associated reporting, if awarded, including any required PIP Snapshot Reports, assuming a due date to AHCCCS of November 30.

5.3.1.2.4. Performance Measure Validation

Submit the Offeror's methodology and approach that includes the following **[10-Page Limit]**:

- 5.3.1.2.4.1. The Offeror's proposal for validating Performance Measures, including any tools or resources anticipated to be utilized as part of the validation process.
- 5.3.1.2.4.2. The Offeror's proposal for assessing the strengths and opportunities for improvement (weaknesses) with respect to quality, access, and timeliness of care as it pertains to performance measures validated.
- 5.3.1.2.4.3. The Offeror's proposal for producing performance measure validation reporting, inclusive of:
 - 5.3.1.2.4.3.1. MCO-specific validation findings narrative reports and rate tables,
 - 5.3.1.2.4.3.2. Program/population aggregate rate tables,
 - 5.3.1.2.4.3.3. Statewide aggregate rate tables, and
 - 5.3.1.2.4.3.4. A formal rate table inclusive of all levels of reporting.
- 5.3.1.2.4.4. The Offeror's proposal for assessing performance measure/sub-measure rates/performance and producing an Impact Assessment Report(s).
- 5.3.1.2.4.5. The Offeror's proposal for assessing, evaluating, and reporting health disparities as it pertains to performance measure results.
- 5.3.1.2.4.6. The identification of information and data required by the Offeror to support the performance measure validation and associated reporting efforts, as well as required involvement of MCOs and AHCCCS.
- 5.3.1.2.4.7. The Offeror's strategy for coordinating and communicating with AHCCCS, AHCCCS' MCOs, other AHCCCS-contracted EQROs, and/or other entities to support the performance measure validation and associated reporting within the required timeframes.
- 5.3.1.2.4.8. The Offeror's strategy for coordinating and communicating with AHCCCS, other AHCCCS-contracted EQROs, and/or other entities to support the inclusion of performance measure validation results within the EQR Annual Technical Reports, as needed.

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- 5.3.1.2.4.9. The Offeror's proposal for providing ongoing performance measure-related technical assistance to MCOs and AHCCCS.
- 5.3.1.2.4.10. A timeline for the activities that will be carried out in validating performance measures and producing the associated reporting, if awarded, assuming a due date to AHCCCS of November 30.
- 5.3.1.2.5. Compliance Reviews (i.e., Operational Reviews)
Submit the Offeror's methodology and approach to fulfill the requirements of this activity (Compliance Reviews) that includes the following [**5-Page Limit**]:
 - 5.3.1.2.5.1. Description of the Offeror's plan for development of OR tools and scoring methodology for evaluating MCO compliance with standards.
 - 5.3.1.2.5.2. A timeline for development of OR tools and scoring methodology.
 - 5.3.1.2.5.3. Description of the Offeror's plan for evaluation of MCO compliance with standards.
 - 5.3.1.2.5.4. Description of the Offeror's plan to conduct nonduplication review of OR tools in comparison to NCQA Accreditation Standards.
 - 5.3.1.2.5.5. A timeline for conducting the nonduplication review.
- 5.3.1.2.6. Encounter Data Validation
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity [**2-Page Limit**].
- 5.3.1.2.7. Member and Provider Surveys Administration and Validation
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity in alignment with CMS EQR Protocols, including [**4-Page Limit**]:
 - 5.3.1.2.7.1. The identification of any surveys currently being administered and/or validated by the Offeror, including the associated instruments/tools utilized, or surveys the Offeror has the capacity to conduct.
 - 5.3.1.2.7.2. The identification of resources, licenses, or systems anticipated to be utilized as part of the member and provider survey administration and validation process.
 - 5.3.1.2.7.3. A general timeline for conducting member and provider survey administration and validation activities based on the survey administered.
- 5.3.1.2.8. Performance Measure Calculations
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity in alignment with CMS EQR Protocols, including [**4-Page Limit**]:
 - 5.3.1.2.8.1. The process for calculating and reporting performance measures via administrative, hybrid, and/or other methodologies.
 - 5.3.1.2.8.2. The process for incorporating any state-specific requirements/modifications requested by AHCCCS within the performance measure calculations.

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- 5.3.1.2.8.3. The identification of any tools, resources, licenses, or systems anticipated to be utilized as part of the performance measure calculation process.
- 5.3.1.2.8.4. The identification of information and data required by the Offeror to support the performance measure calculations and associated reporting efforts, as well as required involvement of AHCCCS and/or other entities.
- 5.3.1.2.8.5. The Offeror's strategy for coordinating and communicating with AHCCCS, other AHCCCS-contracted EQROs, and/or other entities to support the inclusion of performance measure calculation results within the EQR Annual Technical Reports, as needed.
- 5.3.1.2.8.6. A timeline for conducting performance measure calculation activities, assuming a due date to AHCCCS of November 30.

- 5.3.1.2.9. Conducting PIPs
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity in alignment with the CMS EQR Protocols, including a general timeline for conducting PIP activities [**3-Page Limit**].

- 5.3.1.2.10. Conducting Studies on Quality
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity in alignment with CMS EQR Protocols [**2-Page Limit**].

- 5.3.1.2.11. Assisting with QRS
Submit the Offeror's proposed methodology and approach to fulfill the requirements of this activity in alignment with CMS EQR Protocols (if available), CMS Proposed Rule CMS-2439-P (or Final Rule if available), and other related CMS requirements, [**3-Page Limit**], including:
 - 5.3.1.2.11.1. A timeline for the development and implementation of a Medicaid managed care QRS within any required timeframes established by CMS in CMS Proposed Rule CMS-2439-P (or Final Rule if available).
 - 5.3.1.2.11.2. The process for routinely updating the QRS and the methodology for communicating these updates to AHCCCS.
 - 5.3.1.2.11.3. The process for providing the methodology utilized to develop and maintain the QRS as well as the data/database(s) utilized, as requested by AHCCCS.
 - 5.3.1.2.11.4. The identification of any tools, resources, licenses, or systems anticipated to be utilized as part of the QRS implementation and maintenance processes.

- 5.3.2. **Experience/Expertise Narrative Proposal (B2):** This section defines how the Experience/Expertise Narrative Proposal shall be prepared. The Experience/Expertise Narrative Proposal must be restricted to the page limits indicated below. The Offeror shall:
 - 5.3.2.1. Submit one completed and signed RFP Attachment 2 – Experience/Expertise

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5.3.2.2. Provide EQRO Experience in other State Medicaid Agencies – For each work/activity that a bid is submitted by the Offeror (*EQR Annual Technical Report(s); Network Adequacy; PIP Validation; Performance Measure Validation; Compliance Reviews (i.e., Operational Reviews); Encounter Data Validation; Member and Provider Surveys Administration and Validation; Performance Measure Calculations, Conducting PIPs; Conducting Studies on Quality; and Assisting with QRS*):

5.3.2.2.1. Submit a list of State Medicaid Agencies where your organization successfully provided this EQR Work/Activity within the past five years **[No page limit]**.

5.3.2.2.2. Select up to three (3) of those State Medicaid Agencies listed and submit the following for each of the selected State Medicaid Agencies **[3-page limit]**:

5.3.2.2.2.1. Name, address, email, and telephone number of Contracting Agency.

5.3.2.2.2.2. Contact person, including title, phone number, email address who may be contacted for verification of information submitted.

5.3.2.2.2.3. Name of subcontractors used and work performed.

5.3.2.2.2.4. Start and completion date of work performed.

5.3.2.2.2.5. Written narrative of the specific services performed including link(s) to publicly available products/reports, if available.

5.3.2.3. Provide Key Personnel Experience/Expertise – For each work/activity that a bid is submitted by the Offeror (*EQR Quality Review Annual Technical Report(s); Network Adequacy; PIP Validation; Performance Measure Validation; Compliance Reviews (i.e., Operational Reviews); Encounter Data Validation; Member and Provider Surveys Administration and Validation; Performance Measure Calculations, Conducting PIPs; Conducting Studies on Quality; and Assisting with QRS*):

5.3.2.3.1. Provide a description of the experience, expertise, and qualifications for each key personnel position. **[3-page limit]**. Resumes shall not take the place of this required documentation.

5.3.2.3.1.1. Provide your on-boarding process, including timeframes for readiness, for any Key Personnel that is not already on staff.

5.3.2.3.1.2. Provide the names, description of the experience and qualifications for each key personnel position. If the Offeror intends to hire to complete this description, identify the qualifications and expertise sought for the key position.

5.3.3. **Cost (B3):** The Offeror shall:

5.3.3.1. **Attachment 1 – Pricing Sheet** – Submit one completed RFP Attachment 1 – Pricing Sheet. The Pricing Sheet shall not be manipulated in any way unless otherwise allowed per the Pricing Sheet Instructions. Pricing shall be all inclusive (including subcontractor(s), travel, administrative costs, etc.). No additional expenses will be paid.

5.4. **Intent to Provide Certificate of Insurance (C1):** The Offeror shall provide a brief statement that, if notified of contract award, the Offeror will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.

5.5. **Additional Information (OPTIONAL):** The Offeror may, at its option, submit any other pertinent information which would substantiate the Offeror has the experience, expertise, and capability to provide the required

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services. The intent is to allow flexibility to an Offeror who may have desire to submit information that is not specifically requested by AHCCCS in the Special Instructions to Offerors as part of its Experience and Expertise submission and is NOT intended to allow any Offeror to circumvent the page limits of any requirement. Any additional information that is received pursuant to this section must be contained exclusively in the Experience and Expertise section, and the submission MUST adhere to any prescribed page limits. Any pages submitted beyond the page limits for any submission requirement will not be reviewed by evaluators nor will it be included in the scored portion of the Offeror's proposal.

6. **Presentations and Demonstrations:** AHCCCS may request Offerors who are determined to be reasonably susceptible for award to give a presentation or show a demonstration of the product or service to the evaluation committee.
7. **Financial Stability:** The Offeror must be financially stable and if requested shall be able to substantiate the financial stability of its company. Upon written request from AHCCCS, the Offeror shall submit an annual financial statement for itself, and parent company (if applicable) within five (5) business days of request. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any Offeror who does not demonstrate financial stability sufficient for the scope of this contract award.
8. **Clarification of Offers:** AHCCCS may request clarification of an offer any time after receipt. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the Offeror is susceptible for award.
9. **Negotiations:** Negotiations may be conducted orally or in writing at the discretion of AHCCCS. Negotiations may be conducted in order to improve offers in such areas of cost, price, specifications, performance, or terms, to achieve the best value for the State. Negotiations may include demonstrations (oral presentations). Award(s) may be made without negotiations; therefore, offers should be submitted on most favorable terms.
10. **Final Proposal Revisions / Best and Final Offers:** Written Final Proposal Revisions, or Best and Final Offers, will be requested from any Offeror with whom negotiations have been conducted, unless the Offeror has been determined not within the competitive range, not susceptible for award or non-responsible.
11. **Request for Confidential/Proprietary Determination:**
 - 11.1. If an Offeror believes that a specific portion of its bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the Offeror shall submit to the Procurement officer a list of distinct portions, including exact page numbers, of their document is requested to be kept confidential, along with a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification, or protest.
 - 11.2. An entire bid, proposal, offer, specification, or protest shall not be identified as confidential; only those very limited and distinct portions which are considered by the Offeror as confidential may be identified as such. Budget will not be considered as confidential.
 - 11.3. In the event that AHCCCS receives a request for disclosure of the information, AHCCCS will disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the Offeror of such request and provide the Offeror a period of time to take action it deems appropriate to support non-disclosure.

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The Offeror shall be responsible for any and all costs associated with the nondisclosure of the information.

- 11.4. If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, submit an additional redacted copy of the proposal, clearly listed as REDACTED in the file name. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.
- 11.5. Regardless of a determination issued by the procurement officer, all portions of the Offeror's proposal, even pages that are proprietary, may be provided to CMS or other state or federal oversight agencies.

12. **REJECTION of a PROPOSAL - Responsibility, Responsiveness, Susceptibility, and Best Interest**

In accordance with applicable procurement regulations and best practices, at any time during the evaluation, AHCCCS may reject an Offer based upon a determination that Offeror is not responsible, or that the proposal is not responsive or not susceptible for award. AHCCCS may reject the Offer if doing so is in the best interest of the State. When rejecting a proposal, AHCCCS may consider any of the following:

- 12.1. Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 12.2. Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason;
- 12.3. Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, customer complaints, and/or negative references;
- 12.4. Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including sub-contractors;
 - 12.4.1. Legally qualified includes if the vendor or if key personnel have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a subcontractor of any public procurement unit or other governmental body.
- 12.5. Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 12.6. Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
- 12.7. Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation including its Amendments and all documents incorporated by reference;
- 12.8. Whether the Offer limits the rights of the State;
- 12.9. Whether the Offer includes, or is subject to, unreasonable conditions, to include conditions upon the State necessary for successful Contract performance. The State shall be the sole determiner as to the reasonableness of a condition;
- 12.10. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions;
- 12.11. Whether the Offeror provides misleading or inaccurate information;
- 12.12. Whether the Offer fails to meet the minimum mandatory requirements of the RFP;

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- 12.13. Whether the Offer satisfies the requirements of the RFP in a cost effective manner, as determined by AHCCCS;
- 12.14. Whether the Offeror's pricing is unrealistic, or unreasonably or higher than can be substantiated; or
- 12.15. Any other criteria deemed appropriate by AHCCCS to determine if the Offer is in the best interest of the State.

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1. **DEFINITIONS** - All definitions listed in the definition of terms.

2. **Contract Interpretation**

- 2.1 Arizona Law. The Arizona law applies to this Contract including, A.R.S. § 36-2906 and its implementing rules.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Removed
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. **Contract Administration and Operation**

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and any and all other applicable Federal and State laws, rules, and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation, stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

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- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise, or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Continuous Improvement. Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. State may require Contractor to engage in continuous improvements throughout the term of the Contract.
- 3.8 Other Contractors. State may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.
- 3.9 Ownership of Intellectual Property
- 3.9.1 Rights In Work Product. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.
- 3.9.2 "Government Purpose Rights" are:
- 3.9.2.1 the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;
- 3.9.2.2 the right to release or disclose that work product to third parties for any State government purpose; and
- 3.9.2.3 the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.
- 3.9.3 "Government Purpose Rights" do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.
- 3.9.4 Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.
- 3.9.5 Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:
- 3.9.5.1 any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;

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- 3.9.5.2 any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and
 - 3.9.5.3 except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing Materials.
- 3.9.6 Developments Outside Of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.
- 3.10 Property of the State. If there are any materials that are not covered by Section 3.9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.11 Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.
- 3.12 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.
- 3.13 Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.
- 3.14 Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
- 3.15 Certifications Required by State Law.
 - 3.15.1 If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 et seq. and will refrain from any such boycott for the duration of this Contract.
 - 3.15.2 Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

4. Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. ("free on board") Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Firm, Fixed Price. Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.
- 4.4 Applicable Taxes

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- 4.4.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.4.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.4.3 Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.4.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.5 Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current State Fiscal Year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State Fiscal Year until funds are made available for performance of this Contract.
- 4.6 Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:
 - 4.6.1 Accept a decrease in price offered by the Contractor;
 - 4.6.2 Cancel the Contract; or
 - 4.6.3 Cancel the Contract and re-solicit the requirements.

5. Contract Changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of Services or Materials, the revision of payment terms, or the substitution of Services or Materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer as described in Arizona State Procurement Office Standard Procedure 002. The Contractor shall clearly list any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming Materials covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming Materials shall remain with the Contractor regardless of receipt.

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6.2 Indemnification

6.2.1 Contractor/Vendor Indemnification (Not Public Agency). To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation Insurance and Indemnification Guidelines for State of Arizona Contracts Professional Service Contracts against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.2.2 Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of Materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this paragraph shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither the Contractor nor State shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-intervention-acts, failures or refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

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- 6.4.2.1 Late delivery of equipment, Materials, or Services caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - 6.4.2.2 Late performance by a Subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - 6.4.2.3 Inability of either the Contractor or any Subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3 If either the Contractor or State is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- 7.1 Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2 Quality. Unless otherwise modified elsewhere in the Special Terms and Conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the Materials, they shall be:
- 7.2.1 Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2 Fit for the intended purposes for which the Materials are used;
 - 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4 Adequately contained, packaged, and marked as the Contract may require; and
 - 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Conformity to Requirements.
- 7.3.1 Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:
 - 7.3.1.1.1 Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;
 - 7.3.1.1.2 Be free from defects of material and workmanship;
 - 7.3.1.1.3 Conform to or perform in a manner consistent with current industry standards; and
 - 7.3.1.1.4 Be fit for the intended purpose or use described in the Contract.
 - 7.3.2 Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until State's explicit acceptance of the Materials or Services.

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- 7.4 Inspection/Testing. The warranties set forth in this Section 7 [Warranties] are not affected by inspection or testing of or payment for the Materials or Services by the State.
- 7.5 Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.
- 7.6 Compliance With Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.
- 7.7 Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.
- 7.8 Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.
- 7.9 Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.3 [Assignment and Delegation] that expressly recognizes the event.
- 7.10 Performance in Public Health Emergency. Contractor warrants that it will:
- 7.10.1 Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:
- 7.10.1.1 Identification of response personnel by name;
- 7.10.1.2 Key succession and performance responses in the event of sudden and significant decrease in workforce; and
- 7.10.1.3 Alternative avenues to keep sufficient product on hand or in the supply chain.
- 7.10.2 Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under paragraph 6.4 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.
- 7.10.3 A request from the State related to this paragraph 7.10 does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.
- 7.10.4 Failure to have or implement an appropriate plan will be a material breach of contract.
- 7.11 Lobbying
- 7.11.1 Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, et seq., using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use

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of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. Contractor shall implement and maintain adequate controls to assure compliance with above. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.

- 7.11.2 Exception. This paragraph 7.11 does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.
- 7.12 Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.
- 7.13 Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.
- 7.14 False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement, or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.
- 7.15 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.15.1 Survival of Warranty. All representations and warranties made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.
- 7.15.2 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12- 529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.15.3 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

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- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or Services supplied under this Contract shall fully comply with the Contract. The delivery of Materials or Services or a portion of the Materials or Services that do not fully comply constitutes a breach of contract. On delivery of nonconforming Materials or Services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State with the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three (3) times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a Subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.

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- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.
- 9.5 Termination for Default.
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, Materials, documents, Data, and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, Materials or Services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring Materials or Services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).

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1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Procurement officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Procurement officer.
2. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
3. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
4. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term or condition of the contract. The Procurement officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:
 - 4.1. The Contractor provides material that does not meet the specifications of the contract;
 - 4.2. The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 4.3. The Contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - 4.4. The Contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract.
 - 4.5. The Procurement officer may resort to any single or combination of the following remedies:
 - 4.5.1. Cancel any contract;
 - 4.5.2. Reserve all rights or claims to damage for breach of any covenants of the contract;
 - 4.5.3. Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.
 - 4.5.4. In case of default, the Procurement officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Procurement officer may recover reasonable excess costs from the Contractor by:
 - 4.5.4.1. Deduction from an unpaid balance;
 - 4.5.4.2. Collection against the bid and/or performance bond; or
 - 4.5.4.3. Any combinations of the above or any other remedies as provided by law.
5. **Contract Cancellation (Minimum 10 Day):** The Procurement officer reserves the right to cancel the whole or any part of this contract due to failure by the Contractor to carry out any material obligation, term or condition of the contract. The Procurement officer shall issue written notice to the Contractor for acting or failing to act as in any of the following:
 - 5.1. The Contractor provides material that does not meet the specifications of the contract;
 - 5.2. The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 5.3. The Contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;
 - 5.4. The Contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract;

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- 5.5. Upon receipt of the written notice of concern, the Contractor shall have a minimum of ten (10) days (Procurement officer may determine a longer period) to provide a satisfactory response to the Procurement officer. Failure on the part of the Contractor to adequately address all issues of concern may result in the Procurement officer resorting to any single or combinations of the following remedies.
 - 5.5.1. Cancel any contract;
 - 5.5.2. Reserve all rights or claims to damage for breach of any covenant of the contract;
 - 5.5.3. Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;
 - 5.5.4. In case of default, the Procurement officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Procurement officer may recover reasonable excess costs from the Contractor by:
 - 5.5.4.1. Deduction from an unpaid balance;
 - 5.5.4.2. Collection against the bid and/or performance bond; or
 - 5.5.4.3. Any combination of the above or any other remedies as provided by law.
6. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
7. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional or related work and the Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
8. **Confidentiality of Records and Disclosure of Confidential Information:**
 - 8.1. The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.
 - 8.2. The Contractor shall establish and maintain written policies procedures and controls, approved by AHCCCS, governing access to, duplication of, and dissemination of all such information for the purpose of assuring that no information contained in its records or obtained from AHCCCS or others carrying out its functions under the contract, is used or disclosed by it, its agents, officers or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to AHCCCS. The Contractor's data safeguard program shall further conform to the data confidentiality and security requirements of AHCCCS policy and procedures, and all-relevant state and federal requirements, including HIPAA standards.
 - 8.3. The disclosure of information in summary, statistical, or other form that does not identify particular individuals is permitted only with prior AHCCCS approval. The use or disclosure of information concerning Members will be limited to purposes directly connected with the scope of this contract.
 - 8.4. The Contractor shall advise its employees, agents and subcontractors, if any, that they are subject to these confidentiality requirements. A signed confidentiality statement containing language approved by AHCCCS will be obtained from all employees, agents and subcontractors, if any, and maintained in the individual's personnel file with a copy sent to AHCCCS upon request.

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9. **Covenant against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Procurement officer shall have the right to annul this contract without liability.
10. **RFP and Contract Order of Precedence:**
The parties to this contract shall be bound by all terms and conditions contained herein. For interpreting such terms and conditions the following sources shall have precedence in descending order: The Constitution and laws of the United States and applicable Federal regulations; the terms of the CMS Section 1115 waiver for the State of Arizona; the Arizona State Plan; the Constitution and laws of Arizona, and applicable State Rules; the terms of this Contract which consists of the RFP, the Proposal of the Successful Offeror, and any Best and Final Offer including any attachments, executed amendments and modifications; and AHCCCS policies and procedures.
- 10.1. The Contract consists of the following, in order of Precedence:
- 10.1.1. HIPAA Business Associates Agreement or Addendum (if included)
 - 10.1.2. Contract Amendments issued after award in descending order;
 - 10.1.3. Special Terms and Conditions;
 - 10.1.4. Uniform Terms and Conditions;
 - 10.1.5. Statement or Scope of Work;
 - 10.1.6. Specifications;
 - 10.1.7. Attachments;
 - 10.1.8. Exhibits;
 - 10.1.9. Documents referenced or included in the Solicitation.
 - 10.1.10. AHCCCS policies and procedures incorporated by reference.
 - 10.1.11. The proposal submitted by the Contractor in response to the RFP including any Best and Final Offers.
- 10.2. In the event of a conflict in language between the Offeror's proposal (including any Best and Final Offers) and the RFP (including AHCCCS policies and procedures incorporated by reference), the provisions and requirements set forth and/or referenced in the RFP (including AHCCCS policies and procedures incorporated by reference) shall govern.
- 10.3. The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.
11. **Administrative Changes**
The Procurement Officer, or authorized designee, reserves the right to correct any obvious clerical, typographical or grammatical errors, as well as errors in party contact information (collectively, "Administrative Changes"), prior to or after the final execution of a Contract or Contract Amendment. Administrative Changes subject to permissible corrections include: misspellings, grammar errors, incorrect addresses, incorrect Contract Amendment numbers, pagination and citation errors, mistakes in the labeling of the rate as either extended or unit, and calendar date errors that are illogical due to typographical error. The Procurement Office shall subsequently notice the Contractor of corrections to administrative errors in a written confirmation letter with a copy of the corrected Administrative Change attached.
12. **Fraud and Abuse:**
- 12.1. It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by subcontractors, members or employees. The Contractor shall provide written notification of all such incidents to the Procurement officer.
 - 12.2. As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises, or material omissions is guilty of a class 2 felony.

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12.3. Contractors are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor must attempt to recover any overpayments identified due to erroneous, false, or fraudulent billings.

13. **Independent Contractor and Employees of Contractor:** The Contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or AHCCCS. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, etc. All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.
14. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.
15. **Lobbying:** No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.
16. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
17. **Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.
18. **Ownership of Information and Data:**
- 18.1. Any data or information system, including all software, documentation, and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The federal government reserves a royalty free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such data or information system, software, documentation, and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.
- 18.2. Data, information, and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information, and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Procurement officer. Subject to applicable state and federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Procurement officer within thirty (30) days following termination of the contract or such

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longer period as approved by the Procurement officer. For purposes of this subsection, the term "data" shall not include member medical records.

18.3. Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the federal government, AHCCCS and the State of Arizona shall have a royalty free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for state or federal government purposes. Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.

19. Records:

19.1. In addition to the requirements set forth in this contract under the Uniform Terms and Conditions, all books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. Records shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.

19.2. The Contractor shall make available at its office at all reasonable times during the term of this contract and the period set forth in in this section, any of its records for inspection, audit, or reproduction by any authorized representative of AHCCCS, State or Federal government.

19.3. The Contractor shall preserve and make available all records for a period of five years from the date of final payment under this contract except as provided below:

19.3.1. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.

19.3.2. Records that relate to grievances, disputes, litigation, or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by AHCCCS, shall be retained by the Contractor for a period of five years after the date of final disposition or resolution thereof.

19.3.3. Completed case files shall be scheduled for archive shipment to AHCCCS, as defined by AHCCCS Policy and Procedures.

20. Responsibility for Payments Indemnification: The Contractor shall be responsible for issuing payment for services performed by the Contractor's employees and will indemnify and save AHCCCS harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the contract. The Contractor shall, at AHCCCS' request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

21. Staff Background Checks

If not already required by the licensing authority, any staff or individual who comes into contact with members shall be subject to this requirement, unless otherwise indicated in writing by AHCCCS. For the purposes of this requirement, "Staff" is defined as any individual who is an employee, independent contractor, volunteers, consultant, or subcontractor of the Contractor and who during their course of work on this Contract will have contact with residents/members:

21.1. The Contractor shall, at its own expense, complete a background check on all Staff.

21.2. The background check shall be completed via a recognized law enforcement agency or qualified third party within thirty (30) days of assignment of Staff, and annually thereafter or as agreed to in writing by AHCCCS.

21.3. At minimum, the background check shall include criminal record information, and employment history. Staff may not be permitted to perform work under this contract without clearance of their background check, unless otherwise agreed to in writing by AHCCCS.

21.4. The Contractor shall not allow any Staff to have access to the system or data after thirty (30) days of assignment without clearance of their background check, unless otherwise agreed to in writing by AHCCCS.

SPECIAL TERMS AND CONDITIONS

21.5. The Contractor shall submit written confirmation to the AHCCCS on an annual basis of all Staff who have been background checked and approved to work on the Contract.

22. Subcontractor - any 'current' and any 'proposed' subcontracts. The Contractor shall clearly list any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

23. Term of Contract and Option to Renew:

23.1. The initial term of this contract shall be for three (3) initial years with two (2) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.

23.2. When the Procurement officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Procurement officer, even if the extension amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Procurement officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Procurement officer will initiate contract termination proceedings.

23.3. If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. If the Contractor provides the Procurement officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Procurement officer.

23.4. (Optional) Contract amendments, including renewals, are subject to approval by the Centers for Medicare and Medicaid Services (CMS).

SPECIAL TERMS AND CONDITIONS

Insurance Requirements

1. Insurance Requirements

Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.1. Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

2. Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

2.1. Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Each Occurrence	\$1,000,000

SPECIAL TERMS AND CONDITIONS

Insurance Requirements

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.3. Workers' Compensation and Employers' Liability

Workers' Compensation Statutory
Employers' Liability

Each Accident \$1,000,000
Disease – Each Employee \$1,000,000
Disease – Policy Limit \$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23- 901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

2.4 Technology Errors & Omissions Insurance

Each Claim \$2,000,000
Annual Aggregate \$2,000,000

SPECIAL TERMS AND CONDITIONS

Insurance Requirements

- a. Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.
- b. Coverage shall include copyright infringement, infringement of trade dress, domain name, title or slogan.
- c. In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

2.5 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

3. Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor shall provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be mailed, emailed, hand delivered or sent by facsimile transmission to AHCCCS.

4. Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

If the Contractor utilizes the Social Service Contractors Indemnity Pool ("SSCIP") or other prior approved insurance pool for insurance coverage, SSCIP or the other prior approved insurance pool is exempt from the A.M. Best's rating requirements listed in this section. If the Contractor chooses to use SSCIP or another approved insurance pool as its insurance provider, the Contractor would be considered in full compliance with insurance requirements relating to the A.M. Best rating requirements.

5. Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

SPECIAL TERMS AND CONDITIONS

Insurance Requirements

All such certificates of insurance and policy endorsements shall be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

Each insurance policy required by this Contract shall be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to AHCCCS. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

6. Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

7. Approval and Modifications

AHCCCS, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

8. Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

SPECIAL TERMS AND CONDITIONS

IT Privacy and Security Requirements

The Contractor (and/or any subcontractor) will be responsible for the privacy and security requirements below for the Solution throughout the engagement. See the Business Associate Addendum for additional details.

AHCCCS/MQD shall determine the level of criticality for incidences in consultation with the Contractor. Following contract award, AHCCCS/MQD shall supply contact information to the Contractor for reporting incidences.

Privacy and Security	The Contractor's Solution shall be compliant with NIST 800-53, or its replacement, at the moderate level and the Minimum Acceptable Risk Standards for Exchanges (MARS-E), or its equivalent. The Solution shall become compliant with any revisions made to MARS-E within the CMS-defined timeframes provided at publication.
Privacy and Security	As part of the proposal submission, the Contractor shall submit: <ul style="list-style-type: none">• FedRAMP or StateRAMP authorization,• HITRUST Certification, or• A security and privacy assessment and SSAE-18 assessment or its equivalent. Security requirements must be maintained throughout the life of the contract and provided to AHCCCS annually.
Privacy and Security	The Contractor shall comply with AHCCCS/MQD information security requirements and employ appropriate security controls in accordance with applicable laws, Executive Orders, directives, policies, regulations, standards, and guidance.
Privacy and Security	The Contractor shall establish and maintain security and privacy policies and procedures for how data is stored, handled, and accessed within the Contractor environment.
Privacy and Security	The Contractor shall encrypt data to and from the Contractor environment using current FIPS 140 regulations for compliant encryption technologies.
Privacy and Security	The Contractor shall be responsible for monitoring emerging information security threats and vulnerabilities and the necessary remediation at no additional cost to the State.
Privacy and Security	For all persons identified to have access to the Contractor's Solution and data prior to execution of the contract and throughout the life of the agreement, the Contractor shall complete and submit the following: 1) AHCCCS Electronic Data Exchange Request Form https://azahcccs.gov/PlansProviders/Downloads/ISD/ElectronicDataExchangeForm.docx 2) External User Affirmation Statement https://www.azahcccs.gov/PlansProviders/Downloads/ISD/ExternalUserAffirmationStatement.pdf
Privacy and Security	The Contractor shall be subject to U.S. Federal laws and regulations protecting Personally Identifiable Information (PII).
Privacy and Security	The Contractor shall provide all MARS-E, or equivalent federal requirement, compliance documentation within the timeframes indicated in the approved project schedule.

SPECIAL TERMS AND CONDITIONS

IT Privacy and Security Requirements

<p>Privacy and Security</p>	<p>Contractor must implement:</p> <ol style="list-style-type: none">1. Security measures sufficient to reduce risks and vulnerabilities to a reasonable and appropriate level to comply with Section 164.306(a).2. For risk analysis, an accurate and thorough assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of ePHI held by the covered entity.3. Applied appropriate sanctions to workforce members who fail to comply with the security policies and procedures of the covered entity.4. Procedures to review records of information system activity, such as audit logs, access reports, and security incident tracking reports, on a frequency determined by State.5. Assigned security officer who is responsible for the development and implementation of the policies and procedures required by this subpart for the entity.6. Security awareness and training program for all members of its workforce.7. Procedures for guarding against, detecting, and reporting malicious software.8. Identify and respond to suspected or know security incidents, mitigate, to the extent practicable, harmful effects of security incidents and their outcomes.
<p>Privacy and Security</p>	<p>The Contractor shall assign a dedicated privacy and security officer to serve as the liaison to the AHCCCS CISO to ensure and maintain compliance with HIPAA, NIST, MARS-E, and other Federal and State privacy and security standards.</p> <p>The Privacy and Security officer would be responsible for:</p> <ol style="list-style-type: none">1. Implementing all applicable security controls, documenting those implementations, and maintaining security documentation (as policy, procedural, or system changes are made)2. Facilitating internal and external Security Control Assessments and Audits3. Providing other system security documentation to the State as necessary, including but not limited to System Security Plans.

SPECIAL TERMS AND CONDITIONS

IT Privacy and Security Requirements

Compliance Documentation	Submission Timeline
<ul style="list-style-type: none"> • FedRAMP or StateRAMP authorization, • HITRUST Certification, or • A security and privacy assessment and SSAE-18 assessment or its equivalent. 	<ul style="list-style-type: none"> - Include with proposal submission - Annually throughout the life of the contract
Penetration Testing and Security and Privacy Controls Assessment Report (SAR) performed by an independent third party	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually
AHCCCS Electronic Data Exchange Request Form	<ul style="list-style-type: none"> - Prior to execution of the contract - As needed
External User Affirmation Statement for all persons identified to have access to the Solution and data.	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually - As needed
System Security Plan (SSP)	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually
Contingency Plan and Test Plan	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually
Contingency Plan Test Results	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually
Incident Response Plan (IRP)	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually
Information Security Risk Assessment (ISRA)	<ul style="list-style-type: none"> - Prior to execution of the contract - Annually

HIPAA BUSINESS ASSOCIATES ADDENDUM

BUSINESS ASSOCIATE ADDENDUM

Updated April 2020

This Addendum is made part of this Contract between the Arizona Health Care Cost Containment System ("AHCCCS") and the Contractor, referred to as "Business Associate" in this Addendum.

AHCCCS and Business Associate agree that the underlying Contract shall comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the "CFR"), as amended. In the event of conflicting terms or conditions, this Addendum shall supersede the underlying Contract.

1. DEFINITIONS

The following terms used in this Addendum shall have the same meaning as those terms in the HIPAA rules set forth in Title 45, Parts 160 and 164 of the CFR: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

2.1. Not use or disclose protected health information ("PHI") other than as permitted or required by this Addendum or as required by law;

2.2. Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of protected health information other than as provided for by this Addendum;

2.3. Report to AHCCCS any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR §164.410, and any security incident of which it becomes aware in the following manner;

2.3.1. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:

- A. A description of the nature of the unauthorized use or disclosure, including the number of individuals affected by the unauthorized use or disclosure;
- B. A description of the PHI used or disclosed;
- C. The date(s) on which the unauthorized use or disclosure occurred;
- D. The date(s) on which the unauthorized use or disclosure was discovered;
- E. Identify the person(s) who used or disclosed the PHI in an unauthorized manner;
- F. Identify the person(s) who received PHI disclosed in an unauthorized manner;
- G. A description of actions, efforts, or plans undertaken by the Business associate to mitigate the harm of the unauthorized disclosure;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure;
- I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and
- J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

Business Associate shall provide AHCCCS with supplemental reports promptly as new information becomes available, as assessments and action plans are developed, and as action plans are implemented. In any event, Business Associate shall provide a comprehensive written report including all of the information listed above no later than twenty (20) days after discovery of the unauthorized use or disclosure.

- 2.3.2. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.
- 2.3.3. Sanctions. Business Associate shall have and apply appropriate sanctions against any employee, subcontractor or agent who uses or discloses AHCCCS PHI in violation of this Addendum or applicable law.

- 2.4. In accordance with 45 CFR §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions and requirements that apply to the Business Associate with respect to such information;
- 2.5. Make available PHI in a designated record set to AHCCCS as necessary to satisfy AHCCCS' obligations under 45 CFR §164.524;
- 2.6. Make any amendment(s) to PHI in a designated record set as directed or agreed to by AHCCCS pursuant to 45 CFR §164.526, or take other measures as necessary to satisfy AHCCCS' obligations under 45 CFR §164.526;
- 2.7. Maintain and make available the information required to provide an Accounting of Disclosures to AHCCCS as necessary to satisfy AHCCCS' obligations under 45 CFR §164.528;
- 2.8. To the extent Business Associate is to carry out one of more of AHCCCS' obligations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to AHCCCS in the performance of such obligation(s); and
- 2.9. Make its internal practices, books and records available to AHCCCS and the Secretary for purposes of determining compliance with the HIPAA rules.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

- 3.1. Business Associate may only use or disclosure PHI as necessary to perform the services and obligations set forth in the underlying Contract;
- 3.2. Business Associate may use or disclose protected health information as required by law;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- 3.3. Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Minimum Necessary, as required at 45 § CFR 164.502(b) and 164.514(d).
- 3.4. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by AHCCCS, except for the specific uses and disclosures set forth below in (3.5 and 3.6);
- 3.5. Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate; and
- 3.6. Business Associate may provide data aggregation services relating to the health care operations of AHCCCS.

4. PROVISIONS FOR AHCCCS TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

- 4.1. AHCCCS shall notify Business Associate of any limitation(s) in the AHCCCS Notice of Privacy Practices (found at www.azahcccs.gov) under 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;
- 4.2. AHCCCS shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and
- 4.3. AHCCCS shall notify Business Associate of any restriction on the use or disclosure of PHI that AHCCCS has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. TERM AND TERMINATION

- 5.1. Term: This Addendum is effective upon the effective date of the underlying Contract and shall terminate on the date AHCCCS terminates the contract for cause as authorized in paragraph (b) of this Section, or for any other reason permitted under the contract, whichever is sooner.
- 5.2. Termination for Cause: Business Associate authorizes termination of the Contract by AHCCCS if AHCCCS determines that Business Associate has breached a material term of this Addendum and Business Associate has not cured the breach or ended the violation within the time specified by AHCCCS.
- 5.3. Obligations of Business Associate Upon Termination: Upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate, with respect to PHI received from AHCCCS, or created, maintained, or received by Business Associate on behalf of AHCCCS, shall:
 - 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- 5.3.3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
- 5.3.4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out in this Addendum that applied prior to termination; and
- 5.3.5. Destroy or return to AHCCCS the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal and contractual responsibilities.

5.4. Survival: The obligations of Business Associate under this Section shall survive the termination of the Contract.

6. INDEMNIFICATION AND MISCELLANEOUS

- 6.1. Indemnification: Business Associate shall indemnify, hold harmless and defend AHCCCS from and against any and all claims, losses, liabilities, costs, civil and criminal penalties, and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and sub-contractors in connection with the representations, duties, and obligations of Business Associate under this Addendum. The parties' respective rights and obligations under this Section shall survive termination of the Contract.
- 6.2. Regulatory References: A reference in this Addendum to a section in the HIPAA rules means the section as in effect or as amended.
- 6.3. Amendment: The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA rules or any other applicable law.
- 6.4. Interpretation: Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA rules.

END OF SOLICITATION

Intentionally left blank.