



SOLICITATION AMENDMENT #1

YH17-0108 Integrated Contractors – Affiliated Organization Requirement	Solicitation Due Date: June 30, 2017 3:00 pm Arizona Time	Procurement Officer: Tiffanie Blanco Email: Tiffanie.Blanco@azahcccs.gov
---	---	---

1. The attached Answers to Questions are incorporated as part of this solicitation amendment.

THIS AMENDMENT IS HEREBY EXECUTED ON SOLICITATION THIS DAY, IN PHOENIX, AZ.	
SIGNATURE:	SIGNATURE ON FILE
TYPED NAME:	Meggan Harley, CPPO, MSW
TITLE:	Chief Procurement Officer
DATE:	June 28, 2017



ANSWERS TO VENDOR QUESTIONS

RFI for Integrated Contractors – Affiliated Organization Requirement - RFI YH17-0108

PROPOSAL DUE DATE: JUNE 30, 2017 AT 3:00 P.M. ARIZONA TIME

Question #	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	Leave Blank for AHCCCS Response
1.	B-UHP	Paragraph 7, Section 2: Purpose of RFI, sub-section: Affiliated Organization	2	In this most recent RFI, released June 14, 2017, you have defined an affiliated organization as one that “directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with an entity.” Previously, through your January 24, 2017 RFI, you had defined an affiliated organization as follows, “an entity...which also has 50% or more ownership or control interest of a current RBHA or is a current RBHA in AZ.” In the June 14, 2017 RFI, does “control” equate to an ownership interest of 50% or more in a RBHA? Are there specific criteria related to percentage of ownership, number of board seats, or number of shares to result in an interpretation by AHCCCS that an entity “controls” or “is under common control with” another entity?	The 50% ownership language was eliminated because not for profit entities do not have “owners” although there may be a member that has control. 50% ownership of outstanding shares of a for profit corporation would constitute control. Control includes the ability to direct the strategic and day-to-day operations of the entity. When an entity contracts with a vendor for some or all of the day-to-day operations, it is the entity, not the vendor, that is considered the control entity. Determination of control is fact specific; however, in general, ownership of the majority of outstanding shares is one example of control. The ability to appoint and remove a majority of a board of directors that has responsibility for the strategic and daily operations of an entity could constitute control. A partnership agreement that designates one partner as having the ability to direct both the strategic and day-to-day operations of the entity could constitute control.



ANSWERS TO VENDOR QUESTIONS

**RFI for Integrated Contractors – Affiliated Organization Requirement -
RFI YH17-0108**

PROPOSAL DUE DATE: JUNE 30, 2017 AT 3:00 P.M. ARIZONA TIME

Question #	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	Leave Blank for AHCCCS Response
2.	B-UHP	Paragraph 7, Section 2: Purpose of RFI, sub-section: Affiliated Organization	2	Please provide further definition of the term "is under common control."	As an example, if majority of the shares of two corporations are owned by a third corporation, the two corporations are under the common control of the third corporation.
3.	B-UHP	Paragraph 7, Section 2: Purpose of RFI, sub-section: Affiliated Organization	2	Does the consideration of an entity being "under common control" apply to management services agreements? Furthermore, is a company holding a management services agreement with an entity considered to have any control of that entity or be under common control with that entity?	No. The signatories to the AHCCCS MCO contracts must be under common control. Under the federal Medicaid managed care regulations, a management services agreement is a delegation of authority. The signatory is still responsible for performance of the contract. As the contractor and delegee, the management services company does not control the signatory.