AHCCCS
Arizona Health Care Cost Containment System

Task Order YH23-0128
For
Medicaid Enterprise System (MES),
Independent Verification and Validation (IV&V)

ISSUE DATE:	May 16, 2023
QUESTIONS DUE DATE:	May 22, 2023, on AHCCCS Q & A by 3:00 PM, AZ
PROPOSAL DUE DATE:	June 14, 2023, by 3:00 PM, Arizona Time
PROCUREMENT OFFICER:	Lisa Monreal Senior Procurement Specialist AHCCCS Division of Business and Finance 801 E. Jefferson, MD 5700 Phoenix, AZ 85034 Procurement@azahcccs.gov

---

1. **RESPONSE SUBMISSION REQUIREMENTS:**

The Task Order is open to all contractors under the following contract: IT Advisory, Assessment, Verification and Validation – Consulting Services. Any resultant award of this project will be added to your contract through purchase order release (for the Statewide contract).

Arizona Health Care Cost Containment System (AHCCCS) reserves the right to accept whole or partial responses from one or more respondents.

Please submit your response electronically via email to the procurement officer listed above. Please do not submit anything considered "proprietary or confidential." Make sure the subject line of your response email reads: "YH23-0128 Medicaid Enterprise System (MES), Independent Verification and Validation (IV&V)" along with your company's name>

Late responses will not be considered.

2. **PROJECT TITLE:** MES Roadmap IV & V

3. **PROJECT TIMELINE**:

Date of Task Order Award through June 30,2024 unless otherwise extended by mutual agreement. The term of this Task Order may not exceed the active term or term extensions of the Contract which shall not exceed December 31, 2025.

4. **PURPOSE:**

The purpose of this Task Order is to ensure IV&V providers are being invited to review this Task Order Request to address the Arizona Health Care Cost Containment System (AHCCCS) Medicaid Enterprise System (MES) technical implementation projects with Independent Verification and Validation (IV&V) Services. This Task Order Request outlines the Agency needs, required solution functionality and response requirements.

5. **BACKGROUND AND PROJECT DESCRIPTION:**

The Medicaid Enterprise System (MES) Modernization Roadmap guides AHCCCS and MQD in their efforts to achieve compliance with Centers for Medicare & Medicaid Services (CMS) requirements to improve interoperability and sustainability of technology solutions that support Medicaid service delivery. The roadmap is an overarching plan to modernize and transform the agencies by identifying recommended actions, integrated high-level timelines, and estimated costs. The IV&V efforts will support AHCCCS Modernization technical implementation projects including Systems Integration, ServiceNow and the mainframe modernization project. Ongoing future projects for The Medicaid Enterprise System (MES) Modernization Roadmap guide will be needed to accommodate any changes that may arise as the project progresses.

5.1. **SI Strategy Summary**

AHCCCS will establish a system integration platform that provides a centralized set of technologies and services that will integrate the systems and modules of the AHCCCS and MQD enterprises. There will be an initial implementation of the core platform and common data handling and integration technologies such as an enterprise services bus (ESB), API management, and managed file transfer. This initial SI implementation will also begin the process of establishing more robust enterprise components, such as centralized document management that allows viewing documentation within connected systems. The consolidation of document management from disparate systems and repositories into a capable document management tool that can service application requests through common integrations will enhance the security of the enterprise, protect sensitive documentation, and reduce duplicative spending.

5.2. **ServiceNow Strategy Summary**

Implementation of a modular Enterprise Business Workflow Management Software will provide an integrated suite of software tools and workflows that will support key functions such as governance, change management, knowledge management, contact and communications management, contract management, and IT service ticketing. Several project management and business operations functions along with numerous manual processes handled through email, SharePoint, and Excel will be consolidated into workflows and process within the ServiceNow

platform. This implementation is specific to the AHCCCS organization; however, the leveraged systems and IT staff within AHCCCS that support the MQD programs will be directly affected by the changes. In addition, a separate existing instance of an Enterprise Business Workflow Management Software within the MQD organization will be integrated with the AHCCCS instance to facilitate the coordination of the activities between the two enterprises. ServiceNow modules will be optional except for Case Management and Hearings and Grievance.

5.3. **Refactor HPMMIS/PMMIS Strategy Summary**

This project will refactor the PMMIS and HPMMIS to current technologies that are sustainable into the future and significantly reduce the financial impacts of maintenance and operations on AHCCCS and MQD. The refactoring process will take the existing PMMIS and HPMMIS through successfully proven conversion technologies and processes to completely replace the hardware, software, programming languages, and databases with a Microsoft Azure cloud technology stack while retaining the business logic, rules, and functionality of the original systems.

5.4. **Timeline**

The Systems Integration and ServiceNow projects are expected to begin in calendar year July 1, 2023, while the Refactor HPMMIS/PMMIS project will begin in calendar year June 1, 2024. All projects are expected to be live by the end of calendar year 2026 and then enter the CMS certification phase as required by CMS at the time of go live.

6. **PROJECT RESPONSIBILITES**

The Contractor shall:

6.1. Be responsible for providing consulting services consistent with their underlying IT Advisory, Assessment, Verification and Validation (IV&V) MSA and Task Order to include Quarterly Reports and Templates for each distinct project covering the following core areas related to the Project at a minimum:

6.1.1. Schedule Management;

6.1.2. Resource Management;

6.1.3. Scope & Requirements Management;

6.1.4. Technical Solution Management;

6.1.5. Data Management / Migration / Conversion;

6.1.6. Quality Assurance, Testing, Defect Resolution;

6.1.7. Project Governance & Communications;

6.1.8. Financial Management;

6.1.9. Change Issues & Risk Management;

6.1.10. Documentation & Deliverables Management;

6.1.11. Security Management;

6.1.12. Training, Go-Live & Post Implementation;

6.1.13. Case Management;

6.1.14. Hearing and Grievance; and

6.1.15. Refactor PMMIS/HPMMIS.

6.2. Actionable recommendations in each Area evaluation in the Quarterly Reports.

6.3. Priority and Scoping methodology to be deployed in each Quarterly Reports.

6.4. Consulting to support the Customer to implement the recommendations in a timely manner to improve Project outcomes.

6.5. Develop an IV&V team which includes a small core team of two (2) or three (3) key staff members who will directly work on the project.

6.6. Engagement Plan for IV&V performance include the following:

6.6.1. Create a plan to engage with project teams (Agency and Supplier) to garner understanding of projects strengths and weaknesses;

6.6.2. For interview leading to quarterly report, describe the documents that will be reviewed and comments on in its quarterly report; and

6.6.3. Explain the approach the contractor will use to engage with the project team after the report is issued to advance adoption of report recommendations.

6.7. The IV&V contractor may be required to provide reporting to CMS.

7. **PROJECT DELIVERABLES WITH TIMEFRAMES/DUE DATES:**
The Contractor shall:

7.1. Submit Quarterly reports by the 15th of each month following the end of the federal fiscal quarter.

7.2. Provide templates as identified in section 6.1.

7.3. Be required to report required deliverables by due dates to AHCCCS for compliance. AHCCCS may terminate the Task Order for default under applicable termination clauses in the IT Research, Advisory, Assessment, Verification and Validation Services contract after two (2) notices of nonconformance to the deliverable dates.

8. **AHCCCS Will:**
   8.1. Supply security forms as needed to IV&V Vendor.

   8.2. Invite IV&V Vendor to any MITRE / CMS monthly meetings.

   8.3. Provide access to applications as appropriate to the IV&V vendor.

9. **HOW TO RESPOND TO TASK ORDER**:
   9.1. Methodology and Approach (Limit 10 Pages) resumes)

      9.1.1. Proposed methodology and approach that the contractor will use to fulfill the requirements of this project.

      9.1.2. Description of how the contractor will satisfy each of the minimum criteria established.

      9.1.3. Explanation of the methodology and approach that will be used to complete the deliverables.

   9.2. Experience and Expertise (Limit 2 pages excluding résumés)

      9.2.1. Knowledge and experience with IV&V, State Medicaid Technology Projects, and projects of comparable size and complexity;

      9.2.2. Knowledge and experience with these types of projects;

      9.2.3. Experience of the proposed staff and list of names and classification of personnel expected to perform specific activities, including use of subcontractors; and

      9.2.4. Submit key staff resumes with work history for the last five (5) years, their roles in each position, and two (2) individuals references for each key staff who will be assigned to this project. Include emails and phone number for references.

   9.3. Pricing Proposal
   The Contractor shall:

      9.3.1. Provide total project cost for this IV&V project; to include at a minimum:

         9.3.1.1. Case Management;

         9.3.1.2. Hearing and Grievance; and

         9.3.1.3. Refactor PMMIS/HPMMIS.

      9.3.2. Provide a breakdown of the Implementation of the following ServiceNow Modules:

         9.3.2.1. User Licensing;

         9.3.2.2. ServiceNow Instance Cost;

9.3.2.3. Customer Service Management (CSM) Professional Module;

9.3.2.4. IT Service Management (ITSM) Enterprise Module;

9.3.2.5. Human Resource Service Delivery (HRSD) Professional module;

9.3.2.6. IT Operation Management (ITOM) Module;

9.3.2.7. Strategic Portfolio Management (SPM) Professional Module; and

9.3.2.8. Integrated Risk Management (IRM).

9.3.2.9. Collaborate with AHCCCS on the prioritization of the Module implementation plan.

9.4. The project cost not to exceed (NTE) amount is based on the negotiated outcome of the proposal submitted. Billing shall be based on Deliverables for each distinct project and include actual hours worked for tasks outlined in Responsibilities/Tasks section, not to exceed agreed upon contracted total price.

9.4.1. Provide a breakdown of the contracted consultant position titles, hourly rates, and number of hours required to complete the project.

9.4.2. Be advised that the hourly rate proposed is to be inclusive of all costs associated with the provision of service. No additional expenses will be paid.

9.5. Please do not submit anything considered “proprietary” or “confidential.”

9.6. Confidentiality: The Contractor shall safeguard all information regarding this task order as confidential. The Contractor shall establish and maintain procedures and controls pre- approved by AHCCCS for the purpose of ensuring that information contained in its records or obtained from AHCCCS or others carrying out their functions related to this task order shall not be used or disclosed, except as required to perform duties under this task order.

10. **EVALUATION CRITERIA AND AWARD:**

10.1. Responses will be evaluated based upon the evaluation criteria listed below. The evaluation factors are listed in relative order of importance as follows:

10.1.1. Methodology and Approach;

10.1.2. Experience and Expertise; and

10.1.3. Pricing Proposal

10.2. AHCCCS anticipates awarding the response to the contractor with the most advantageous response(s).

10.2.1. This project will be procured through the Arizona Statewide Contract: IT Advisory, Assessment, Verification and Validation – Consulting Services. All terms and conditions

of the IT Advisory, Assessment, Verification and Validation – Consulting Services shall apply to this project.

10.3. Font and Margins: All proposals shall be submitted in Calibri 11-point font or larger within margins no less than ½".

11. **TERMS**

11.1. AHCCCS may provide Protected Health Information (PHI) to the contractor in connection with the AHCCCS MES Roadmap project. Therefore, the attached HIPAA Business Associate Addendum is incorporated into this Task Order (if applicable).

12. **INVOICING:**

The Contractor shall:

12.1. Submit invoices shall be electronically to: AHCCCS Accounts Payable AHCCCSDBF-AdminPayable@azahccs.gov

12.2. Ensure each invoice has adequate supporting documentation, signed by both contractor and AHCCCS, attached as required by this contract.

12.3. Ensure each invoice contains the following information, as applicable;

12.3.1. Statewide contract number, task order number and the purchase order number.

12.3.2. Description of services performed, by project, for each fee and hours worked

12.3.3. Name of AHCCCS contract person for this task order;

12.3.4. Date(s) services were performed;

12.3.5. Adequate supporting documentation attached as required by this task order; and

12.3.6. Signature of authorized person.

Attachment A
YH23-0128 Medicaid Enterprise System (MES)
Independent Verification and Validation (IV&V)

Deliverable	Year One (1)	Year Two (2)	Year Three (3)	Total Amount
Case Management				
Hearing and Grievance				
Refactor PMMIS/HPMMIS				
			Three (3) Year Project Grand Total	

Optional Services A				**Total Amount**
SI Systems				

Optional Services B Snow Modules:				**Total Amount**
User Licensing				
ServiceNow Instance Cost				
Customer Service Management (CSM) Professional Module				
IT Service Management (ITSM) Enterprise Module				
Human Resource Service Delivery (HRSD) Professional Module				
IT Operation Management (ITOM) Module				
Strategic Portfolio Management (SPM) Professional Module				
Integrated Risk Management (IRM)				

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 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;
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. Other information, as may be 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 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 DISLOSURES 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;

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;

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.