





# Table of Contents

AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: **YH08-0009**


PAGE  
2

**Request for Proposal**

OF  
75

1.	Offer and Acceptance document	Page 3
2.	Scope of Work	Page 4
3.	Pricing Schedule	Page 22
4.	Uniform Instructions to Offerors	Page 24
5.	Special Instructions to Offerors	Page 32
6.	Uniform Terms and Conditions	Page 37
7.	Special Terms and Conditions	Page 46
8.	Exhibit A, Method of Approach	Page 57
9.	Exhibit B, Firm's References	Page 58
10.	Exhibit C, List of Key Personnel	Page 59
11.	Exhibit D, Resumes for Key Personnel	Page 60
12.	Exhibit E, Financial Disclosure	Page 61
13.	Exhibit F, HIPAA Business Associate Addendum	Page 62
14.	Exhibit G, Offeror's Checklist	Page 66
15.	Certificate of Insurance	Page 67
16.	Attachment A: Periodic Report Requirements	Page 68
17.	Attachment B: Examples of Contractor Activities by TPL Source	Page 71
18.	Attachment C: File Formats	Page 73
19.	End of Solicitation	Page 75



	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 4	
		OF 75	


**1. PURPOSE**

The purpose of this Request for Proposal (RFP) is to procure the services of an organization (hereby referred to as "Contractor") which has the experience and expertise to provide the Arizona Health Cost Care Containment System (hereafter referred to as "AHCCCS") with First Party Liability and Third Party Liability recovery services, Cost Avoidance, and other related services as described in this RFP. Any fee accepted by AHCCCS is subject to the review and approval of CMS.


**2. DEFINITION OF TERMS**

In addition to the definitions contained in the Uniform Instructions to Offerors herein, the terms listed below are defined as follows:


- 2.1 "ACE" means the AHCCCS Customer Eligibility system.
- 2.2 "ALTCS" means the Arizona Long Term Care System, a program under AHCCCS that delivers long-term, acute, behavioral health and case management services to Members, as authorized by A.R.S. § 36-2932. ALTCS populations include the Elderly and Physically Disabled (ALTCS-EPD) and the Developmentally Disabled (ALTCS-DD).
- 2.3 "A.A.C." means the Arizona Administrative Code - the state regulations established pursuant to relevant statutes. For purposes of this solicitation, the relevant sections of the A.A.C. may be referred to in this document as "AHCCCS Rules."
- 2.4 "A.R.S." means Arizona Revised Statutes.
- 2.5 "CAPITATION" means the payment to a Health Plan or Program Contractor by AHCCCS of a fixed monthly payment per person in advance, for which the Health Plan or Program Contractor provides a full range of covered services.
- 2.6 "CASUALTY" means an accident, misfortune or mishap that comes by chance or without design.
- 2.7 "CMS" means the Centers for Medicare and Medicaid Services, an organization within the U.S. Department of Health and Human Services, which administers the Medicare and Medicaid programs and the State Children's Health Insurance Program.
- 2.8 "COST AVOIDANCE" means a method of avoiding payment of claims when other insurance resources are available to the Member.
- 2.9 "CREDIT BALANCE RECOVERY PROGRAM" means the identification, and recovery, of payments made to Providers by AHCCCS and other Liable Parties that have resulted in an overpayment to the Provider for the service rendered that should have been returned to AHCCCS.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700 Phoenix, Arizona 85034
		PAGE 5	
		OF 75	

- 2.10 “ENCOUNTER” means a record of a medically related service rendered by a Provider or Providers registered with AHCCCS to a Member who is enrolled with a Health Plan or Program Contractor on the date of service. It includes all services for which a Health Plan or Program Contractor incurred any financial liability.
- 2.11 “ESTATE RECOVERY” means a requirement of Section 1917 of the Social Security Act that States shall recover payments made for certain costs of care of Medicaid individuals age 55 and older.
- 2.12 “FEE-FOR-SERVICE (FFS)” means a method of payment to registered providers on an amount per-service basis. The primary AHCCCS FFS members are those enrolled with the Indian Health Services and the Federal Emergency Services Program.
- 2.13 “FIRST PARTY LIABILITY” means the resources available from any insurance or other coverage obtained directly or indirectly by a Member that provides benefits directly to the Member and is liable to pay all or part of the medical services incurred by AHCCCS, a Health Plan, a Program Contractor, or the Member.
- 2.14 “FMAP” means Federal Medical Assistance Percentage, which is used to calculate the amount of Federal share of State expenditures for services that must be reported on recoveries.
- 2.15 “HIFA” means the CMS Health Insurance Flexibility and Accountability Demonstration Initiative, which targets State Children’s Health Insurance Program (Title XXI) funding for populations with incomes at or below 200 % of the FPL.
- 2.16 “HIFA PARENTS” means the parents of Medicaid-(SOBRA) and KidsCare-eligible children who are not otherwise eligible for Medicaid. All eligible parents except Native Americans must pay an enrollment fee and a monthly premium based on household income.
- 2.17 “HIPAA” means the Health Insurance Portability and Accountability Act (P.L. 104-191); also known as the Kennedy-Kassebaum Act, signed August 21, 1996.
- 2.18 “JOINT LIABILITY CASE” means that AHCCCS and a Health Plan and/or Program Contractor incurred medical expenditures related to the medical episode.
- 2.19 “KIDSCARE” means Arizona’s State Children’s Health Insurance Program, which is a Federal and state program for providing health care services for children under the age of 19 living in families with a gross income at or below 200% of the federal poverty level guidelines, as defined in Title XXI.
- 2.20 “LIEN” means a legal claim filed with the County Recorder’s office for the purpose of ensuring that AHCCCS receives reimbursement for monies paid on a Member’s behalf.
- 2.21 “LIABLE PARTY” means a person or entity that is or may be, by agreement, circumstance or otherwise, liable to pay all or part of the medical expenses incurred by an AHCCCS applicant or Member.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 6	
		OF 75	

- 2.22 “MATERIAL OMISSION” means facts, 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.
- 2.23 “MEDICAID” means a federal/state program authorized by Title XIX of the Social Security Act, as amended.
- 2.24 “MEDICARE” means a Federal program authorized by Title XVIII of the Social Security Act, as amended.
- 2.25 “MEMBER” means a person enrolled in AHCCCS, as defined in A.R.S. § 36-2901, A.R.S. § 36-2901.01, A.R.S. § 36-2931, A.R.S. § 36-2971, A.R.S. § 36-2981, and 42 CFR 438.10(a).
- 2.26 “NET RECOVERY” means the total dollars recovered for AHCCCS expenditures, which are disbursed to AHCCCS, its Health Plans and Program Contractors. This dollar amount does not include disbursements to Members, attorneys or others.
- 2.27 “OFFEROR” is an organization or other entity that submits a proposal to AHCCCS in response to this RFP.
- 2.28 “OALS” means the AHCCCS Office of Administrative Legal Services.
- 2.29 “PROVIDER” is a person or entity that contracts with AHCCCS, a Health Plan, or a Program Contractor for the provision of covered services to Members according to the provisions of A.R.S. Title 36, Chapter 29, Article 1.
- 2.30 “RECOVERY” means money paid to and received by AHCCCS solely through the efforts of the Contractor under this contract.
- 2.31 “REINSURANCE” means a risk-sharing program provided by AHCCCS to Health Plans and Program Contractors for the reimbursement of certain contract service costs incurred by a Member beyond a certain monetary threshold.
- 2.32 “RESTITUTION” means an equitable remedy under which a person is restored to its original position prior to the loss. The Contractor is responsible for Restitution recoveries that relate to medical claims incurred by a FFS Member or a Joint Liability case, but it is not responsible for Restitution recoveries that are the result of non-medical recoveries such as Medicaid fraud and abuse.
- 2.33 “SHARE OF COST” means the amount of money ALTCS Members are required to contribute toward the cost of their care. The monthly Share Of Cost amount is calculated by subtracting certain expenses and deductions from the Member's gross income.
- 2.34 “STATE FAIR HEARING” means an administrative hearing under A.R.S. Title 41, Chapter 6, Article 10.


	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 7	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

- 2.35 “TEFRA” means the Tax Equity and Fiscal Responsibility Act (1982).
- 2.36 “TEFRA LIEN” means a Lien placed on a Member’s real property pursuant to the terms and conditions of TEFRA, and AHCCCS Rules R9-28-913, et seq.
- 2.37 “THIRD PARTY LIABILITY” means the resources available from a person or entity that is, or may be, by agreement, circumstance or otherwise liable to pay all or part of the medical expenses incurred by an AHCCCS Member.
- 2.38 “TORTFEASOR” means an individual that commits or is guilty of a civil wrong or injury for which a court will provide a remedy in the form of damages.
- 2.39 “TOTAL PLAN CASE” means that only Health Plans and/or Program Contractors have incurred medical expenditures related to the medical episode.
- 2.40 “TRUST” means a qualifying trust that is created, and operated, under the provisions of the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), which amended Section 1917 (d)(4)(A),(B) and (C) of the Social Security Act. The use of a Trust allows certain individuals, who would not otherwise qualify financially (income or resources in excess of federal limits) for Title XIX assistance, to place certain monies in a qualifying Trust and become/remain Medicaid eligible.

### **3. CONTRACTOR DUTIES AND RESPONSIBILITIES**

The Contractor is responsible for all First Party Liability and Third Party Liability recovery programs which recover FFS expenditures, Joint Liability Case recoveries, Estate Recovery and Trust recoveries; as well as other recoveries as described in this RFP. The Contractor is also responsible for commercial insurance data matching and coverage verification for all AHCCCS members. While operating these programs, the responsibilities include, but are not limited to, the following:

- 3.1 Maximizing recoveries;
- 3.2 Complying with all federal and state laws, regulations, policy and procedures;
- 3.3 Complying with reporting requirements as set forth by CMS and AHCCCS;
- 3.4 Maintaining processes to ensure compliance with HIPAA standards;
- 3.5 Identifying, researching, and verifying payments made by AHCCCS to providers;
- 3.6 Filing, amending and releasing Liens;
- 3.7 Developing case facts and making recommendations to AHCCCS on Casualty and Estate Recovery and after the settlement amounts have been agreed to by AHCCCS, conduct all appropriate activities to settle the case;
- 3.8 Receiving and processing all referral information, and referring Total Plan cases to the appropriate Health Plan or Program Contractor;
- 3.9 Keeping AHCCCS informed of personnel who are assigned under the AHCCCS contract for recovery and reporting purposes;
- 3.10 Timely notification and reporting of all activities and issues;

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 8	
		OF 75	

- 3.11 Maintaining solid internal control systems; bank procedures, and cash control;
- 3.12 Recommending new programs that will enhance the recovery of AHCCCS expenditures;
- 3.13 Responding to surveys and correspondence;
- 3.14 Maintaining an adequate staff with appropriate expertise and training;
- 3.15 Establishing, and maintaining, contractual relationships with insurance companies for data matches, and post payment billing activities;
- 3.16 Providing and maintaining a case management tracking system, that is accessible to AHCCCS, which documents the detail case history and all recovery activities; and
- 3.17 Providing all necessary legal expertise associated with cases prior to the State Fair Hearing process. This includes, but is not limited to representing AHCCCS in interpleader actions and alternative dispute resolution proceedings.

AHCCCS retains the right to expand the scope of work by mutual agreement for any additional services that may be beneficial to AHCCCS.

As part of this contract, any changes to operating policies and procedures pertaining to the recovery process, as defined herein must be approved by AHCCCS. All policies and procedures that are developed between the Contractor staff and the AHCCCS staff are the property of AHCCCS.


The Contractor shall adhere to banking procedures as specified and/or modified by AHCCCS. The Contractor’s personnel authorized to endorse settlement checks are subject to AHCCCS' written approval. Settlement checks payable to AHCCCS, which require endorsement, shall use the phrase: “[Name of Contractor employee], authorized representative for AHCCCS.” The Contractor shall provide AHCCCS with a letter that identifies its employees who are authorized to endorse such checks. The Contractor shall notify AHCCCS by letter within five working days, to the attention of AHCCCS TPL Administrator, of making a change to this endorsement authority listing (adds or deletes employees).

AHCCCS may obtain First Party Liability and Third Party Liability cases from Health Plans and Program Contractors when the Health Plan or Program Contractor terminates its AHCCCS contract. The Contractor is obligated to pursue recovery of those cases under the same terms and conditions for similar AHCCCS recoveries.

The Contractor shall ensure operational manuals are kept current to maximize AHCCCS recoveries and to remain in compliance with Federal and State requirements. Any changes shall be finalized and a revision printed within 30 days of the operational change.

The Contractor shall comply with the requirements of HIPAA and all federal regulations as described in the “Business Associate” addendum that is included herein as Exhibit F.

The Contractor shall provide information to AHCCCS on any program change that they believe should be disseminated to external entities involved with recovery practices including, but not limited to, the AHCCCS quarterly “Claims Clues” newsletter.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 9	
		OF 75	

#### 4. FIRST PARTY LIABILITY AND THIRD PARTY LIABILITY RECOVERY PROGRAMS

The sources of potential recovery that the Contractor shall pursue include: Casualty and Tortfeasor, Restitution, Estate Recovery, TEFRA Liens, Trusts, and credit balance recoveries. Each of these is briefly described below. In addition, Attachment A, “Periodic Report Requirements,” contains a list of the financial and statistical reports that the Contractor must prepare and submit on a weekly, monthly or quarterly base, as required by AHCCCS. Attachment B, “Examples of Contractor Activities by TPL Source,” lists examples of specific activities the Contractor must do, at a minimum, to adequately perform this contract.

- 4.1 Casualty and Tortfeasor: Casualty and Tortfeasor recoveries are obtained from settlements or awards to FFS Members and Joint Liability Cases for injuries or illness resulting from automobile accidents, malpractice suits, etc. AHCCCS has 60 days from the date of notification of hospital discharge or medical care and treatment to file a lien. If this 60-day period has expired, AHCCCS relies on its assignment and subrogation rights as set forth in State law to enforce its claim.


The Contractor is responsible for identifying FFS Members who have claims with specific ICD-9 Trauma codes that are consistent with injuries that may be covered by Liable Parties. In accordance with 42 CFR 433.138(e) the Contractor is required to identify FFS claims that contain ICD-9-CM diagnosis codes 800 – 999.9 (excluding code 994.6) utilizing claim information provided by AHCCCS. The Contractor will treat all claims identified through this trauma code match process as a new Casualty referral.

In addition to the referrals generated by the trauma code match process, other referrals come from a variety of sources including: the Health Plans, the Program Contractors, attorneys, insurance companies, Providers, Members, etc. The Contractor is responsible for processing all referrals and determining whether the case is a Joint Liability Case or a Total Plan case.

Certain factors have a bearing on how Casualty cases are worked for recovery. The Contractor shall recover FFS and Health Plan and Program Contractor expenses on a Joint Liability Case. All Reinsurance and FFS expenditures are reimbursed to AHCCCS from a Joint Liability Case recovery before any payment is made to the Health Plan or Program Contractor. The Contractor refers all Total Plan Cases to the Health Plan or to the Program Contractor for recovery.

There are ongoing changes in law that may impact the Casualty and tortfeasor recovery process. A recent example is the Ahlborn decision [Arkansas Dept. of Health and Human Services et al. v. Ahlborn, 547 U.S. 268 (2006)], which placed limits on AHCCCS recoveries and may increase the cost to defend an AHCCCS claim. The Contractor shall take all necessary steps to comply with any changes in law.

- 4.2 Restitution: Restitution recoveries are obtained through a Restitution court order, upon a defendant’s conviction for an offense causing economic loss to any person. The court, at its sole discretion, may order that all or any portion of the fine imposed be allocated as Restitution to be paid by the defendant to any person who suffered an economic loss caused by the defendant’s conduct. In ordering

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700 Phoenix, Arizona 85034
		PAGE 10	
		OF 75	

Restitution for economic loss, the court shall consider all loss caused by the criminal offense or offenses for which the defendant has been convicted.

Federal and State Courts will order a convicted defendant to pay Restitution to AHCCCS in criminal cases where AHCCCS has paid for medical services that are related to the victim’s injuries. Request for paid medical services information for Restitution cases are primarily requested by County Adult Probation Officers. The County Adult Probation Officer will submit the AHCCCS claim amount to the court. After the court determines the amount of the Restitution, the court, or a staff member designated by the court, including a probation officer, shall specify the manner in which the Restitution is to be paid.

Restitution recovery is similar to the Casualty and tortfeasor recovery process in that recovery can be a FFS, Joint Liability or a Total Plan Case. The Contractor is responsible for processing all referrals and determining whether the case is a FFS case, a Joint Liability Case or a Total Plan Case. The Contractor shall recover FFS and Health Plans and Program Contractor expenses on a Joint Liability Case. All Reinsurance and FFS expenditures are reimbursed to AHCCCS from a Joint Liability Case recovery before any payment is made to the Health Plans or Program Contractors.

The Contractor shall provide a monthly report that identifies the current balance due to AHCCCS on open cases. The report format and content shall be as prescribed by AHCCCS.


The Contractor shall establish and maintain a line of communication whereby AHCCCS will be informed of court orders pertaining to AHCCCS recovery case so as to maximize recoveries of AHCCCS expenditures.

On a Joint Liability Case, when AHCCCS is paid in full, the case will be referred to the concerned Health Plans or Program Contractor for the balance due.

Total Plan Cases are forwarded to the Health Plan or Program Contractor for recovery.

- 4.3 Estate Recovery: AHCCCS receives federal, state, and county funds to operate the ALTCS-EPD program. The ALTCS-DD program is funded by federal and state funds. The Contractor is required to separately account for ALTCS-EPD and ALTCS-DD estate recovery collections. Section 1917 of the Social Security Act required all states to implement an estate recovery program that at a minimum recovers Title XIX payments for nursing facility services, home and community based services, and related hospital and prescription drug services provided to Medicaid individuals age 55 and older. AHCCCS only recovers from the estates of ALTCS Members. AHCCCS was granted the authority under its 1115 demonstration waiver to exempt the recovery from the estates of acute care program enrollees 55 or older who receive long term care services.

The AHCCCS estate claim that is filed against the ALTCS Member’s estate is the total of ALTCS expenditures that were incurred by AHCCCS during the Member’s ALTCS enrollment period when the ALTCS Member was age 55 or older. The Contractor shall recover the following ALTCS expenditures minus the Share Of Cost payments:

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 11	
		OF 75	


- 4.3.1 Capitation payments
- 4.3.2 Medicare coinsurance and deductibles paid by AHCCCS
- 4.3.3 Medicare Part A and Part B premiums
- 4.3.4 Reinsurance payments
- 4.3.5 Fee-For-Service payments

The Contractor is responsible for processing application requests for statutory exemptions under hardship and partial recovery as defined in AHCCCS Rules, A.A.C. R9-28-911 and R9-28-912. The Contractor reviews the application and supporting documentation and makes a recommendation to AHCCCS. AHCCCS will waive its estate claim when an heir meets all of the undue hardship waiver criteria. AHCCCS may also reduce the amount of the estate claim when an heir to the estate meets the criteria for a “Partial Recovery (Reduction)” of the estate claim. The Contractor reviews the application and supporting documentation and makes a recommendation to AHCCCS when an heir to the estate meets the criteria for a partial recovery (reduction) of the estate claim.

Under Arizona probate law, if probate is not opened within two years of the Member’s death, the Member’s property, including the Member’s real estate, passes to the survivors free and clear of any claims. In some instances no one is willing to open an estate, so from time-to-time AHCCCS will acquire the powers and undertake the duties and liabilities of a personal representative of a decedent to protect its interest as a creditor of the estate. The Contractor shall be the personal representative’s agent. The Contractor is required to consult with, and obtain the approval of, AHCCCS on all decisions relating to the valuation and sale of the estate assets. In addition, the contractor is required to retain independent legal counsel, approved by AHCCCS, to provide ongoing legal advice in opening, administering, and closing probate. The reasonable fees and costs of the independent legal counsel will be paid from proceeds of the estate.

- 4.4 TEFRA Liens: As authorized under 42 U.S.C. 1396p, AHCCCS imposes TEFRA Liens against the real property, including the Member’s primary residence, of certain permanently institutionalized ALTCS Members. The purpose of the Lien is to recover the cost of ALTCS benefits upon sale or the transfer of the ALTCS Member’s property prior to the Members’ death. The contractor is responsible for the preparation, filing, and release of all TEFRA Liens. The contractor must pay the Lien fees and AHCCCS will reimburse the full amount of the Lien fees.
- 4.5 Trusts: As part of ALTCS eligibility a Member may create a Trust that meets certain specifications. Only specified payments are allowed to be made from the Trust which includes tort/subrogation matters under the assignment of rights, and payments for share of cost. AHCCCS must be designated the primary beneficiary for reimbursement of ALTCS expenditures upon the Member’s death, or upon the revocation of the Trust. Expenditures for burial expenses are generally not deductible from the Trust.

Upon the death of the individual or termination of the Trust, AHCCCS is paid the remaining funds from the Trust, including share-of-cost payments that have been returned to the trust account, up to the total amount of the AHCCCS expenditures on behalf of the Member. If a Member moves out of state,

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 12	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

AHCCCS retains its beneficiary right to the Trust and is required to be notified when the Member dies, or upon the revocation of the Trust.


- 4.6 Credit Balance Recovery Program: In SFY 2004, AHCCCS began a Credit Balance Recovery Program that was comprised of two steps: The first step allowed an AHCCCS contracted provider to conduct a “self audit” to identify accounts receivable credit balances and allowed the provider to return overpayments with “amnesty.” The second step was to conduct an on-site review of the credit balance process for selected providers. While the Credit Balance Recovery Program has been inactive for some period of time, it may be started again during the period of this contract if it is determined to be cost effective.
- 4.7 Post Payment Recovery: Health Insurers are required by the Deficit Reduction Act of 2005 and A.R.S. 36-2923 to:
- 4.7.1 accept the state’s right of recovery from a third party payor;
  - 4.7.2 respond to an inquiry regarding a claim for payment that is submitted for payment within three (3) years of the date of service; and,
  - 4.7.3 not deny a claim submitted solely on the basis of the date the claim was submitted, the type or format of the claim, or the failure to present proper documentation at the time of service as long as: (a) the claim is submitted within three years of the date of service, and (b) the action to enforce its rights with respect to the claim is commenced within six (6) years after the date of service.

The Contractor shall be responsible for the post-payment recovery activities related to the FFS claims.

## 5. **COMMERICAL INSURANCE COVERAGE VERIFICATION/ DATA MATCH**

The Contractor shall take reasonable measures, pursuant to 42 CFR 433.138, to determine the legal liability of a Liable Party to pay for AHCCCS and ALTCS members. To ensure that AHCCCS is in compliance with the federally mandated cost avoidance requirements to deny and avoid the cost of claims when there is a known Liable Party, the Contractor shall be responsible to maintain the AHCCCS third party leads file database. In order to ensure that only a valid Liable Party is added to the database, the Contractor shall be responsible for verifying third party leads received from various sources including but not limited to eligibility entities, Web referrals from Health Plans and Program Contractors and commercial insurance.

- 5.1 Coverage Verification: The Contractor shall receive health insurance information, from the above mentioned sources, that requires verification of the type of coverage and the timeframe of the coverage with the insurer prior to posting the coverage information in the third party leads file database, which will be used for cost avoidance and cost recovery activities. The Contractor shall be responsible for the initial verification of the insurance coverage information using industry accepted practices, as well as a re-verification of that information every nine (9) months, or on another time table defined by AHCCCS. All verified insurance information, as well as any updates thereto, shall be transferred to AHCCCS electronically using the established TPL file layout.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 13	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

5.2 Commercial Insurance Data Match: The Deficit Reduction Act of 2005 and A.R.S. 36-2923 requires health care insurers to provide all enrollment information necessary to determine the time period in which a person who is defined as an AHCCCS eligible person, or that person’s spouse or dependents, may be or have been covered by the health care insurer and the nature of that coverage. The Contractor shall enter into, and maintain, trading partner agreements with insurers doing business in Arizona that provide major medical, pharmacy and/or Medicare Supplemental coverage to allow for the receipt of commercial insurance coverage information for AHCCCS members that they insure. The Contractor shall be required to perform a data match of the eligibility information received from the health insurers with the AHCCCS recipient eligibility file monthly. The Contractor shall provide AHCCCS all verified matched records using the Contractor’s match criteria as defined in their response to this RFP and approved by AHCCCS.

5.3 Other Data Matches: In addition to obtaining member and paid claims file information from AHCCCS to perform matches, the Contractor shall initiate and work in conjunction with AHCCCS to establish, when economically feasible, agreements for data matches and conduct data exchanges with the following entities:

- 5.3.1 Arizona Department of Transportation, Motor Vehicle Division, and
- 5.3.2 Arizona Industrial Commission.

At the sole option of AHCCCS, a match will be achieved through information provided by AHCCCS or by contractual arrangement between the Contractor and the Arizona Department of Transportation or the Arizona Industrial Commission.


## 6. COMPUTER SYSTEM

The Contractor shall lease, own, or have access to computer facilities that can meet the requirements of this contract and HIPAA. The Contractor’s computer facilities shall have the capability of accepting and processing all referred accounts in the format provided by AHCCCS utilizing Electronic Data Interchange (EDI). AHCCCS (or its designee) may provide records on magnetic tape or by other means as determined appropriate by AHCCCS. The file format and content may be revised from time to time to comply with HIPAA and with AHCCCS data requirements. See Attachment C for current information on files.

AHCCCS requires a secure connection to its network via VPN (Virtual Private Networking) before any information can be accessed from an AHCCCS system. A Cisco VPN client program must be installed, and a VPN connection made possible to AHCCCS network from the client workstation. In addition, terminal server client software must be loaded to access AHCCCS application(s).

If tapes are sent to the Contractor, they must be returned to AHCCCS within 45 days of the date sent. If AHCCCS does not receive the tapes within 45 days, the Contractor may become liable for the replacement cost of the tape(s).

The Contractor is authorized to exchange data with AHCCCS relating to the information requirements of this contract and as required to support the data elements to be provided in the format specified. The information

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 14	
		OF 75	

so recorded and submitted to AHCCCS shall be in accordance with all procedures, policies, rules, or statutes in effect during the term of this contract. If any of these procedures, policies, rules, or statutes are hereinafter changed, both parties agree to conform to these changes following appropriate notification to both parties by AHCCCS. The Contractor is responsible for any incorrect data, delayed submission or payment (AHCCCS, Health Plans or Program Contractors), and/or penalty applied due to any error, omission, deletion, or erroneous insert caused by Contractor submitted data. Any data that does not meet the standards required by AHCCCS shall not be accepted by AHCCCS.

The Contractor is responsible for identifying any inconsistencies immediately upon receipt of data from AHCCCS and communicating to AHCCCS those inconsistencies within 10 days. If any unreported inconsistencies are subsequently discovered, the Contractor shall be responsible for the necessary adjustments to correct its records at its own expense.

The Contractor shall accept from AHCCCS original evidence of eligibility and enrollment in a form appropriate for electronic data exchange.

The use of any of the above files for purposes other than identified herein is prohibited without prior written consent from AHCCCS.

The Contractor's computer facilities shall be able to transmit third party coverage information to AHCCCS computer system in a format acceptable to AHCCCS and to receive third party liability information from AHCCCS computer system.


Recovery Database: The Contractor shall maintain a database of all cases where recovery has been attempted or completed. The format and content of the data will be established through mutual agreement. The Contractor's database pertaining to AHCCCS cases shall be accessible online to the AHCCCS TPL Section staff.

Recovery Extract: The Contractor shall maintain and transmit to AHCCCS an electronic extract in a format, content, and time frames as prescribed by AHCCCS that contains valid recovery data pertaining to recoveries. The contractor shall write standardized queries for use by AHCCCS in monitoring contractor activities.

## **7. SYSTEM INTERFACE/TESTING REQUIREMENTS**

The Contractor shall provide AHCCCS or authorized government officials with full access to its computer system for monitoring, review, and testing of the Contractor's operations relating to the contract.

The contractor will ensure that changing or making major upgrades to their information systems affecting processing and/or other major business components will be accompanied by a plan which includes a timeline, milestones to include adequate testing before implementation. At least six (6) months prior to the anticipated implementation date the contractor shall provide the system change plan to AHCCCS for review and comment.

 <b>AHCCCS</b>	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 15	
		OF 75	

## 8. AUDIT TRAIL REQUIREMENTS

The Contractor's MIS system shall provide a complete audit trail of all entries, changes, deletions, and adjustments.

## 9. CONTROL AND SECURITY REQUIREMENT

The Contractor shall provide adequate controls and security in accordance with HIPAA standards as approved by AHCCCS to maintain the integrity and confidentiality of computerized data. In addition, the Contractor shall provide documentation of its data control and security systems to enable AHCCCS to evaluate the adequacy of such systems. In addition, the contractor shall arrange and pay for an annual audit by an outside firm, approved in advance by AHCCCS, of the security of its stored data.

## 10. METROPOLITAN PHOENIX OFFICE

The Contractor is required to have an office that is located in the metropolitan Phoenix, Arizona area. If the Contractor does not have an office in the metropolitan Phoenix area, at the time of the contract award, the Contractor has up to six (6) months from the date of the contract award to establish and staff the office.

## 11. CONTRACTOR PERSONNEL

With its proposal, the Contractor must identify all personnel who will be specifically assigned to this contract and must include a detailed professional resume for each person identified. After contract award, the Contractor shall forward to AHCCCS a copy of the resume of any replacements of key personnel assigned to this contract. For personnel replacement purposes, the Contractor shall provide a training plan to AHCCCS. The training plan must show the replacement is fully trained to assume the program responsibilities.


In the event of unsatisfactory performance (to be determined solely by AHCCCS) by a Contractor employee, the Contractor, upon request by AHCCCS, shall submit for AHCCCS approval of the professional resume of a proposed replacement employee within ten (10) days of receipt of the request from AHCCCS.

The Contractor shall maintain sufficient staff to satisfactorily perform the contract requirements and have in place a contingency staffing plan in the event of an unexpected or sudden loss of employees assigned to this contract.

The Contractor shall provide a current work schedule to include office telephone numbers, fax numbers and cell phone numbers of personnel working on AHCCCS cases.

## 12. PICK-UP AND DELIVERY SERVICES; HOURS OF OPERATION

The Contractor shall provide and maintain a routine, systematic and reliable pick-up and delivery service for documents transferred between the Contractor and AHCCCS. Even if this function is subcontracted, the Contractor remains entirely responsible for this contract requirement. The Contractor shall be open for

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 16	
		OF 75	

business, at a minimum, Monday through Friday from 8 a.m. to 5 p.m. local (Phoenix) time (except State recognized holidays), unless otherwise agreed to by AHCCCS. During the hours of operation, the Contractor shall ensure that qualified staff are readily available to respond and address programmatic and policy issues.

The Contractor shall respond to, or acknowledge, telephone calls pertaining to AHCCCS cases within the next business day.

### **13. RELATIONS WITH THE PUBLIC**

All personal contacts and written communications performed by the Contractor in connection with this contract shall be conducted in a manner which fosters and promotes cooperation and understanding, and which does not result in adverse publicity or loss of public support. The Contractor shall notify AHCCCS within five days of receipt of any complaint, or threatened or actual legal action against the Contractor, pertaining to the Contractor's activities under this contract.

### **14. AHCCCS APPROVAL OF PROCESS, CORRESPONDENCE, FORMS**

The Contractor shall only use procedures, correspondence, forms, legal documents and other related documents in conjunction with administering the recovery program processes that have been approved in writing by AHCCCS prior to their usage.

The Contractor shall review all legal documents within one business day of receipt and notify AHCCCS of the proposed action, including copies of related documents, within two days of receipt. Any future related documents shall be provided within two business days of receipt.


### **15. CONFIDENTIALITY OF MEMBER INFORMATION**

All information obtained by the Contractor pertaining to personal facts or circumstances of Members shall be held strictly confidential and shall not be divulged without written consent of AHCCCS. 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.

The Contractor shall maintain written policies approved by AHCCCS governing access to, duplication of, and dissemination of all such information. 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.

All computer reports, tapes, listings, manuals, and derived information will be returned to AHCCCS upon the termination of this contract. Computer tapes provided by AHCCCS are to be returned within 45 days of receipt.

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

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 17	
		OF 75	

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.

**16. RETURN OF ERRONEOUS PAYMENTS OR REFUNDS**

Within 30 days of written request by AHCCCS, the Contractor shall forward to AHCCCS, with proper identifying information, any fees, recoveries or refunds paid to the Contractor, which are subsequently determined to be incorrect by AHCCCS or disallowed as a result of federal or state audit. Written request shall be deemed given upon mailing by certified mail, return receipt requested.

**17. RECOVERY RESTRICTION**

The Contractor shall not attempt TPL recovery for programs other than those described in Sections 3, 4 and 5 of the Scope of Work without the written approval of AHCCCS.

**18. PERIODIC REPORT REQUIREMENTS**


AHCCCS requires periodic reports and other information from the Contractor. The submission of late, inaccurate, or otherwise incomplete reports shall constitute failure to report subject to the penalty provisions described in this contract. Standards applied for determining adequacy of required reports are as follows:

- 18.1 Timeliness: Reports or other required data shall be received on or before scheduled due dates.
- 18.2 Accuracy: Reports or other required data shall be prepared in strict conformity with appropriate authoritative sources and/or AHCCCS defined standards.
- 18.3 Completeness: All required information shall be fully disclosed in a manner that is both responsive and pertinent to report intent with no material omissions.

AHCCCS requirements regarding report format, report content, and frequency of submission of reports are subject to change at any time during the term of the contract. The Contractor shall comply with all changes specified by AHCCCS. The Contractor shall be responsible for continued reporting beyond the term of the contract for the finalization of cases, if any, retained by the Contractor beyond the transition to the new contractor. The Contractor shall comply with all reporting requirements summarized in Attachment A, "Periodic Report Requirements." In addition, the Contractor shall submit annually a copy of its most recent audited financial statement.

**19. REQUESTS FOR INFORMATION**

AHCCCS may, at any time during the term of this contract, request financial or other information from the Contractor. Upon receipt of such requests for information, the Contractor shall provide complete information as requested no later than 30 days after the receipt of the request unless otherwise specified in the request itself.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 18	
		OF 75	

## 20. COMPENSATION

Compensation under this contract will be based upon the Pricing Schedule accepted by AHCCCS contained herein, and is subject to the review and approval of CMS. All Contingency fees calculations shall be based upon the Net Recovery. AHCCCS shall make payments to the Contractor in accordance with the terms of this contract provided that the Contractor's performance is in compliance with the terms and conditions of this contract. Payments to the Contractor will be made after all appropriate documentation and/or required data has been received and approved by AHCCCS.

AHCCCS and its Health Plans and Program Contractors are not exempt from county fees for the filing of Liens. The Contractor must pay such fees in the course of performing the contract requirements and AHCCCS will reimburse the full amount of the fees. In addition, if the contractor has expended money for an "expert witness," the reasonable fees and costs of the expert witness will be paid to the Contractor from AHCCCS' settlement amount.

Only recoveries attributable to the Contractor's activities are reimbursable on a contingency basis. AHCCCS will not make payment to the Contractor for recoveries that require no action by the Contractor. The following, while not all inclusive, are examples of nonreimbursable activities:


- 20.1 Third party payments shown on a claim as collected by the provider's action;
- 20.2 Overpayments refunded voluntarily by a provider;
- 20.3 Cost avoidance from third party resources previously identified in AHCCCS files;
- 20.4 Claims cost avoided subsequent to the Contractor's initial identification of a third party source; and,
- 20.5 Recoveries from adjustments to future claims.

Payments are made by electronic funds transfer, and AHCCCS shall not be liable for any error or delay in transfer nor indirect or consequential damages arising from the use of the electronic funds transfer process. Any charges or expenses imposed by the bank for transfers or related actions shall be borne by the Contractor. All funds received by Contractor pursuant to this contract shall be separately accounted for in accordance with generally accepted accounting principles.

At the beginning of the contract term, the Contractor may be assigned cases in progress that have been partially developed by the previous TPL recovery contractor. These will be identified by AHCCCS at the time of assignment to the Contractor and will be reimbursed the negotiated contracted contingency fee.

## 21. RECORDS RETENTION

The Contractor shall maintain books and records relating to covered services and expenditures including reports to AHCCCS and working papers used in the preparation of reports. The Contractor shall comply with all specifications for record keeping established by AHCCCS. All books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. The AHCCCS records management guidelines are located at: <http://infonet.ahcccs.state.az.us/Main/Manuals/AdminPolicy/Chap300/Admin303.aspx>.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 19	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

Records shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.

The Contractor agrees to make available at its office at all reasonable times during the term of this contract and the period set forth in paragraphs 21.1 and 21.2 below, any of its records for inspection, audit or reproduction by any authorized representative of AHCCCS, State or federal government.

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 in paragraphs 21.1 and 21.2 below:

- 21.1 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.
- 21.2 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.


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

## **22. TRANSITION TO NEW CONTRACTOR**

In the event this contract expires or is terminated, the Contractor shall cooperate fully in the transition of contract related activities to the successor contractor. All data, reports and records shall be returned within 90 days of contract termination to AHCCCS in the same format in which it was received. On or before the date of termination, the Contractor shall identify all recovery cases that are actively developing for collection.

Upon review and approval by AHCCCS, the Contractor may have 12 months from the date of contract termination to finalize and close cases on behalf of AHCCCS. Included are cases where the Contractor has actually initiated work on behalf of AHCCCS and the case is considered “open.” Included are the following types of cases:

- 22.1 Casualty: Statutory Lien filed prior to contract end date;
- 22.2 Restitution: Contractor has been consistently receiving Restitution payments on the case for the past six (6) months;
- 22.3 Estate: Creditor’s Claim filed prior to contract end date;
- 22.4 TEFRA Lien: The TEFRA Lien has been filed prior to contract end date;
- 22.5 Probate: The Probate has been opened in Superior Court prior to contract end date;

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 20	
		OF 75	

- 22.6 Trust: Case has an Active Status prior to contract end date (Member is deceased or ineligible for ALTCS);
- 22.7 Health Insurance/Tricare: Claims billed to carriers prior to contract end date; and
- 22.8 Medicare Disallowance: Recoupments that have been published prior to contract end date.

The 12-month period may be reduced if mutually agreed upon by AHCCCS and the Contractor. AHCCCS reserves the right to recall any cases from the Contractor if AHCCCS determines that the case is not being actively pursued.

**23. FINANCIAL STATEMENT**

The Contractor shall submit to AHCCCS an annual audited financial statement, for itself and parent company, if applicable, within 120 days of its fiscal year end.


**24. PERFORMANCE BOND OR BOND SUBSTITUTE**

Within ten (10) business days after contract award, and annually thereafter by no later than September 30, the Contractor shall submit to AHCCCS (Contracts and Purchasing) a performance bond of standard commercial scope issued by a surety company doing business in this State or a cash deposit in the amount of \$1,000,000 for the performance period of this contract to guarantee performance by the Contractor of its obligations under this contract. The performance bond shall be in a form acceptable to AHCCCS and shall be payable to the Arizona Health Care Cost Containment System, an agency of the State of Arizona.


In the event of a default by the Contractor, AHCCCS shall, in addition to any other remedies it may have under this contract, obtain payment under the performance bond or substitute security for the purposes of any of the following:

- 24.1 Paying any damages sustained by reason of non-performance or other breach of Contractor’s obligations under this contract;
- 24.2 Reimbursing AHCCCS for any administrative expenses incurred by reason of a breach of Contractor’s obligations under this contract, including, but not limited to, legal fees and expenses incurred after termination of this contract by AHCCCS for cause;
- 24.3 Covering a transition period, if any, where the Contractor does not cooperate fully with AHCCCS or a successor Contractor; and
- 24.4 Use by AHCCCS in the event the Contractor becomes insolvent.

In the event AHCCCS agrees to accept a cash deposit in lieu of a performance bond, the Contractor shall execute any and all documents and perform any and all acts necessary to secure and enforce AHCCCS' security interest in such substitute security including, but not limited to, security agreements and necessary UCC filings pursuant to the Arizona Uniform Commercial Code. In the event such security is agreed to and accepted by AHCCCS, the Contractor shall grant AHCCCS a security interest in the substitute security in order to secure performance of its obligations under this contract.

	<b>Scope of Work</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 21	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

Personnel Bonding Requirements: The Contractor shall provide evidence of a fidelity bond in the amount of \$1,000,000 covering any loss to AHCCCS or the State due to any fraudulent or dishonest act on the part of any officer, agent, subcontractor, or employee of the Contractor.

	<b>Pricing Schedule</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700
		PAGE 22	Phoenix, Arizona 85034
		OF 75	

## INVOICES & PRICING

- The Contractor shall provide duplicate copies of each invoice. The invoice shall be produced at the end of each billing cycle. AHCCCS and the Contractor shall agree on the definition of a billing cycle. These may be weekly, bi-weekly or monthly.

Each invoice shall provide the following information, as applicable:

- AHCCCS' contract number
- description of services performed
- name of AHCCCS contact person for this agreement
- date(s) and time(s) services were performed

Each invoice shall have adequate supporting documentation attached to allow proper expense reimbursement.

Invoices shall reference AHCCCS' Contract Number and be submitted to:


AHCCCS  
Accounts Payable, MD 5400  
701 E. Jefferson Street  
Phoenix, AZ 85034

- In consideration for providing the services described in this solicitation and in the Contractor's proposal, incorporated by reference, **AHCCCS will pay in accordance with the schedule below that is selected by AHCCCS at the time of the contract award.** The Contractor shall provide services as described in this solicitation.
- The Offeror shall submit two separate and distinct pricing methods as detailed below:

**3.1** Contract Pricing Method 1 is a combination of a percentage(s) of actual recoveries for the recovery programs described in paragraph 4 of the Scope of Work, and fixed fee amounts for the Commercial Insurance Coverage Verification / Data Match services described in paragraph 5 of the Scope of Work. The contingency fee percentage for the services described in paragraph 4 of the Scope of Work, plus the per transaction fee amount for the services described in paragraph 5 of the Scope of Work will constitute the sole compensation payable under this contract.

**3.2** Contract Pricing Method 2 is a percentage(s) of actual recoveries for the recovery programs described in paragraph 4 of the Scope of Work, which will constitute the total compensation for the service described in both paragraph 4 and 5 of the Scope of Work.

The Offeror may, if it chooses, propose graduated percentages, for either Contracting Method 1 or Contracting Method 2, based on total amount of Net Recovery to AHCCCS.

	<b>Pricing Schedule</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 23	
		OF 75	

*Optional add-on related service:* The Offeror may, at its option, submit a separate proposal (and a separate rate below) for providing other services not required by this solicitation. If the Offeror chooses to submit such a proposal, it will be considered only as an add-on to the TPL recovery services described herein. Whether the Offeror chooses or does not choose to submit this add-on proposal will have no effect on the evaluation of its TPL Recovery proposal and the add-on proposal itself will be negotiated only in conjunction with the award of the primary contract. If an add-on proposal is submitted, the Offeror must state so in its cover letter to the TPL proposal. The acceptance of any add-on service is at the sole option of AHCCCS.

4. In accordance with federal requirements, the Offeror must include with its proposal sufficient documentation to show how it arrived at the proposed percentage rate(s).
5. At the beginning of the contract term, the Contractor may be assigned cases in progress that have been partially developed by the previous TPL recovery contractor. These will be identified by AHCCCS at the time of assignment to the contractor and will be reimbursed at a reduced contingency fee to be negotiated at the time of the assignment.


**CONTRACT PRICING METHOD 1:**

Recovery Programs as described in paragraph 4 of the Scope of Work	Percentage Fee
Recovery Programs Contract Services	
Optional Add On Services	


Commercial Insurance Coverage Verification / Data Match	Fixed Fee
<b>The Commercial Insurance Coverage Verification / Data Match described in paragraph 5 of the Scope of Work</b>	
Fee per:	\$ Amount
Insurance Segment Added	
Insurance Segment Terminated/Deleted	
Maximum annual, not to exceed amount	

**CONTRACT PRICING METHOD 2:**

Total Recovery and Verification Services	Percentage Fee
Contract Services described in paragraph 4 and 5 of the Scope of Work	
Optional Add On Services	

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 24	
		OF 75	


- 1. Definition of Terms:** As used in within this solicitation document, and any resultant contract, the terms listed below are defined as follows:
- 1.1 “*AHCCCS*” means 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.
  - 1.2 “*Attachment*” means any item the Solicitation requires an Offeror to submit as part of the Offer.
  - 1.3 “*Contract*” means the combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Final Proposal Revisions; any Solicitation Amendments or Contract Amendments; and any terms applied by law.
  - 1.4 “*Contract Amendment*” means a written document signed by the Contracting Officer that is issued for the purpose of making changes in the contract.
  - 1.5 “*Contracting Officer*” means the person duly authorized by AHCCCS to enter into and administer Contracts and make written determinations with respect to the Contract, or his or her designee.
  - 1.6 “*Contractor*” means a person who has a contract with AHCCCS.
  - 1.7 “*Days*” means calendar days unless otherwise specified.
  - 1.8 “*Exhibit*” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
  - 1.9 “*Gratuity*” means 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.
  - 1.10 “*Health Plan*” means 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.
  - 1.11 “*May*” indicates something that is not mandatory but permissible.
  - 1.12 “*Offer*” means bid, proposal or quotation.
  - 1.13 “*Offeror*” means a vendor who responds to a Solicitation.
  - 1.14 “*Program Contractor*” means an organization which contracts with the AHCCCS Administration to execute the provision of a comprehensive package of ALTCS covered acute care, behavioral health services and long term care services to ALTCS members enrolled with the program contractor.

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 25	
		OF 75	

- 1.15 *"Shall, Must"* indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 1.16 *"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.
- 1.17 *"Scope of Work"* means those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
- 1.18 *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.19 *"Solicitation Amendment"* means a written document that is authorized by the Contracting Officer and issued for the purpose of making changes to the Solicitation.
- 1.20 *"Subcontract"* means 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.
- 1.21 *"State"* means the State of Arizona.

**2. Inquiries:**


- 2.1 Duty to Examine: It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 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 Solicitation Contact Person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person as a contact.
- 2.3 Submission of Inquiries: The Solicitation Contact Person may require that an inquiry, to include exceptions, be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 Timeliness: Any inquiry, to include exceptions, shall be submitted as soon as possible and by May 21, 5:00 p.m., M.S.T, at the latest. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 26	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

- 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 or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement 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 Forms: No Facsimile or Telegraphic Offers: An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 Typed Offer; Corrections: The Offer shall be typed. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 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.
- 3.4 Exceptions to Terms and Conditions:
- 3.4.1 If offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist as soon as possible and by May 21, 5:00 p.m., M.S.T, at the latest. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
- 3.4.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 3.4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 27	
		OF 75	

negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.

- 3.4.3 To the extent they are inconsistent with the terms of the Solicitation, the Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.
- 3.5 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature 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.
- 3.8 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.
- 3.9 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.10 Identification of Taxes in Offer: The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate tax as a separate item in the offer, the State will conclude that the price(s) offered includes all applicable taxes.
- 3.11 IRS W9 Form: In order to receive payment under any resultant contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.
- 3.12 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 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.
- 3.13 Solicitation Order of Precedence: In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:


	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 28	
		OF 75	

- 3.13.1 Special Terms and Conditions;
- 3.13.2 Uniform Terms and Conditions;
- 3.13.3 Statement or Scope of Work;
- 3.13.4 Specifications;
- 3.13.5 Attachments;
- 3.13.6 Exhibits;
- 3.13.7 Special Instructions to Offerors; and
- 3.13.8 Uniform Instructions to Offerors.

3.14 Delivery: Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

**4. Submission of Offer:**

- 4.1 Sealed Envelope or Package: Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- 4.2 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.
- 4.3 Public Record: Under applicable law, all Offers submitted and opened are public records and must be retained by AHCCCS. Offers shall be open to public inspection after Contract award, except for such portions of an Offer deemed to be confidential by AHCCCS.
- 4.4 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
  - 4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
  - 4.4.2 It 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 that it complies with all applicable federal, state and local laws and executive orders regarding employment.


	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 29	
		OF 75	

**5. Evaluation:**

- 5.1 **Unit Price Prevails:** Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 **Taxes.** Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- 5.3 **Late Offers:** An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 **Disqualification:** The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 **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 ninety (90). If a Final Proposal Revisions is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Final Proposal Revision due date.
- 5.6 **Payment:** Payment shall comply with the requirement of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of goods or services, the contractor shall submit a complete and accurate invoice for payment from AHCCCS within thirty (30) days.
- 5.7 **Waiver and Rejection Rights:** Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:
  - 5.7.1 Waive any minor informality;
  - 5.7.2 Reject any and all Offers or portions thereof; or
  - 5.7.3 Cancel a Solicitation.

**6. Award:**

- 6.1 **Number or Types of Awards:** Where applicable, 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, whichever is deemed most advantageous to AHCCCS. If the Contracting Officer determines that an aggregate award to one Offeror is not in AHCCCS' best interest, "all or none" Offers shall be rejected.
- 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 Contracting 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.

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 30	
		OF 75	

6.3 **Effective Date:** The effective date of this Contract shall be the date that the Contracting Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

**7. Confidential Information:**

7.1 If a person believes that a portion of a bid, proposal, offer, specification, or protest contains information that should be withheld due to confidentiality, the Contracting Officer shall so be notified. A detailed statement, presented as a cover letter, shall both identify those specific areas considered confidential and also state the specific harm or prejudice which may arise if disclosed.

7.2 The information identified by the person as confidential shall not be disclosed until the Contracting Officer makes a written determination. The Contracting Officer shall review the statement and information and shall determine in writing whether the information shall be withheld.

7.3 If so approved, such confidential information shall be removed from the public record and kept sealed in a separate envelope marked "Confidential." Such information will not be made available to the public.

7.4 An entire bid, proposal, offer, specification, or protest shall not be identified as confidential; only those portions which are considered proprietary, trade secrets or patented information. Pricing shall not be considered as confidential.


**8. Contract Applicability:** Any contract resulting from this solicitation shall be for the exclusive use of AHCCCS.

**9. Electronic Documents:** AHCCCS may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by AHCCCS shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.


**10. Proposal Opening:** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation.

**11. Protests:** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and the Arizona Administrative Code Title 2, Chapter 7, Article 9, Rules R2-7-A901 through R2-7-A911. It shall be in writing and be filed with the AHCCCS Contracting Officer and with the State Procurement Administrator. A protest of a solicitation shall be received by AHCCCS Contracting Officer before the offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:


11.1 The name, address and telephone number of the protester;

	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 31	
		OF 75	

- 11.2 The signature of the protester or its representative;
- 11.3 Identification of the purchasing agency and the solicitation or contract number;
- 11.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

	<b>Special Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 32	
		OF 75	

1. **Offeror's Contacts:** All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Solicitation Contact Person, identified on the first page of this solicitation document. All questions shall be in writing and submitted either via e-mail (preferred) or telefax. Contact information is found on the front page of this document. Offerors may not contact other AHCCCS employees concerning this solicitation.
  
2. **Evaluation Criteria:** Evaluation criteria are listed in the relative order of importance. The evaluation will be conducted in accordance with an established evaluation plan. The award(s) will be made to the responsible Offeror whose proposal is determined to be the most advantageous to AHCCCS, based on the following criteria:
  - 2.1 Proposed Method of Approach;
  - 2.2 Cost;
  - 2.3 Experience and Expertise of the Firm; and
  - 2.4 Experience and Expertise of Key Personnel.
  
3. **Proposal Information:** Offeror is to submit their proposal with one (1) original and five (5) copies (for a total of six (6) sets) in the format as contained in this RFP. **The original copy of the proposal should be clearly labeled "ORIGINAL."** The material should be in sequence and related to the RFP. AHCCCS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal should include at least the following information:
  - 3.1 **Proposed Method of Approach**
    - 3.1.1 Proposals will be evaluated based on the Offeror's distinctive plan for providing these specialized services. Since the evaluators have already read the Scope of Work for the services as described, it is not necessary for the Offeror to repeat the exact language, or to present a paraphrased version, as an original idea for a technical approach.
    - 3.1.2 The Offeror may utilize a written narrative or any other printed technique to demonstrate his ability to satisfy the Scope of Work. When appropriate, the narrative 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 language of the narrative should be straightforward and limited to facts, solutions to problems, and plans of proposed action. The usage of technical language should be minimized and used only to describe a technical process.
    - 3.1.3 The Offeror may utilize Exhibit A for displaying such information or may use any other method necessary.

	<b>Special Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 33	
		OF 75	

3.2 **Cost:** The evaluation of the category of Cost shall be based on the prices, as indicated on the Pricing Schedule submitted with Offeror's proposal. In order to determine the maximum liability to the State of Arizona, any percentage increases proposed for extension option periods shall be also included in the cost evaluation.

3.2.1 The Offeror shall provide sufficient information with their proposal to justify the submitted fees. Federal regulations require that an analysis of price be provided to show the base pay used to explain the basis for the fee (45 CFR 74.45). This analysis shall provide at a minimum the following information:


- 3.2.1.1 The necessity for and reasonableness of the proposed pricing, including allowing for contingencies;
- 3.2.1.2 A projection of the Offeror's pricing trends based on current and historical cost or pricing data;
- 3.2.1.3 An evaluation of the estimated labor, travel, material and other employee related/benefit factors;
- 3.2.1.4 The application of audited or negotiated indirect cost rates, labor rates, cost of money, or other factors;
- 3.2.1.5 Verification that the Offeror's pricing submissions are in accordance with general cost principles; and
- 3.2.1.6 Any other documents that will assist in justifying to the federal cognizant agency the pricing submitted.

3.3 **Experience and Expertise of the Firm:**

3.3.1 The Offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work. Therefore, the Offeror is advised to submit any and all information which documents successful and reliable experience in past performances as related to this RFP. In addition, the Offeror should specifically address the firms' experience advising and/or assisting state Medicaid programs with:

- 3.3.1.1 The Arkansas Department Of Health And Human Services, Et Al., Petitioners V. Heidi Ahlborn, Supreme Court of The United States decision; and,
- 3.3.1.2 Section 6035 of the Deficit Reduction Act of 2005.

3.3.2 **References:** References should be verifiable and be able to comment on the Offeror's related experience. The Offeror should submit, at a minimum, three (3) professional services references which would demonstrate the Offeror possesses an understanding and the experience in providing the required service. As these references may be checked, insure all information is current, accurate and prior permission to use is obtained from each reference.

	<b>Special Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 34	
		OF 75	

This information may be shown on the form attached as Exhibit B to this RFP or in a similar manner.

- 3.3.3 The Offeror should provide an organizational chart which clearly shows the reporting and lines of authority, to include all proposed key personnel and any proposed subcontractors. The organizational chart should identify the prime point of contact between the Offeror and the AHCCCS Project Manager.

3.4 **Experience and Expertise of Key Personnel:**


- 3.4.1 The qualifications of the key personnel proposed by the Offeror to perform the requirements of this solicitation will be considered in the evaluation. Therefore, the Offeror should submit detailed information related to the experience, technical expertise and qualifications for each key personnel proposed. Offeror should provide the names and titles for all proposed key personnel; clerical staff is not considered key personnel. The use of Exhibit C is furnished for the Offeror's use in presenting such information.

- 3.4.2 The Offeror should provide a resume for each proposed key person, which substantiates the key person possesses the experience and expertise to provide the assigned tasks and responsibilities as detailed in paragraph 4.1.2, above. Each resume should include a description of the type and years of experience, training and other pertinent qualifications. The Offeror should also indicate the number of estimated amount of time the proposed person will devote to any resultant contract. Resumes should be limited to four (4) pages. The use of Exhibit D, "Resumes for Key Personnel," may be used for this purpose.


- 3.4.3 Provide a detailed explanation of each key person's responsibilities as related to the requirements of the Scope of Work.

- 3.5 **Additional Information:** The Offeror may submit any other pertinent information which would substantiate the Offeror has the experience, expertise and capability to provide the required services.

4. **Intent to Provide Certificate of Insurance:** The Offeror should provide a statement that, if notified of contract award, 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. **Offeror's Financial Disclosure:** The Offeror should complete Exhibit E, "Offeror's Financial Disclosure."
6. **HIPAA Business Associate Addendum:** Since protected health information, as defined in 45 CFR 164.501, may be made available to the selected vendor, Exhibit F, "HIPAA Business Associate Addendum," is part of the Contract.
7. **Offeror's Checklist:** The Offeror should complete Exhibit G, "Offeror's Checklist."

	<b>Special Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 35	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034


8. **Offeror's Responsibility:** The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal.
9. **Clarifications:** Clarifications may be requested from Offerors at any time after receipt of offers. 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.
10. **Negotiations:** If negotiations are conducted, negotiations shall be conducted with all Offerors determined to be in the competitive range or reasonably susceptible for award. Offerors may revise offers based on negotiations provided that any revision is confirmed in writing. Award may be made without negotiations; therefore, offers should be submitted complete and on most favorable terms.
11. **Additional Information for Submittal of Proposal:**
- 11.1 It is the responsibility of each Offeror to insure their proposal is delivered to AHCCCS by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. AHCCCS shall not accept late proposals past the due date and time.
- 11.2 AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to Offerors at time of proposal delivery.
- 11.3 When submitting your proposal to AHCCCS, insure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.
12. **Value in Procurement:**
- Through the Governor's Efficiency Review initiative the Value in Procurement Committee has been established. A major initiative of the VIP Committee is to aggregate specific procurements to increase efficiency and cut costs. The VIP Committee may designate and establish a statewide contract for these types of goods or services. At such time, this contract may not be extended beyond its current term, although additional contract extensions may still be available.
13. **Offshore Performance of Work Prohibited:**
- Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental

	<b>Special Instructions to Offerors</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 36	
		OF 75	


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 proposal.

**14. Federal Immigration and Nationality Act:**


The 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, the 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 and/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 and/or debarment of the Contractor.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 37	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034


1. **Advertising and Promotion of Contract:** The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.
2. **Amendments:** This Contract is issued under the authority of the Contracting Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee 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.
3. **Arizona Law:** The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.
4. **Arizona Procurement Code:** The Arizona Procurement Code, A.R.S. Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code Title 2, Chapter 7, is a part of this Contract as if fully set forth in it.
5. **Assignment and Delegation:** The Contractor shall not assign any right nor delegate any duty under this contract without prior written approval of the Contracting Officer, who will not unreasonably withhold such approval.
6. **Audits and Inspections:**
  - 6.1 The Contractor shall comply with all provisions specified in A.R.S. 35-214 and 35-215 and AHCCCS policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to Contractor's staff, subcontractors, members, and records.
  - 6.2 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 AHCCCS and, where applicable, the federal government, to the extent that the books and records relate to the performance of the contract or subcontracts.
  - 6.3 AHCCCS and the federal government may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this contract.
7. **Availability of Funds for the Next Fiscal Year:** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 38	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034


8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. 38-511, AHCCCS 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 AHCCCS 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. **Compliance with Applicable Laws:** The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
10. **Contract Claims:** All contract claims or controversies under this contract shall be resolved according to A.A.C. Title 9, Chapter 34 and rules adopted thereunder.
11. **Contract Order of Precedence:** In the event in the provisions of the contract, as accepted by AHCCCS and as they be amended, the following shall prevail in the order set forth below:
- 11.1 Special Terms and Conditions;
  - 11.2 Uniform Terms and Conditions;
  - 11.3 Statement or Scope of Work;
  - 11.4 Specifications;
  - 11.5 Attachments;
  - 11.6 Exhibits;
  - 11.7 Documents, referenced or included in the solicitation;
  - 11.8 Terms and conditions of the accepted offer.
12. **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.
13. **Delivery:** Unless stated otherwise in the contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 39	
		OF 75	


14. **Exclusions:** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
15. **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
16. **Force Majeure:**
- 16.1 Except for payment of sums due, neither party 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; or 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.
- 16.2 Force Majeure shall not include the following occurrences:
- 16.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 16.2.2 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
- 16.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 16.3 If either party 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.
- 16.4 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.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 40	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034


17. **Gratuities:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this contract if it 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 AHCCCS for 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 Contracting Officer, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.
18. **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.
19. **Indemnification -- Patent and Copyright:** The Contractor shall defend, indemnify and hold harmless AHCCCS against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by AHCCCS of materials furnished or work performed under this contract. The Contracting Officer shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
20. **Indemnification**
- 20.1 Contractor/Vendor Indemnification (Not Public Agency)
- The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
- 20.2 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.
21. **Inspection/Testing:** The contractor agrees to permit access to its facilities, subcontractor facilities and the contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this contract. AHCCCS shall also have the right to test at its own cost the materials to be supplied under this contract. Neither inspection at the contractor's facilities nor testing shall constitute final acceptance of the materials. If AHCCCS determines non-compliance of the materials, the contractor shall be responsible for the payment of all costs incurred by AHCCCS for testing and inspection.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700
	<b>Request for Proposal</b>		Phoenix, Arizona 85034
		PAGE 41	
		OF 75	


22. **IRS W9 Form:** In order to receive payment under any resulting contract, the contractor shall have a current IRS W9 Form on file with the State of Arizona.
23. **Liens:** The Contractor warrants that the materials supplied under this contract are free of liens.
24. **No Parole 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 term used in this contract.
25. **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 non-conforming performance knows of the nature of the performance and fails to object to it.
26. **Nonconforming Tender:** Materials supplied under this contract shall fully comply with the contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, AHCCCS 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.
27. **Non-Discrimination:** The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
28. **Non-exclusive Remedies:** The rights and the remedies of AHCCCS under this contract are not exclusive.
29. **Notices:** Notices to the Contractor required by this Contract shall be made by the Contracting Officer to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to AHCCCS required by the Contract shall be made by the Contractor to the Contracting Officer. An authorized Contracting Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
30. **Offshore Performance of Work Prohibited:** Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition 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 proposal.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 42	
		OF 75	

31. **Payments:** The Contractor shall be paid as specified in the Contract. Payment must comply with requirements of A.R.S. Title 35.
32. **Payment of Taxes by AHCCCS:** AHCCCS shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting contract.
33. **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 Contracting Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.
34. **Property of AHCCCS:** Any materials, including reports, computer programs and other deliverables, created under this contract are the sole property of AHCCCS. 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 Contracting Officer.
35. **Records:** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records (“records”) relating to the acquisition and performance of the Contract for a period of five 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 at no cost to the State.
36. **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.
37. **Risk of Loss:** The Contractor shall bear all loss of conforming material 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.
38. **Right of Offset:** AHCCCS shall be entitled to offset against any amounts due the Contractor any expenses or costs incurred by AHCCCS concerning the Contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages described in the proceeding paragraphs.
39. **Right to Assurance:** If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or continue performing this contract, the Contracting Officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the Contracting Officer's option, be the basis for terminating the contract.

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 43	
		OF 75	

40. **Severability:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.
41. **State and Local Transaction Privilege Taxes:** AHCCCS 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 taxes from the buyer does not relieve the seller from its obligation to remit taxes.
42. **Stop Work Order:**
- 42.1 AHCCCS 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 a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the parties may agree. 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.
- 42.2 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 Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
43. **Subcontracts:** The contractor may, with the consent of the Contracting Officer, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the Contracting Officer to the effective date of any subcontract.
- 43.1 No subcontract which the contractor enters into with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.
- 43.2 The contractor shall give the Contracting Officer immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor which in the opinion of the contractor may result in litigation related in any way to the contract with AHCCCS.
44. **Suspension or Debarment:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this Contract if the Contracting Officer or the State determine 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.
45. **Tax Indemnification:** The 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

	<b>Uniform Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 44	
		OF 75	

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.

**46. Termination for Convenience:** The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of AHCCCS without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Contractor of the termination at least ninety (90) days before the effective date of the termination. 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 Contracting Officer. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.

**47. Termination for Default:**

- 47.1 The Contracting Officer reserves the right to terminate this 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 failure to take corrective action as required by the Contracting Officer to comply with the terms of the contract. If the Contractor is providing services under more than one contract with AHCCCS, the Contracting Officer may deem unsatisfactory performance under one contract to be cause to require the Contractor to provide assurance of performance under any and all other contracts. In such situations, the Contracting Officer reserves the right to seek remedies under both actual and anticipatory breaches of contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested.
- 47.2 In the event the Contractor requests a hearing prior to termination, AHCCCS is required by the Balanced Budget Act of 1997 to oversee the operation of the Contractor entity through appointment of temporary management prior to the hearing.
- 47.3 Upon 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 Contracting Officer on demand.
- 47.4 The Contracting Officer 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 for any excess costs incurred by AHCCCS in procuring the materials or services in substitution for those due from the Contractor.



# Uniform Terms and Conditions

SOLICITATION NO.: **YH08-0009**

**Request for Proposal**

PAGE  
45

OF  
75

## AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

48. **Third Party Antitrust Violations:** The Contractor assigns to AHCCCS 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.
49. **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 (Title 41).



## Special Terms and Conditions

SOLICITATION NO.: YH08-0009

**Request for Proposal**

PAGE  
46

OF  
75


**AHCCCS**

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Contracting 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 Contracting Officer.
2. **Authority to Contract:** This contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee 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.
3. **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.
4. **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.
5. **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.
6. **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 Contracting 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:
  - 6.1 The contractor provides material that does not meet the specifications of the contract;
  - 6.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;
  - 6.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
  - 6.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.

	<b>Special Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 47	
		OF 75	

6.5 The Contracting Officer may resort to any single or combination of the following remedies:

6.5.1 Cancel any contract;

6.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;

6.5.3 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.

6.5.4 In case of default, the Contracting Officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by:

6.5.4.1 Deduction from an unpaid balance;

6.5.4.2 Collection against the bid and/or performance bond; or

6.5.4.3 Any combinations of the above or any other remedies as provided by law.

7. **Contract Cancellation (Minimum 10 Day):** The Contracting 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 Contracting Officer shall issue written notice to the contractor for acting or failing to act as in any of the following:

7.1 The contractor provides material that does not meet the specifications of the contract;

7.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;


7.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;

7.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.

7.5 Upon receipt of the written notice of concern, the contractor shall have a minimum of ten (10) days (Contracting Officer may determine a longer period) to provide a satisfactory response to the Contracting Officer. Failure on the part of the contractor to adequately address all issues of concern may result in the Contracting Officer resorting to any single or combinations of the following remedies.

7.5.1 Cancel any contract;

7.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;

	<b>Special Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700  Phoenix, Arizona 85034
		PAGE 48	
		OF 75	

7.5.3 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;


7.5.4 In case of default, the Contracting Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by;

7.5.4.1 Deduction from an unpaid balance;

7.5.4.2 Collection against the bid and/or performance bond; or

7.5.4.3 Any combination of the above or any other remedies as provided by law.

8. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
9. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional work related to this contract and 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.
10. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to AHCCCS 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, shall be 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 also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to, in writing, by AHCCCS.
11. **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 Contracting Officer shall have the right to annul this contract without liability.
12. **Contract:**
- 12.1 The contract between AHCCCS and the contractor shall consist of (1) the Request for Proposal (RFP) and any amendments thereto, and (2) the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, AHCCCS reserves the

	<b>Special Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>		Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>		701 East Jefferson, MD 5700 Phoenix, Arizona 85034
		PAGE 49	
		OF 75	

right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.

12.2 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.

**13. Disclosure of Confidential Information:** The Contractor shall not, without prior written approval from the Contracting Officer, 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.

**14. Effective Date:** The effective date of this contract shall be the date that the Contracting Officer signs the Offer and Award page of this document.

**15. Employees of the Contractor:** 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.


**16. Federal Immigration and Nationality Act:**

The 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, the 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 and/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 and/or debarment of the Contractor.

**17. Fraud and Abuse:**

17.1 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 Contracting Officer.

17.2 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.

 <b>AHCCCS</b>	<b>Special Terms and Conditions</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700  Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 50	
	<b>Request for Proposal</b>	OF 75	

17.3 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 should attempt to recover any overpayments identified due to erroneous, false or fraudulent billings.

18. **Incorporation by Reference:** This solicitation and all attachments and amendments, the Contractor's proposal, final proposal revision accepted by the Contracting Officer, and any approved subcontracts are hereby incorporated by reference into the contract.

19. **Independent 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.

20. **Indemnification Clause:**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its 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.*

21. **Insurance Requirements:**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his 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



# Special Terms and Conditions

AHCCCS

Arizona Health Care Cost Containment System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: YH08-0009

PAGE 51

Request for Proposal

OF 75

limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

21.1 Minimum Scope And Limits Of Insurance: Contractor shall provide coverage with limits of liability not less than those stated below.

21.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury 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
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

21.1.1.1 The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”***

21.1.1.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

21.1.2 Automobile Liability

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

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

The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”***

21.1.3. Worker's Compensation and Employers' Liability



# Special Terms and Conditions

AHCCCS

Arizona Health Care Cost Containment System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: YH08-0009

PAGE 52

Request for Proposal

OF 75

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

21.1.3.1 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

21.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

21.1.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

21.1.4.1 In the event that the professional liability 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 that 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.

21.1.4.2 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

21.2 Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

21.2.1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

21.2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

21.2.3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.



## Special Terms and Conditions

AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034


SOLICITATION NO.: YH08-0009

PAGE  
53

Request for Proposal

OF  
75

- 21.3 Notice Of Cancellation: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **AHCCCS Contracts, 701 East Jefferson, Mail Drop 5700, Phoenix, AZ 85034** and shall be sent by certified mail, return receipt requested.
- 21.4 Acceptability Of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with 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.
- 21.5 Verification Of Coverage: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. 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 Contracts, 701 East Jefferson, Mail Drop 5700, Phoenix, AZ 85034**. 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, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**
- 21.6 Subcontractors: Contractors’ certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- 21.7 Approval: Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- 21.8 Exceptions: In the event the Contractor or sub-contractor(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 sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

	<b>Special Terms and Conditions</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 54	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

22. **Key Personnel:** It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of AHCCCS' authorized representative and a copy to the Contracting Officer of record.
23. **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.
24. **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.
25. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
26. **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.
27. **Other Contracts:** AHCCCS may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such contractors and state employees and carefully fit his own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
28. **Ownership of Information and Data:**
- 28.1 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.
- 28.2 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



## Special Terms and Conditions

AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: YH08-0009

PAGE  
55

**Request for Proposal**

OF  
75

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 Contracting 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 Contracting Officer within thirty (30) days following termination of the contract or such longer period as approved by the Contracting Officer. For purposes of this subsection, the term "data" shall not include member medical records.

28.3 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.

29. **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.

30. **Term of Contract and Option to Renew:**

- 30.1 The initial term of this contract shall be for one (1) initial year, October 1, 2008 through September 30, 2009, with four (4) 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.
- 30.2 When the Contracting 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 Contracting Officer, even if the extension amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Contracting Officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Contracting Officer will initiate contract termination proceedings.
- 30.3 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 Contracting 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 Contracting Officer.



## Special Terms and Conditions

AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: YH08-0009

PAGE  
56

Request for Proposal

OF  
75

31. **Termination - Availability of Funds:** Funds are not presently available for performance under this contract beyond the current fiscal year. No legal liability on the part of AHCCCS for any payment may arise under this contract until funds are made available for performance of this contract. AHCCCS shall make reasonable efforts to secure such funds.
32. **Type of Contract:** Percentage or percentage plus fixed fee.
33. **Warranty of Services:** The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Contracting Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.
34. **Additional Guidelines for Exceptions to Terms and Conditions:**

In keeping with the Uniform Instructions to Offeror paragraph 3.4 Exceptions to Terms and Conditions: If Offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist by 5:00 P.M., M.S.T, May 21, 2008 at the latest.

1. The Offeror must understand that exceptions to the Uniform Terms and Conditions and exceptions to the Special Terms and Conditions are very rarely granted.
2. The exception is **approved only if the Offeror receives the approval in writing.** If the exception is acceptable, AHCCCS will give written approval and will often do a written amendment to the solicitation. Any exceptions not addressed or not responded to by the Contract Specialist are denied.



## Exhibit A - Method of Approach

SOLICITATION NO.: **YH08-0009**

PAGE  
57

**Request for Proposal**

OF  
75


### AHCCCS

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

The Offeror should present a written narrative which demonstrates the method of manner in which the Offeror proposes to satisfy the requirements of the services described in the Scope of Work. The language of the narrative should be straightforward and limited to facts, solutions to problems and plans of proposed action. Include a description of the tasks or events proposed, the estimated number of man hours required to perform each task or event and specify the key personnel proposed to perform each task.

	<b>Exhibit B - Firm's References</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 58	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

1. References should be verifiable and should be able to comment on the firm's related experience. The Offeror should submit a minimum of three (3) similar size and scope professional references for organizations your company has provided services. Each reference should provide at least the following information:
  - 1.1 Name, address and telephone number of Contracting Agency or Company;
  - 1.2 Contact Person who may be contacted for verification of all information submitted;
  - 1.3 Location of Services;
  - 1.4 Name of all key personnel and sub-contractors used;
  - 1.5 Start and completion date of work performed, and
  - 1.6 Detailed written narrative of the specific services performed.



# Exhibit C - Key Personnel

SOLICITATION NO.: YH08-0009

PAGE  
59

Request for Proposal

OF  
75

**AHCCCS**

Arizona Health Care Cost Containment  
System


701 East Jefferson, MD 5700

Phoenix, Arizona 85034

## KEY PERSONNEL

NAME OF KEY PERSON	TITLE

NOTE: Attach a resume for each individual, as required in the Special Instructions to Offerors.

	<b>Exhibit D– Resumes for Key Personnel</b>		<b>AHCCCS</b>
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 60	Arizona Health Care Cost Containment System
	<b>Request for Proposal</b>	OF 75	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

1. Complete a separate resume for each key person who will be proposed to provide the services as required in the Scope of Work. Each resume should, at a minimum, contain at least the following information:
  - 1.1 Name of person;
  - 1.2 Proposed position for contract service;
  - 1.3 Position currently held in Offeror’s firm;
  - 1.4 Number of years with Offeror’s firm;
  - 1.5 Number of years experience providing services being procured by this solicitation;
  - 1.6 Job related training;
  - 1.7 Education;
  - 1.8 Qualifications;
  - 1.9 Previous TPL engagements with state or federal government;
  - 1.10 Certifications;
  - 1.11 Membership in professional organizations;
  - 1.12 Primary functions person will fulfill under this Contract;
  - 1.13 If person will not be assigned exclusively to this Contract during the term of the contract, what percentage of time will person be assigned to this Contract; and
  - 1.14 Any additional information which would substantiate the key person possesses the experience, expertise and knowledge to provide the proposed services.



**Exhibit E – Offeror’s Financial Disclosure**

SOLICITATION NO.: **YH08-0009**

**Request for Proposal**

PAGE  
61

OF  
75

**AHCCCS**

Arizona Health Care Cost Containment System


701 East Jefferson, MD 5700

Phoenix, Arizona 85034

**OFFEROR'S FINANCIAL DISCLOSURE**

*Instructions: Complete each item, using attachments where necessary. If attachments are used, indicate the item number and question being referenced as it appears below.*


	<u>YES</u>	<u>NO</u>
A. Does the Offeror's organization prepare a public annual financial statement? <b>If yes, provide a copy of the most recent annual financial statement.</b>	_____	_____
B. Is your organization audited by an independent auditor? If yes, answer 1 through 4.	_____	_____
1) How often are audits conducted? _____		
2) By whom are they conducted? _____		
3) Are management letters or internal controls issued by the auditing firm?	_____	_____
4) Does your organization have any uncorrected audit exceptions?	_____	_____
C. Are there any suits, judgments, tax deficiencies or claims pending against your organization? If yes, answer 1 and 2	_____	_____
1) What is the dollar amount? _____		
2) In which state(s)? _____		
D. Has the Offeror's organization ever gone through bankruptcy?	_____	_____

	<b>Exhibit F - HIPAA Business Associate Addendum</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 62	
	<b>Request for Proposal</b>	OF 75	


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 this 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"). In the event of conflicting terms or conditions, this Addendum shall supersede the Contract.


1. Definitions. Capitalized terms not otherwise defined in the Contract shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR and are incorporated herein by reference.
2. Use and Disclosure of Protected Health Information. Business Associate shall use and/or disclose Protected Health Information ("PHI") only to the extent necessary to satisfy Business Associate's obligations under the Contract.
3. Prohibition on Unauthorized Use or Disclosure of PHI. Business Associate shall not use or disclose any PHI received from or on behalf of AHCCCS, except as permitted or required by the Contract, as required by law or as otherwise authorized in writing by AHCCCS. Business Associate shall comply with:
  - (a) Title 45, Part 164 of the CFR;
  - (b) State laws, rules and regulations applicable to PHI not preempted pursuant to Title 45, Part 160, Subpart B of the CFR or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and
  - (c) AHCCCS' health information privacy and security policies and procedures.
4. Business Associate's Operations. Business Associate may use PHI it creates or receives for or from AHCCCS only to the extent necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities. Business Associate may disclose such PHI as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:
  - (a) The disclosure is required by law; or
  - (b) Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate shall disclose such PHI that such person or organization shall:
    - (i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
    - (ii) Notify Business Associate (who shall in turn promptly notify AHCCCS) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

	<b>Exhibit F - HIPAA Business Associate Addendum</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 63	
	<b>Request for Proposal</b>	OF 75	

5. Data Aggregation Services. Business Associate may use PHI to provide Data Aggregation Services related to AHCCCS' Health Care Operations.
6. PHI Safeguards. Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of AHCCCS.
7. Electronic Health Information Security and Integrity. Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 142 of the CFR to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from or on behalf of AHCCCS pertaining to an individual. Business Associate shall document and keep these security measures current.
8. Protection of Exchanged Information in Electronic Transactions. If Business Associate conducts any Standard Transaction for or on behalf of AHCCCS, Business Associate shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the CFR. Business Associate shall not enter into or permit its subcontractors or agents to enter into any Trading Partner Contract in connection with the conduct of Standard Transactions for or on behalf of AHCCCS that:
  - (a) changes the definition, Health Information condition or use of a Health Information element or segment in a Standard;
  - (b) adds any Health Information elements or segments to the maximum defined Health Information set;
  - (c) uses any code or Health Information elements that are either marked "not used" in the Standard's Implementation Specification or are not in the Standard's Implementation Specification(s); or
  - (d) changes the meaning or intent of the Standard's Implementation Specification(s).
9. Subcontractors and Agents. Business Associate shall require each of its subcontractors or agents to whom Business Associate may provide PHI received from, or created or received by Business Associate on behalf of AHCCCS to agree to written contractual provisions that impose at least the same obligations to protect such PHI as are imposed on Business Associate by the Contract.
10. Access to PHI. Business Associate shall provide access, at the request of AHCCCS, to PHI in a Designated Record Set, to AHCCCS or, as directed by AHCCCS, to an individual to meet the requirements under Title 45, Part 164, Subpart E, Section 164.524 of the CFR and applicable state law. Business Associate shall provide access in the time and manner set forth in AHCCCS' health information privacy and security policies and procedures.
11. Amending PHI. Business Associate shall make any amendment(s) to PHI in a Designated Record Set that AHCCCS directs or agrees to pursuant to Title 45, Part 164, Subpart E, Section 164.526 of the CFR at the request of AHCCCS or an Individual, and in the time and manner set forth in AHCCCS' health information privacy and security policies and procedures.

	<b>Exhibit F - HIPAA Business Associate Addendum</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 64	
	<b>Request for Proposal</b>	OF 75	

12. Accounting of Disclosures of PHI.
- (a) Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for AHCCCS to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.
- (b) Business Associate agrees to provide AHCCCS or an individual, in the time and manner set forth in AHCCCS' health information privacy and security policies and procedures, information collected in accordance with Section 11(a) above, to permit AHCCCS to respond to a request by an individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.
13. Access to Books and Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from or on behalf of AHCCCS available to AHCCCS and to DHHS or its designee for the purpose of determining AHCCCS' compliance with the Privacy Rule.
14. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make the report to AHCCCS' Privacy Official not less than 24 hours after Business Associate learns of such unauthorized use or disclosure. Business Associate's report shall at least:
- (a) identify the nature of the unauthorized use or disclosure;
- (b) identify the PHI used or disclosed;
- (c) identify who made the unauthorized use or received the unauthorized disclosure;
- (d) identify what Business Associate has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
- (e) identify what corrective action Business Associate has taken or shall take to prevent future similar unauthorized use or disclosure; and
- (f) provide such other information, including a written report, as reasonably requested by AHCCCS' Privacy Official.
15. 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.
16. Termination for Cause. Upon AHCCCS' knowledge of a material breach by Business Associate of the terms of this Addendum, AHCCCS shall:
- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate if Business Associate does not cure the breach or end the violation within the time specified by AHCCCS.

	<b>Exhibit F - HIPAA Business Associate Addendum</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 65	
	<b>Request for Proposal</b>	OF 75	

- (b) Immediately terminate the Contract if Business Associate has breached a material term of the Contract and cure is not possible.
- (c) If neither termination nor cure is feasible, AHCCCS shall report the violation to DHHS.

17. Return or Destruction of Health Information.

- (a) Except as provided in Section 17(b) below, upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate shall return to AHCCCS or destroy all PHI received from AHCCCS, or created or received by Business Associate on behalf of AHCCCS. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
- (b) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to AHCCCS notification of the conditions that make return or destruction not feasible. Upon verification by AHCCCS that the return or destruction of PHI is not feasible, Business Associate shall extend the protections of the Contract to such PHI and limit further uses and disclosure of PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

18. Automatic Amendment. Upon the effective date of any amendment to the regulations promulgated by HHS with respect to PHI, the Contract shall automatically amend such that the obligations imposed on Business Associate as a Business Associate remain in compliance with such regulations.



# Exhibit G - Offeror's Checklist

AHCCCS

Arizona Health Care Cost Containment System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: YH08-0009

PAGE  
66

Request for Proposal

OF  
75

**Note to Prospective Offerors:** This Exhibit has been added to this RFP as a convenience to Offerors. It is believed to be a complete listing of all submission requirements pursuant to this RFP. However, if a requirement is stated anywhere in the RFP text, yet does not appear in the Offeror's Checklist, the text statement takes precedence over the omission of that requirement in the Offeror's Checklist.

Requirement #	Description:	RFP Page	Offeror's Page #
1	Offeror's Checklist completed (i.e., page numbers entered in the right-hand column of this table.)	This Page	
2	Offer and Acceptance page complete	Page 3	
3	Copies of proposal submitted as one (1) marked "Original" and five (5) copies	Page 32	
4	Proposed Method of Approach	Page 32	
5	Pricing Proposal/Price Analysis	Page 33	
6	Detailed narrative/table summarizing the firm's experience	Page 33	
7	Minimum of three (3) references for the firm	Page 33	
8	Organizational Chart	Page 34	
9	List of all proposed Key Personnel	Page 34	
10	Resume for each key person	Page 34	
11	Detailed explanation of each key person's responsibilities	Page 34	
12	Any additional information (optional)	Page 34	
13	Statement of Intent to provide Certificate of Insurance	Page 34	
14	Completed Offeror's Financial Disclosure (Exhibit E)	Page 34	
15	Copy of most recent public audited financial statement, if firm has a public audit	Page 61	



# Certificate of Insurance

**AHCCCS**

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

SOLICITATION NO.: **YH08-0009**

PAGE  
67

**Request for Proposal**

OF  
75

Prior to commencing services under this contract, the contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

<b>Name and Address of Insurance Agency:</b>	<b>Company Letter:</b>	<b>Companies Affording Coverage:</b>
	A	
	B	
<b>Name and Address of Insured:</b>	C	
	D	


LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE	COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage <b>OR</b> Bodily Injury and Property Damage Combined		Comprehensive General Liability Form Premises Operations Contractual Independent Contractors Products/Completed Operations Hazard Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above		Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum		Umbrella Liability		
Statutory Limits		Workmen's Compensation and Employer's Liability		
		Other		

State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

**Name and Address of Certificate Holder:**

Date Issued: \_\_\_\_\_

 <b>AHCCCS</b>	<b>Attachment A: Periodic Report Requirements</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 68	
	<b>Request for Proposal</b>	OF 75	

1. TPL SUMMARY REPORTS

- |  |         |
|--|---------|
| a. Casualty and Restitution recoveries – schedule reconciliation | Monthly |
| b. Cash Receipt Carryover Report                                 | Monthly |
| c. Contractor Invoice & supporting worksheet - Contingency Fee   | Monthly |
| d. Contractor Invoice & supporting worksheet - Lien Filing Costs | Monthly |
| e. Checks Deposited Report                                       | Weekly  |

2. CASUALTY PROGRAM

- |   |         |
|---|---------|
| a. Casualty Acute-Disbursement Report   | Monthly |
| b. Casualty Acute- Summary: All Reporting Categories Combined                 | Monthly |
| c. Casualty Acute- Summary: By Reporting Category                             | Monthly |
| d. Casualty Acute- Summary: By Reporting Code and Category                    | Monthly |
| e. Casualty LTC - Disbursement Report   | Monthly |
| f. Casualty LTC - Summary: All Reporting Categories Combined                  | Monthly |
| g. Casualty LTC- Summary: By Reporting Category                               | Monthly |
| h. Casualty LTC- Summary: By Reporting Code and Category                      | Monthly |
| i. Casualty KidsCare - Disbursement Report                                    | Monthly |
| j. Casualty KidsCare - Summary: All Reporting Categories Combined             | Monthly |
| k. Casualty KidsCare- Summary: By Reporting Category                          | Monthly |
| l. Casualty KidsCare- Summary: By Reporting Code and Category                 | Monthly |
| m. Casualty HIFA Parent - Disbursement Report                                 | Monthly |
| n. Casualty HIFA Parent - Summary: All Reporting Categories Combined          | Monthly |
| o. Casualty HIFA Parent - Summary: By Reporting Category                      | Monthly |
| p. Casualty HIFA Parent - Summary: By Reporting Code and Category             | Monthly |
| q. Casualty Referral & Verification Worksheet                                 | Monthly |
| r. Casualty Lien Summary Report by County                                     | Monthly |
| s. Casualty - Summary Liening/Claiming & Deposits Worksheet                   | Monthly |
| t. Casualty – Invoice Reconciliation - Health Plan                            | Monthly |
| u. Casualty - Summary of the number of cases & dollars recovered by Rate Code | Monthly |
| v. Casualty – Health Plan Pro Rata Worksheet                                  | Monthly |
| w. Casualty – Settlement Notification Worksheet by Individual Settlement      | Monthly |

3. RESTITUTION PROGRAM

- |   |         |
|---|---------|
| a. Restitution Acute - Disbursement Report                        | Monthly |
| b. Restitution Acute - Summary: All Reporting Categories Combined | Monthly |
| c. Restitution Acute - Summary: By Reporting Category             | Monthly |
| d. Restitution Acute - Summary: By Reporting Code and Category    | Monthly |
| e. Restitution LTC - Disbursement Report                          | Monthly |



# Attachment A: Periodic Report Requirements

SOLICITATION NO.: YH08-0009

PAGE  
69

Request for Proposal

OF  
75


## AHCCCS

Arizona Health Care Cost Containment System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

- f. Restitution LTC - Summary: All Reporting Categories Combined Monthly
  - g. Restitution LTC- Summary: By Reporting Category Monthly
  - h. Restitution LTC- Summary: By Reporting Code and Category Monthly
  - i. Restitution KidsCare Disbursement Report Monthly
  - j. Restitution KidsCare - Summary: All Reporting Categories Combined Monthly
  - k. Restitution KidsCare- Summary: By Reporting Category Monthly
  - l. Restitution KidsCare- Summary: By Reporting Code and Category Monthly
  - m. Restitution HIFA Parent - Disbursement Report Monthly
  - n. Restitution HIFA Parent - Summary: All Reporting Categories Combined Monthly
  - o. Restitution HIFA Parent - Summary: By Reporting Category Monthly
  - p. Restitution HIFA Parent - Summary: By Reporting Code and Category Monthly
  - q. Restitution Unknown - Disbursement Report Monthly
  - r. Restitution Unknown - Summary: All Reporting Categories Combined Monthly
  - s. Restitution Unknown - Summary: By Reporting Category Monthly
  - t. Restitution Unknown - Summary: By Reporting Code and Category Monthly
  - u. Restitution- Summary of the number of cases & dollars recovered by Rate Code Monthly
4. ESTATE
- a. Estate - Disbursement Report Monthly
  - b. Estate - Summary: All Reporting Categories Combined Monthly
  - c. Estate - Summary: By Reporting Category Monthly
  - d. Estate - Summary: By Reporting Code and Category Monthly
  - e. Summary Referral & Verification Worksheet Monthly
  - f. Summary Claiming & Deposits Worksheet Monthly
  - g. Undue Hardship Decisions Report Monthly
5. TRUST
- a. Trust - Disbursement Report Monthly
  - b. Trust - Summary: All Reporting Categories Combined Monthly
  - c. Trust - Summary: By Reporting Category Monthly
  - d. Trust - Summary: By Reporting Code and Category Monthly
  - e. Summary Referral and Verification Worksheet Monthly
  - f. Summary Claiming & Deposits Worksheet Monthly
6. HEALTH INSURANCE
- a. Disbursement Report - Acute Monthly
  - b. Disbursement Report - LTC Monthly
7. MEDICARE DISALLOWANCE

 <b>AHCCCS</b>	<b>Attachment A: Periodic Report Requirements</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 70	
	<b>Request for Proposal</b>	OF 75	

- a. Medicare Disallowance Provider Recoupment Report Quarterly
- b. Medicare Disallowance Fee for Service Processing Report Quarterly
  
- 8. OTHER

  - a. Hearings, Grievances, and Litigation Report \* Monthly
  - b. Subpoena Report \*\* Monthly


  
- 9. STATISTICAL REPORTS:

  - a. Casualty - the number of cases referred to the contractor and the disposition of the referrals Monthly
  - b. Casualty - the number of cases opened and closed during the month and the reason the case was closed Monthly
  - c. Restitution - the number of cases referred to the contractor and the disposition of the referrals Monthly
  - d. Restitution – the number of cases opened and closed during the month and the reason the case was closed Monthly
  - e. Estate – the number of cases opened and closed during the month and the reason the case was closed Monthly
  - f. Trust - the number of cases opened and closed during the month and the reason the case was closed Monthly
  - g. TEFRA – the number of NOIs sent, the disposition of the notices released and the reason of the release of the Lien Monthly

\* To include, at a minimum, the case name, cause number, grievance number, opposing counsel, case issue, Member name and identification number (if applicable), actions taken on the case through the end of the reporting period and case disposition (e.g. settled or withdrawn, amount of settlement).

\*\* This report shall include, at a minimum, case name or caption, Member name, receipt date, requester organization, due date, response date, status (open or closed).

[END OF ATTACHMENT A]

	<b>Attachment B: Examples of Contractor Activities by TPL Source</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 71	
	<b>Request for Proposal</b>	OF 75	

The following are examples of specific activities the Contractor will be involved in to adequately meet the contract requirements. The first list describes activities common to all TPL sources. The lists describing the activities unique to each TPL source follow this. These activities are subject to change during the term of the contract:

***Activities common to all TPL sources:***


1. Maintain each case file in accordance with the “Standard File Organization” guidelines
2. Process referrals within 5 days of receipt and provide monthly reports
3. Research and document cases with potential TPL recoveries
4. Obtain and pay for all legal representation necessary for legal matters prior to a State Fair Hearing.
5. Report case fact and recovery data to AHCCCS
6. Provide financial reports to AHCCCS on recoveries, including reconciliation of dollars recovered vs. disbursed
7. Provide financial reports to AHCCCS for reporting federal share of recoveries to CMS
8. Maintain confidentiality of system and hard copy case files
9. Archive cases in accordance with state requirements
10. Provide management reports on status of recoveries
11. Develop and maintain policies and procedures for all activities
12. Provide financial reports for disbursing all recoveries
13. Provide technical assistance and training to AHCCCS Health Plans and Program Contractors
14. Act as a clearinghouse for all referrals and, on a scheduled basis, produce reports by referral type.
15. Provide recovery information in the form and format prescribed by AHCCCS
16. Comment on proposed changes in state and federal legislation, rules, policies and procedures
17. Research, analyze and implement proposed or required program changes
18. Report potential duplicate contracts and payments to Fraud and Abuse
19. Interface with the Health Plans and Program Contractors as necessary (i.e. requesting medical records)
20. Avoid potential duplicate recoveries through estate and/or trusts or other programs
21. Recommend and develop new recovery programs and procedures
22. Submit recommended changes to State statutes, Rules, policy, State Plan, and Action Plan as a change would become known or as requested.

***Casualty***

1. File, amend and release Liens in accordance with A.R.S. § § 36-2915 and 36-2916
2. Calculate and report AHCCCS Lien and claim amounts
3. Recommend settlement amounts to AHCCCS, and then settle claim amounts in accordance with AHCCCS directions.
4. Notify AHCCCS of non-compliance of referral sources

***Restitution***

1. Calculate and report AHCCCS claim amount to Adult Probation on Officers;
2. Maintain monthly balances on open cases;

	<b>Attachment B: Examples of Contractor Activities by TPL Source</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
	SOLICITATION NO.: <b>YH08-0009</b>	PAGE 72	
	<b>Request for Proposal</b>	OF 75	

3. Provide monthly report that identifies the current balance of amounts due on open cases.

### ***TEFRA***

1. File, amend and release Liens in accordance with the A.R.S.
2. Calculate and report AHCCCS Lien and claim amounts;
3. File demand notices and claims for payment;
4. Administer hardship process and reporting in accordance with AHCCCS policy and procedures.

### ***Estate***

1. Perform active estate identification monthly by date of death reports, court records, obituaries etc.
2. Administer hardship process and reporting in accordance with AHCCCS policy and procedures
3. File demand notices and claims for payment
4. Recommend needed legislation to enhance recoveries.

### **Probate**

1. If AHCCCS is appointed the Personal Representative in a probate, act as the Personal Representatives agent.
2. Engage a local attorney to act as outside legal counsel to the Personal Representative.
3. Engage local Realtor(s) to market the real estate in the estate.
4. Make recommendation to AHCCCS in regard to opening probate as a creditor of the estate.
5. Make recommendation to AHCCCS in regard to the valuation of the property in the estate
6. Coordinate the sales activities of the probate assets with the Realtor.
7. Recommend sale opportunities to AHCCCS, and complete the sale in accordance with AHCCCS directions.
8. Close the probate case when the estate proceeds have been disbursed.

### ***Trusts***

1. Perform active trust recovery monthly.

### ***Health Insurance / Data Matches***

1. Perform data matches
2. Update the third party coverage file monthly in proper format
3. Process claims
4. Conduct reporting
5. Disburse payments on monthly basis



**Attachment C: File Formats**

SOLICITATION NO.: **YH08-0009**

**Request for Proposal**

PAGE  
73

OF  
75

**AHCCCS**

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

Process	VPN File Name	Length of file	Average Record Count	Frequency
DOWNLOAD TPL REFERRAL FILE	PCG\RCP\TPLOUT\PROD\YYMMDD.TPL	340	150	Daily
UPLOAD VERIFIED TPL FILE	PCG\RCP\TPLIN\PROD\YYMMDD.TPL	340	150	Daily
DOWNLOAD TPL OUTSTANDING REFERRAL FILE	PCG\RCP\TPLOUT\PROD\YYMMDD.OUT.REF	340	15700	Monthly
CMS EDB RESPONSE FILE	PCG\RCP\EDBOUT\EDB.DAT	1005	132000	Monthly
TPL RECORDS THAT HAVE BEEN LINKED	PCG\RCP\TPLOUT\PRODYYYMM.LNK.TXT	67	<10	Monthly
DOWNLOAD QUARTERLY TPL REF	PCG\RCP\TPLOUT\PROD\YYMMDD.ELG	75	3100000	Quarterly
SEMI ANNUAL VERIFICATION	PCG\RCP\TPLOUT\PROD\YYMMDD.SAT	340	17400	Semi-Annual
UPLOAD VERIFIED TPL REF FILE	PCG\RCP\TPLIN\PROD\RFCARID	196	3700	Weekly
DOWNLOAD TPL CAR ID FILE	SHAREINFO\REFERENCE\OUT\PROD\RFCARID	196	3700	Weekly
COST AVOIDANCE	PCG\RPT\HP.OTHINS\MEYYYYMM.TXT	85	16000	Monthly
DOWNLOAD QTR TPL OTH INS FILE	PCG\RPT\HP.OTHINS\QEYYYYMM.TXT	85	3400	Monthly
BENDEX INPUT PROCESSOR		800	18000	Semi-Monthly
SMIB INPUT PROCESSOR		152	134000	Monthly
HIB INPUT PROCESSOR		152	1000	Monthly
PROCEDURE EXTRACT		80	147000	On Request
ESTATE RECOVERY TAPE		1000	3000	Monthly
ESTATE RECOVERY TAPE-DOD		195	700	Monthly
EXTRACT RIDL DATA		4584	470000	Monthly
EXTRACT CLAIMS DATA		2524	325000	Monthly
RP FILE EXTRACTS-ALTERNATE IDS		63	11500000	Monthly
RP FILE EXTRACTS-ENROLLMENT		404	225000	Monthly
RP FILE EXTRACTS-DEMOGRAPHICS		167	4700000	Monthly



**Attachment C: File Formats**

SOLICITATION NO.: **YH08-0009**

**Request for Proposal**

PAGE  
74

OF  
75

**AHCCCS**

Arizona Health Care Cost Containment  
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

RP FILE EXTRACTS-ADDRESS		153	4500000	Monthly
TPL POTENTIAL ACCIDENT RPT		281	10000	Monthly
RP MEDICARE COVERAGE EXTRACT FILES		73	2200000	Monthly
EXTRACT CLAIMS DATA				On Request

**Intentionally left blank.**