



TASK ORDER

AHCCCS TO# YH26-0071

PROJECT TITLE
FFY 2025 Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII)
Performance Measure Calculations and Reporting

Issue Date:	February 23, 2026
AHCCCS Procurement Officer:	Cynthia Smolens, Sr. Procurement Specialist Email: procurement@azahcccs.gov
Questions Due: ANSWERS TO QUESTIONS WILL BE SHARED FOR THE BENEFIT OF ALL POTENTIAL RESPONDENTS.	March 5, 2026 by 3:00 PM Arizona Time
TASK ORDER PROPOSAL DUE DATE:	March 26, 2026 by 3:00 PM ARIZONA TIME

RESPONSE SUBMISSION REQUIREMENTS:

This Task Order is open to all Contractors under the following contract: Statewide Healthcare and Employee Benefit Consulting Contract, statewide solicitation BPM005207.

Any resultant award of this project will be added to your contract through Purchase Order release (for the Statewide contract). AHCCCS reserves the right to accept whole or partial responses from one or more respondents.

Submit your response electronically via **email** to the procurement officer listed above. Do not submit anything considered “proprietary” or “confidential.” Make sure the subject line of your response email reads: **“YH26-0071 Task Order Response”** along with your company’s name.

Late responses will not be considered.

SCOPE OF WORK

1 PROJECT TITLE:

FFY 2025 Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) Performance Measure Calculations and Reporting

2 PROJECT TIMELINE:

Date of Task Order Award through June 30, 2027, unless otherwise extended by mutual agreement.

3 PURPOSE:

The purpose of this Task Order is to procure data collection, analysis, calculation, and reporting services on quality measures for AHCCCS' payment reform initiative, Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) program for the Federal Fiscal Year (FFY) 2025 Measurement Period.

4 BACKGROUND AND PROJECT DESCRIPTION:

4.1 One of AHCCCS' strategic priorities is to pursue and implement long-term strategies that bend the cost curve while improving member health outcomes. A critical tool in achieving this strategic priority is Value-Based Purchasing (VBP). VBP arrangements seek to reward providers through financial incentives for providing high-quality care to members while promoting value, meaning payments are tied to improving health outcomes while reducing the cost of care. AHCCCS VBP encompasses a variety of initiatives for payment reform including but not limited to:

4.1.1 State Directed Payments which require AHCCCS health plans to pay specific amounts to providers under their managed care contracts. The directed payments work to advance delivery system reforms and/or performance improvement initiatives.

4.2 The HEALTHII program is described below:

4.2.1 In March 2020, the Arizona Legislature passed, and Governor Ducey signed into law HB 2668 (Laws 2020, Chapter 46) which established a second assessment effective October 1, 2020. Monies from this assessment are to be deposited into the Health Care Investment Fund (HCIF) to 1) make directed payments to hospitals pursuant to 42 CFR § 438.6(c) to persons eligible for Title XIX services, 2) increase base reimbursement for services reimbursed under the dental fee schedule and physician fee schedule, and 3) to pay for the non-federal share of the costs for AHCCCS expenses to administer this program, not to exceed one percent of the total assessment monies collected. The HCIF assessment revenue, when matched with federal funds, will result in hospitals receiving approximately \$3 billion in directed payments, which after accounting for the HCIF collection amount, reflects a net increase of approximately \$2.3 billion. AHCCCS named the quarterly directed payments the Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) payments. AHCCCS received approval by the Centers for Medicare and Medicaid Services (CMS) through a 438.6(c) initiative which requires AHCCCS to recommend and track quality measures. Through a series of workgroup meetings from December 2021 - April 2022, AHCCCS engaged provider stakeholders to review and select quality measures that would tie HEALTHII payments to performance. Since November 2022, AHCCCS has engaged a health information technology vendor to calculate rates for each measure in the HEALTHII program.

Note: The list of measures below reflects the quality measures required for reporting to CMS only. The list of measures for HEALTHII is subject to change based on business needs; AHCCCS will provide updates related to the measures, as needed.

SCOPE OF WORK

- 4.2.2 HEALTHII Measures:
 - 4.2.2.1 HBIPS-3 Hours of Seclusion Use (Modified CBE # 0641)
 - 4.2.2.2 Percent of Residents Experiencing One or More Falls with Major Injury (Modified CBE # 0674)
 - 4.2.2.3 National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset Clostridium Difficile Infection (CDI) Outcome Measure (CBE # 1717).
 - 4.2.2.4 Patient Safety Indicators 90 (PSI 90) Patient Safety and Adverse Events Composite (CBE #0531)
 - 4.2.2.5 OP-18 Median Time from ED Arrival to ED Departure for Discharged ED Patients (CBE# 0496).
 - 4.2.2.6 30-Day Hospital-Wide All-Cause Unplanned Readmission Measure (CBE # 1789)

5 RESPONSIBILITIES/TASKS:

The Contractor shall:

- 5.1 Generate performance measure rates for AHCCCS' HEALTHII payment reform initiative. Calculate performance measure rates for measures listed in the background and project description section according to the relevant provider types.
- 5.2 Research and use the most current performance measure specifications publicly available to:
 - 5.2.1 Generate performance measure rates using multiple data sources:
 - 5.2.1.1 For National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset Clostridium difficile Infection (CDI) Outcome Measure (Modified CBE # 1717), HBIPS-3 Hours of Seclusion Use (Modified CBE # 0641), Percent of Residents Experiencing One or More Falls with Major Injury (Modified CBE # 0674), and OP-18 Median Time from ED Arrival to ED Departure for Discharged ED Patients (Modified CBE# 0496), collect necessary self-reported data from hospitals to calculate the measure per the specifications.
 - 5.2.1.2 For Patient Safety Indicators 90 (PSI 90) Patient Safety and Adverse Events Composite (Modified CBE #0531) and 30-Day Hospital-Wide All-Cause Unplanned Readmission Measure (Modified CBE # 1789), use AHCCCS provided claims data to calculate the measure per the specifications.
 - 5.2.2 Apply selected performance measure specifications to AHCCCS members to generate rates specific to the Medicaid population for the appropriate provider types.
 - 5.2.3 Calculate the FFY 2025 (October 1, 2024 to September 30, 2025) performance measure rates by hospital and in aggregate for each measure.
 - 5.2.4 Provide technical assistance to AHCCCS and participating facilities/providers as needed.
- 5.3 Ensure accurate, valid, and complete calculations of the performance measures.
 - 5.3.1 Conduct data validation activities to correct potential issues identified with measure results such as using AHCCCS claim data or external sources to ensure hospital reporting is reasonable and accurate.
 - 5.3.2 Conduct data audits of hospital member-level records related to performance measure calculations as required by AHCCCS.

- 5.3.3 Outreach to participating facilities and/or providers to research potential identified issues with measure results. For example, if the range of the median time for ED Arrival to ED Departure is 30-60 mins, but two hospitals are reporting 120 mins, the Contractor shall conduct specific outreach to validate that the figures were not reported incorrectly.
 - 5.3.4 Request and process additional data (e.g., claims data, facility/provider-reported data) to recalculate measure rates to correct any identified issues.
- 5.4 Develop and produce reports and spreadsheets that:
- 5.4.1 Describe the calculation method, including billing codes and related factors that impact each measure's calculation.
 - 5.4.2 Define/Outline the technical specifications for each measure.
 - 5.4.3 Recommend performance targets for each measure based on performance measure rates, inclusive of a description of the criteria used in evaluating the measure results and determining the target recommendations.
 - 5.4.4 Presents the calculated performance measure results by measure, with the aggregate results along with the detailed results by hospital.
- 5.5 Manage this work as follows:
- 5.5.1 Assign a single project manager as a point of contact throughout the project.
 - 5.5.2 Participate in an internal kick-off meeting held within 2-3 weeks of Task Order award and purchase order issuance, to:
 - 5.5.2.1 Initiate the project
 - 5.5.2.2 Finalize a detailed project schedule.
 - 5.5.2.3 Define any interim meetings prior to the final report and their purpose, attendees, and desired outcomes.
 - 5.5.3 Develop a project work plan for completion of this Task Order, commensurate with the project's duration and scope.
 - 5.5.4 Coordinate all meetings, documents, and communications with the AHCCCS project manager.
 - 5.5.5 Submit monthly progress reports for the duration of the Task Order.

6 OPTIONAL TASKS:

- 6.1 Evaluate performance measures, including current and potential replacement measures, to provide guidance as to the appropriateness of the measures for the selected population(s) as needed.
- 6.2 AHCCCS may decide to include additional performance measures that will result in the following required work:
 - 6.2.1 Research and obtain the most recent performance measure specifications using publicly available measure steward resources and information.
 - 6.2.2 Generate performance measure rates using the most appropriate data sources (e.g., claims and encounter data, electronic health record data, instrument-based data, management data, paper medical records, standardized patient assessments, and Health Information Exchange data, etc.). In some instances, this may require obtaining data directly from participating facilities/providers.

SCOPE OF WORK

- 6.2.3 Work with AHCCCS to generate measure rates for the appropriate years of data:
 - 6.2.3.1 Baseline year, if/when applicable.
 - 6.2.3.2 Performance years, including historical measure rates to capture data points from the initiation of a program, if/when applicable.
- 6.2.4 Recommend performance targets for each measure based on performance measure rates, inclusive of a description of the criteria used in evaluating the measure results and determining the target recommendations.

7 AHCCCS WILL:

- 7.1 Assign one to two points of contact (“AHCCCS project managers”) to coordinate all project work between the Contractor’s assigned single project manager.
- 7.2 Provide documentation and data to the Contractor for completion of the identified performance measures in the Task Order.
- 7.3 Provide a list of all participating providers and contacts for each payment reform program as needed.
- 7.4 Ensure staff availability to answer questions and/or provide guidance on activities related to the payment reform programs.
- 7.5 Issue payments based on monthly invoices received (Contractor’s invoicing instructions found in Section 12).

8 DELIVERABLES: (Note: Dates below are subject to change based on business needs).

The Contractor shall:

- 8.1 Submit a request/requests for required AHCCCS data (e.g., claims, encounters) to AHCCCS within two (2) weeks of project kick-off meeting.
- 8.2 Submit a technical guidance report as described in 5.4 to AHCCCS by September 15, 2026 for HEALTHII Year 6 (FFY 2027).
- 8.3 Submit a draft spreadsheet with all measure rates to AHCCCS by January 25, 2027 for HEALTHII Year 6 (FFY 2027).
- 8.4 Submit a draft narrative report outlining the process of data collection/sources, measure methodology, and calculation process to AHCCCS by January 25, 2027 for HEALTHII Year 6 (FFY 2027).
- 8.5 Submit the final spreadsheet with all measure rates to AHCCCS by February 22, 2027 for HEALTHII Year 6 (FFY 2027).
- 8.6 Submit the final narrative report to AHCCCS by February 22, 2027 for HEALTHII Year 6 (FFY 2027).
- 8.7 Submit monthly progress reports for the Task Order’s duration.

SCOPE OF WORK

9 HOW TO RESPOND TO TASK ORDER:

- 9.1 Required Elements:
 - 9.1.1 Cover letter with signature of authorized company representative, including contract number and contact information.
 - 9.1.2 Name and contact information of person responsible for response to this Task Order.

- 9.2 Experience and Capacity of the Firm and Key Personnel (Limit ten (10) pages excluding résumés):
 - 9.2.1 Experience of the firm working on projects with the same or similar scope of work.
 - 9.2.2 List experience and provide résumés of the proposed key staff expected to perform specific activities, including use of subcontractors.
 - 9.2.3 Capacity/availability of the firm to initiate services within the specified project timelines. Note: Resumes may be submitted separately as attachments at the Offeror's discretion. Resumes are not in place of section.

- 9.3 Methodology and approach (Limit ten (10) pages).
 - 9.3.1 Proposed methodology and approach that would be employed to handle the tasks of this project, including a description of how each of the minimum criteria established will be satisfied.
 - 9.3.2 A description of the mechanism(s) proposed to collect data and information for all measures, including measures that require self-reported data by hospitals.
 - 9.3.3 Proposed timeline for completion of requirements, with milestones, as detailed in Section 8 titled Deliverables, for completion of requirements.
 - 9.3.4 Proposed project work plan that will include brief project status updates, at a minimum, monthly, or more frequently if needed.
 - 9.3.5 Proposed conflict resolution process to address challenges as needed.

- 9.4 Pricing proposal
 - 9.4.1 Provide a total price for performance of the services listed in the above Scope of Work, including the performance of the Responsibilities/Tasks in Section 5 and submission of Deliverables in Section 8. Travel will not be reimbursable by the State. The total price shall include all costs associated with the delivery of the services. If any deliverables are revised, removed, or ultimately not required by AHCCCS, the changes will be incorporated through the execution of an Amendment, and the price will be adjusted accordingly. If a deliverable is removed, or an optional task is not required, the Contractor shall only bill for services completed. No additional fees will be paid by AHCCCS.
 - 9.4.2 Provide a total price for performance of the Optional Tasks listed in Section 6.

- 9.5 Submit your response electronically via email to the procurement officer listed on the front page with subject line "YH26-0071 Task Order Response" along with your company's name.

- 9.6 Do not submit anything considered "proprietary" or "confidential".

SCOPE OF WORK

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

10 EVALUATION CRITERIA AND AWARD:

- 10.1 Responses will be evaluated based upon the evaluation criteria listed below. The evaluation factors are listed in relative order of importance as follows:
- 10.1.1 Experience and Capacity of the Firm and Key Personnel.
 - 10.1.2 Methodology and Approach.
 - 10.1.3 Pricing proposal.
- 10.2 AHCCCS will evaluate responses and will award the Task Order to the Contractor(s) with the most advantageous response(s) based upon the evaluation criteria set forth above.

11 TERMS

- 11.1 AHCCCS may provide Protected Health Information (PHI) to the Contractor in connection with the project. Therefore, AHCCCS will use its own BAA. The attached AHCCCS HIPAA Business Associate Addendum is incorporated into this Task Order.

12 INVOICING:

The Contractor shall:

- 12.1 Submit monthly invoices to: AHCCCSDBFAdminPayables@azahcccs.gov
- 12.2 Track billable hours and submit invoices reflective of billable hours completed each month.
- 12.3 Each invoice shall have adequate supporting documentation attached as required by this Task Order.
- 12.4 Each invoice shall provide the following information:
 - 12.4.1 Name of Project: Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) Performance Measure Calculations and Reporting.
 - 12.4.2 Project Contact(s):
Georgette Chukwuemeka
Strategic Performance Administrator
Office of the Director
Georgette.Chukwuemeka@azahcccs.gov
P: 602-417-4916

Rod Freeman
Quality Strategy Analyst
Office of the Director
Rod.Freeman@azahcccs.gov
P: 602-417-4343
 - 12.4.3 AHCCCS' assigned Task Order, YH26-0071, and purchase order numbers.
 - 12.4.4 Description and date(s) of services performed for each fee.
 - 12.4.5 Signature of authorized person.

BUSINESS ASSOCIATE ADDENDUM

Updated April 2020

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

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

1. DEFINITIONS

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

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

- 2.1. Not use or disclose protected health information ("PHI") other than as permitted or required by this Addendum or as required by law.
- 2.2. Use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of protected health information other than as provided for by this Addendum.
- 2.3. Report to AHCCCS any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR §164.410, and any security incident of which it becomes aware in the following manner.
 - 2.3.1. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:
 - A. A description of the nature of the unauthorized use or disclosure, including the number of individuals affected by the unauthorized use or disclosure.
 - B. A description of the PHI used or disclosed.
 - C. The date(s) on which the unauthorized use or disclosure occurred.
 - D. The date(s) on which the unauthorized use or disclosure was discovered.
 - E. Identify the person(s) who used or disclosed the PHI in an unauthorized manner.

- F. Identify the person(s) who received PHI disclosed in an unauthorized manner.
- G. A description of actions, efforts, or plans undertaken by the Business associate to mitigate the harm of the unauthorized disclosure.
- H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure.
- I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and
- J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

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

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

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

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

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

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

5. TERM AND TERMINATION

- 5.1. Term: This Addendum is effective upon the effective date of the underlying Contract and shall terminate on the date AHCCCS terminates the contract for cause as authorized in paragraph (b) of this Section, or for any other reason permitted under the contract, whichever is sooner.
- 5.2. Termination for Cause: Business Associate authorizes termination of the Contract by AHCCCS if AHCCCS determines that Business Associate has breached a material term of this Addendum and Business Associate has not cured the breach or ended the violation within the time specified by AHCCCS.
- 5.3. Obligations of Business Associate Upon Termination: Upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate, with respect to PHI received from AHCCCS, or created, maintained, or received by Business Associate on behalf of AHCCCS, shall:

- 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities.
 - 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form.
 - 5.3.3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI.
 - 5.3.4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out in this Addendum that applied prior to termination; and
 - 5.3.5. Destroy or return to AHCCCS the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal and contractual responsibilities.
- 5.4. Survival: The obligations of Business Associate under this Section shall survive the termination of the Contract.

6. INDEMNIFICATION AND MISCELLANEOUS

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