



STATE OF GEORGIA
GEORGIA TECHNOLOGY AUTHORITY

REQUEST FOR PROPOSAL NUMBER GTA-000011

For

The Georgia Department of Community Health and The Board of Regents
of the University System of Georgia

Third Party Administration and System Integration

PROPOSALS DUE: April 19, 2001, 2:00 PM Eastern Standard Time

Proposal must be formatted as required in the RFP.

Information concerning this solicitation may be found at:

<http://www.gagta.com>

Then select "Request for Proposal", "Submit", "Edit", "Find in Page", enter RFP number, "Find Next", double click "Specifications"
This will have RFP Q&A and any clarifications, schedule changes, and other important information.

Bidders should check these electronic pages daily!

Questions should be directed to GTA Contracting Officer, Barry Shepard, via e-mail to:

bshepard@gagta.com

Instructions to Bidders

All spaces below are to be filled in and Proposal Letter on page two must be signed where indicated.
Failure to sign and return Proposal Letter may cause rejection of the proposal.

Company Name: _____

Contact Name: _____

Title: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: _____

(E-mail is the preferred method of communication.)

Submit Proposal to:
Georgia Technology Authority
100 Peachtree Street, Suite 2300
Atlanta, Georgia 30303-3404

Request for Proposal Posted to Internet: February 14, 2001

PROPOSAL LETTER

We propose to furnish and deliver any and all of the deliverables and services named in the attached Request for Proposals (RFP) for which prices have been set. The price or prices offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all the terms and conditions contained in the RFP. Any exceptions are noted in writing and included with this bid.

It is understood and agreed that this proposal constitutes an offer when accepted in writing the Department of Community Health (DCH); the Board of Regents (BOR) of the University System of Georgia; the Georgia Technology Authority (GTA); and the State of Georgia (state); and subject to the terms and conditions of such acceptance, this proposal will constitute a valid and binding contract between the undersigned and the state.

It is understood and agreed that we have read the state's specifications shown or referenced in the RFP and that this proposal is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all such state specifications. We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

It is understood and agreed that this proposal shall be valid and held open for a period of one hundred twenty (120) days from proposal opening date.

PROPOSAL SIGNATURE AND CERTIFICATION (Bidder MUST sign and return with proposal.)

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment, or services, and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of state and federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of the proposal, and certify that I am authorized to sign this proposal for the bidder. I further certify that the provisions of the Official Code of Georgia Annotated, Sections 45-10-20 et. seq., have not been violated and will not be violated in any respect.

Authorized Signature: _____ Date: _____

Print/Type Name: _____

Print/Type Company Name: _____

Table of Contents

| | |
|--|----|
| 1.0 INTRODUCTION | 6 |
| 1.1 PURPOSE OF PROCUREMENT | 6 |
| 1.2 BASIC GUIDELINES FOR THIS REQUEST FOR PROPOSALS | 19 |
| 1.3 SCHEDULE OF EVENTS..... | 20 |
| 1.4 RESTRICTIONS ON COMMUNICATIONS WITH STAFF..... | 21 |
| 1.5 ACRONYMS AND DEFINITIONS OF TERMS..... | 22 |
| 1.6 CONTRACT TERM..... | 22 |
| 2.0 BACKGROUND..... | 24 |
| 2.1 AGENCY OVERVIEW | 24 |
| 2.2 KEY BUSINESS FUNCTIONS AND PROCESS FLOW CHARTS | 24 |
| 3.0 SCOPE OF SERVICES | 34 |
| 3.1 INTRODUCTION..... | 34 |
| 3.2 OBJECTIVES OF THE PROCUREMENT..... | 34 |
| 3.3 VENDOR REQUIREMENTS AND CHARACTERISTICS..... | 35 |
| 3.4 PHASING OF WORK | 40 |
| 3.5 DEADLINES | 41 |
| 3.6 OUT OF SCOPE SERVICES | 41 |
| 3.7 DETAILED SERVICES REQUIRED | 42 |
| 3.8 DCH NETWORK DESCRIPTION | 43 |
| 4.0 INSTRUCTIONS FOR SUBMITTING A RESPONSIVE PROPOSAL..... | 44 |
| 4.1 GENERAL ORGANIZATION..... | 44 |
| 4.2 MINIMUM ADMINISTRATIVE SUBMISSION REQUIREMENTS..... | 44 |
| 4.3 ECONOMICAL PREPARATION AND CLARITY OF CONTENT..... | 45 |
| 4.4 PACKAGING AND NUMBER OF COPIES REQUIRED..... | 46 |
| 4.5 PREPARATION OF PROPOSAL PARTS..... | 46 |
| 4.6 PROPOSAL CONTENT REQUIREMENTS..... | 48 |
| 4.7 PROJECT MANAGEMENT APPROACH..... | 50 |
| 4.8 PROJECT APPROACH..... | 54 |
| 4.9 SECURITY AND DISASTER RECOVERY..... | 69 |
| 4.10 TURNOVER..... | 75 |
| 5.0 BIDDER EVALUATION AND CONTRACT AWARD..... | 78 |
| 5.1 BIDDER EVALUATION..... | 78 |
| 5.2 PROPOSAL MINIMUM SUBMISSION REQUIREMENTS REVIEW | 79 |
| 5.3 EVALUATION OF TECHNICAL PROPOSAL..... | 79 |
| 5.4 EVALUATION OF COST PROPOSAL..... | 80 |
| 5.5 RANKING OF BIDDERS..... | 82 |
| 5.6 NEGOTIATIONS AND BAFO | 82 |

| | | |
|------|---|----|
| 6.0 | PROCUREMENT TERMS AND CONDITIONS | 83 |
| 6.1 | VENDOR REGISTRATION..... | 83 |
| 6.2 | RFP AMENDMENTS..... | 83 |
| 6.3 | PROPOSAL WITHDRAWAL..... | 83 |
| 6.4 | PERIOD OF PERFORMANCE..... | 84 |
| 6.5 | CONTRACT ADMINISTRATION DATA | 84 |
| 6.6 | COST FOR PREPARING PROPOSALS..... | 84 |
| 6.7 | CONTRACT | 84 |
| 6.8 | CONFLICT OF INTEREST | 85 |
| 6.9 | CONFIDENTIALITY REQUIREMENTS..... | 85 |
| 6.10 | MINORITY BUSINESS POLICY AND TAX INCENTIVE..... | 85 |
| 6.11 | RECIPROCAL PREFERENCE LAW | 86 |
| 6.12 | POLICY ON DRUG-FREE WORKPLACE..... | 86 |
| 6.13 | AMERICANS WITH DISABILITIES ACT (ADA) GUIDELINES..... | 86 |
| 6.14 | FINANCIAL INFORMATION | 86 |

List of Appendices

| | |
|------------|---|
| Appendix A | Schedule of Events |
| Appendix B | Directions to Bidders' Conference |
| Appendix C | Acronyms and Definitions of Terms |
| Appendix D | State Health Benefit Plan (SHBP) |
| Appendix E | Board of Regents Health Program (BORHP) |
| Appendix F | Medicaid |
| Appendix G | PeachCare for Kids |
| Appendix H | Project Stages, Milestones, and Deliverables |
| Appendix I | Performance Standards and Goals |
| Appendix J | Functional Requirements Matrices |
| Appendix K | References |
| Appendix L | Cost Proposal Requirements |
| Appendix M | Certification Regarding Lobbying Form |
| Appendix N | Contract Terms and Conditions |
| Appendix O | Mandatory Minimum Contractor Requirements |
| Appendix P | Description of DCH Computer System and Communications Equipment |
| Appendix Q | Description of BOR Computer System and Communications Equipment |
| Appendix R | State of Georgia Portal Strategy |

1.0 INTRODUCTION

1.1 PURPOSE OF PROCUREMENT

1.1.1 Summary of Scope of Services

The Georgia Technology Authority (GTA), the Georgia Department of Community Health (DCH), and the Board of Regents (BOR) of the University System of Georgia are seeking the services of a prime contractor/system integrator, henceforth referred to as the prime contractor, to design and implement new information systems; to provide claims and customer service, and to provide administrative support for all of its health benefit programs, including Medicaid. Additionally, the prime contractor will be responsible for managing all proposed subcontractors that are included in its proposal to accomplish the functions described in this RFP. The following benefit programs are included in this scope of services:

- State Health Benefit Plan (SHBP) consists of approximately 570,000 members¹ in indemnity and Preferred Provider Organizations (PPO) plans and Health Maintenance Organizations (HMO);
- Board of Regents Health Plan (BORHP) consists of approximately 90,000 members in indemnity and PPO plans and Health Maintenance Organizations (HMO); and
- Medicaid and PeachCare for Kids consist of approximately 1.1 million members.

Please see Section 3, Scope of Services, for specific details.

Please note that any reference to the DCH in this document also implies BOR, unless otherwise specifically noted.

1.1.2 Strategic Objectives of Procurement

The GTA and DCH emphasize that it is not the goal of this procurement to merely replicate, or even incrementally improve, existing administrative systems and processes. Rather, the procurement has the fundamental goal of selecting a prime contractor that will support the GTA and DCH in achieving major improvements in program administration, including attainment of the following strategic objectives:

¹ **IMPORTANT:** *The prime contractor will be responsible for paying claims and providing customer and provider service for approximately 398,000 members in SHBP, and approximately 75,000 in BORHP. The prime contractor will be responsible for supporting open enrollment for an additional 172,000 HMO enrollees for SHBP and approximately 15,000 HMO enrollees for the BORHP.*

1.1.2.1 Access to, and Consolidation of all Program Data in Real-Time

To support its mission to improve the healthcare of Georgians, the DCH requires real-time access to all of its financial and healthcare data across multiple information systems, including the ability to quickly and easily retrieve and consolidate eligibility, provider, medical management, claims, and pharmacy data from transaction processing information systems. The DCH wishes to emphasize that much of this data resides in systems outside of the claims administration systems (i.e., separate medical management and pharmacy benefit manager systems). Such data is extremely valuable in identifying and responding to emerging trends, and in supporting advanced care management initiatives that depend upon real-time data, such as case and disease management.

1.1.2.2 Single, Electronic Point of Entry for all Transactions for all Members and Providers

The DCH needs to implement a common set of tools that will allow all of its members and providers to conduct common transactions in a uniform, electronic, and easy-to-use manner. At a minimum, these common transactions include member enrollment and disenrollment, eligibility inquiry, premium payments, claims submission and inquiry, payments and remittance advices, etc.

1.1.2.3 Consistency of Programs across the DCH Populations

The DCH wishes to implement common information systems and data across patient populations, in order to achieve consistency, with regard to healthcare quality measurement and management. This RFP extends this goal directly to include claims administration and customer service, and indirectly, to functions such as care management. It is the goal of DCH to utilize innovative healthcare approaches for all of its health benefits programs that mirror the best approaches seen in the private sector.

1.1.2.4 Simplification of Program Administration

The DCH staff needs to focus their efforts on monitoring and improving the health status of Georgians. The DCH requires a prime contractor that can assume responsibility for the routine management of its complex, multi-vendor environment. As depicted in Section 2.0 of the RFP, the vendors supporting SHBP include UniCare, Magellan, the Joint Venture, and (in the near future) a National PPO organization. The vendors supporting BORHP include Magellan/Greenspring; BCBSGA managing mental health and substance abuse for the indemnity plan; MedCall (via UniCare); UniCare utilization management;

and the Joint Venture. Current vendor contracts with DCH and BOR will be allowed to run their course (most are for another 2–3 years). When these vendor contracts are re-procured, they will be transferred to the prime contractor/system integrator who will take over their management on behalf of the DCH and BOR. In the future, as contracts with other vendors are acquired, they may become part of the prime contractor’s responsibility. The scope of services that are immediately part of this procurement, and should be priced as part of this procurement, includes management of all contractors (excluding ESI and MEDSTAT), as well as the services currently provided by EDS for Medicaid and PeachCare for Kids, and BCBSGA for SHBP and BORHP. Until DCH’s other vendor contracts are re-procured, and management responsibilities are assumed by the prime contractor, the prime contractor will still be responsible for integrating these vendors in the development and implementation of the new system. In addition, this procurement includes replacing the MEMS eligibility system currently used for SHBP.

1.1.2.5 Continuous Improvement in Program Administration

The DCH requires a prime contractor that will employ best practices in quality management to ensure that administrative performance is consistently and comprehensively measured across all of the DCH’s contractors, and that effective steps are taken to continuously improve the performance of these operations. The DCH emphasizes that this responsibility for continuous improvement applies not only to claims administration but also to the overall set of contractors which, together, constitute the DCH’s health plan operations.

1.1.2.6 Cost Savings

The DCH cares for one of the largest groups of members in the nation. Given this, the DCH expects that by consolidating the management of its patient populations under a single prime contractor, the DCH should be able to realize significant cost savings based upon economies of scale and the elimination of redundant and inconsistent systems and processes.

1.1.2.7 Healthcare Improvement

The DCH requires a prime contractor to employ best practices in healthcare data and quality management ensuring that clinical performance is consistently and comprehensively measured across all of the DCH’s contractors, and that effective steps are taken to continuously improve the quality of care provided to SHBP, BORHP, Medicaid, and PeachCare for Kids members.

1.1.2.8 Technological Improvement

DCH is requesting, via this RFP, innovative and creative technology and operational solutions to accomplish DCH business functions. It is imperative to stress to potential vendors that DCH is not interested in traditional MMIS systems, nor standard commercial systems. Instead, DCH is looking for the prime contractor to propose an innovative solution that is flexible and scalable as requirements for DCH evolve over time. Additionally, as discussed later in the RFP, DCH requires continuous technology refresh assessment and replacement on an annual basis as needed.

1.1.3 Roles of Prime Contractor

Given these key strategic objectives, bidders must understand that the GTA and DCH expect the prime contractor to fulfill three key roles:

- Define and implement information architecture;
- Provide claims and customer services administration; and
- Manage other DCH contractors.

These three roles are described in detail below.

1.1.3.1 Define and Implement Information Architecture

The prime contractor will be responsible for defining and implementing information systems architecture to support the strategic goals of the DCH. The prime contractor will also be responsible for ensuring that its proposed information system strategies interface with the existing DCH/BOR information technology architecture. This includes the systems architecture for:

- claims administration systems, which will be under the direct control of the prime contractor;
- implementing real-time, electronic communications between all of the DCH's various systems, including claims administration and other systems not under the direct control of the prime contractor (i.e., care management, pharmacy benefit management, third-party liability, decision support data warehouses for both DCH and BOR); and
- implementing real-time, electronic communications with the DCH stakeholders (including members, providers, advocacy groups, etc.), including the capability to access DCH systems via the Internet using the portal being developed by the GTA.

In addition, the prime contractor will be responsible for evolving this architecture over time to support the changing requirements of the DCH and/or the BOR. Both DCH and BOR wish to take advantage of new and improved information technologies that will certainly emerge in the coming months and years.

1.1.3.2 Provide Claims Administration Services

The prime contractor will have a direct, on-going responsibility for providing claims administration and customer services for SHBP, BORHP, Medicaid, and PeachCare for Kids. The prime contractor/system integrator will assume this responsibility as of October 1, 2002 for Medicaid and PeachCare for Kids, no later than July 1, 2003 for SHBP, and no later than January 1, 2004 for the BORHP. Note that the prime contractor may provide these services via one or more sub-contracted organizations, but the DCH will require the prime contractor to assume direct responsibility for claims administration performance under the contract. A description of management of other contractors is made in the next paragraph.

1.1.3.3 Manage other Contractors

The prime contractor will be responsible for managing the performance of its subcontractors associated with this procurement. In this role, the prime contractor will provide technical assistance and direction to these other contractors to help them meet their own performance standards and to promote the efficiency and effectiveness of the overall DCH health plan system. As noted earlier, the prime contractor will eventually be responsible for managing all current DCH contractors, except MEDSTAT and ESI, as these vendor contracts are re-procured. Until that time, however, the prime contractor will still be responsible for the integration of these vendors as the new system is developed and implemented. See Section 2.0, Background, for a listing of these vendors.

1.1.4 Partnership with Prime Contractor

The GTA and DCH acknowledge that the services and capabilities sought in the prime contractor are significant and challenging. Given this, the GTA and DCH are seeking a business partnership relationship with the prime contractor that includes the following features:

1.1.4.1 Long-Term Relationship

Georgia law prohibits contracting for more than one fiscal year at a time. However, it is understood that pending sufficient funding, the initial contract term will be one (1) year, renewable annually for up to an additional four (4) years, with the possibility for two (2) additional one (1) year renewable extensions. This means that the DCH and the selected vendor could contract for up to seven (7) consecutive years before a competitive procurement is required. The BOR reserves its right to cancel its participation with the prime contractor at its discretion.

1.1.4.2 Compensation for Services

The prime contractor will be entitled to compensation for providing developmental and on-going support in the following areas:

- information systems architecture, development, and implementation; and
- claims administration and customer services, including the following functions:
 - staffing and management;
 - eligibility interfaces and verification;
 - processing eligibility information (eligibility and enrollment management will continue to be the responsibility of the DCH);
 - processing pended and suspended eligibility transactions from the various Medicaid eligibility determination systems;
 - benefit and fee schedule management;
 - procedures and controls for documentation storage, mail, inventory control, and retrieval;
 - service authorization management and interfaces;
 - claims processing and payment for both paper and electronic claims;
 - pended/suspended claims management;
 - adjustment claims;
 - quality assurance;
 - coordination of benefits and limited third party identification;
 - staff training;
 - provider capitation;
 - provider services;
 - member services;
 - workflow management and documentation;
 - performance standards and productivity measurement;
 - compliance with DCH policies and procedures;
 - integration with care management;
 - sophisticated auditing of provider billing and utilization practices;
 - call center management and performance reporting;
 - support for grievance and appeals management and tracking;
 - management reporting and monitoring;
 - member satisfaction surveys;
 - managing the other contractors;
 - profiling the estimated costs of benefit plan changes by modeling the impact of changes using historical claims data and maintaining all necessary documentation in compliance with any changes;
 - financial interface with state accounting system;
 - interface with decision support system vendor, and provide query tools for ad hoc reports out of the new MIS system;
 - interface with BOR data warehouse;
 - interface with HMOs providing services to the BORHP as part of handling the Q-Care eligibility system responsibilities;

- interface with the Department of Human Resources (DHR) Division of Public Health immunization tracking system, and the Georgia Registry and Immunization Tracking System (GRITS). This system is not operational yet but will be by the time the new system is implemented. This system will capture immunization information from all of the public health departments across the state via a web application. The extent of the interface with the prime contractor is not certain at this time; however, DCH believes it will be limited to exchange of eligibility information between the prime contractor and the GRITS vendor.
- Interface with the Composite State Board of Medical Examiners—Physician licensing and GBHC credentialing system. The prime contractor will need to accept a monthly file of activity relating to the licensing of physicians. This includes new approvals as well as providers who have been suspended or have lost their licenses. The prime contractor should include this information on all provider databases used to process claims for all DCH programs. Conversely, the prime contractor will need to provide a monthly extract of provider information to support the GBHC program. At this time the monthly extract is for all new providers who have joined the Medicaid program.

1.1.4.3 Potential to Share in Cost Savings

On an on-going basis, DCH may ask the prime contractor to implement cost savings initiatives. To the extent that these initiatives are able to produce significant, measurable cost savings, DCH may request that the prime contractor reduce its fees in recognition of those cost savings. However, as an incentive to the contractor to effectively implement the cost savings initiatives, DCH will share five (5) percent of the administrative (i.e. non-medical) cost reductions to the DCH/BOR achieved by the prime contractor. Assuming that these initiatives continue to produce cost savings over time, then the prime contractor will receive these shares of cost reductions for the life of the contract or as long as the initiative is still relevant to accomplishing the overall DCH/BOR business function, whichever is achieved first.

1.1.4.4 Role of Government Project Team

The Georgia Technology Authority, the Department of Community Health and the Board of Regents will have distinct roles in the procurement and implementation of the proposed system. The following is a description of the roles and responsibilities of each entity.

GTA

The GTA contracting officer will be the only authorized single point of contact for any contract changes (via written amendments only). A project manager will be assigned by the GTA for project oversight during the procurement and implementation phases.

DCH

The Department of Community Health will have a project manager who will be the main contact for all day-to-day matters relating to the procurement, development, implementation, and operations of the DCH Third Party Administration and System Integration Project. Also, an information systems project coordinator will be assigned full-time to serve as backup to the project manager, and to coordinate activities among the contractors and all the internal and external DCH entities. Numerous other DCH staff and representatives from the BOR will be participating in the procurement and implementation effort on a full and/or part-time basis. Subject matter experts will be assigned from each DCH/BOR major functional areas.

DCH/BOR Overall Responsibilities

Some of the major responsibilities for the DCH during the duration of the contract are listed below:

- Define, determine, and interpret all program policy for the Georgia Medical Assistance Program, the State Employees Health Benefits Plan, and Board of Regents Health Plan to provide policy information to the contractor;
- Determine all coverage policy and limitations for services covered under the Georgia Medical Assistance Program, PeachCare for Kids, and SHBP. The BOR will determine all coverage policy and limitations for services covered under the BORHP;
- Define the services that require prior approval (prior authorization) or pre-certification;
- Identify services not covered under the Georgia programs;
- Establish all rates and fees associated with the procedure formulary function;
- Provide Georgia-specific procedure codes to the contractor with appropriate database information;
- Approve the procedures established for any additions, changes, or deletions to reference data elements;
- Establish and provide to the contractor all reimbursement rates to be paid to providers for services rendered to eligible and enrolled members;
- Establish and approve policies governing usage of all coding schemes, including procedure, diagnosis, and other coding schemes required by DCH;
- Approve all explanation of benefits (EOB) text to ensure and maintain clarity for the member correspondence;

- Determine contractor performance standards, including but not limited to:
 - Timeliness of payment processing;
 - Accuracy of payments;
 - Media of reporting requirements;
 - System documentation requirements;
 - System maintenance (coding, testing, etc.); and
 - Keying accuracy.
- Define the qualifications for staff employed by the contractor to perform professional responsibilities and specify DCH's right to review and intervene in the event there is question about such staff's qualifications;
- Determine the minimum required data that must be obtained and managed by the contractor, including the availability of such data to DCH, and the storage and destruction requirements for all data maintained;
- Determine the type, frequency, and method for all reporting by the contractor;
- Working with the GTA, establish hard copy and electronic versions of document imaging and workflow technology, disc, and electronic claim retention and retrieval standards;
- GTA, DCH and the BOR will define the technology specifications required by the contractor for interface with DCH, other DCH contractors or entities with whom information sharing is necessary to fulfill contract obligations;
- Specify the contractor's responsibilities for identification, development and maintenance of system capabilities to support the contractor's functions and all reporting required by the contractor to support operational activities or by DCH for quality control, performance evaluation and to support payment to the contractor;
- Working with GTA, review and approve contractor's security management plan, quality assurance standards, and any other materials required by the contract to be developed by the contractor and approved by DCH;
- Establish contractor performance indicators and outcome measures to be monitored and reported to DCH by the prime contractor that DCH will use to evaluate contract performance and approve contract payment;
- Establish the guidelines for contractor submission of cost saving enhancements and approve proposals for value-added enhancements eligible for shared savings reimbursement;
- Establish reductions in reimbursement for failure by the contractor to meet minimum performance standards, and a grievance procedure the contractor can follow in the event a reduction is invoked;
- Evaluate the contractor's performance according to established performance standards and request corrective action and/or apply reductions in reimbursement and damages if necessary;
- Establish time frames for contract performance and policies for amendment, termination and renewal;
- Assist in resolution of inter-contractor conflicts when the prime contractor is unable to resolve conflicts;
- Act as intermediary for correspondence and interaction between the prime contractor, the subcontractors, and HCFA;

- Identify DCH internal users and outside contractors who will have access to DCH databases and the level of access to be provided (i.e., inquiry only, inquiry and update, etc.);
- Conduct DCH status meetings concerning operation and contractor performance at least weekly during implementation and on a DCH-specified schedule during operations;
- Monitor the contractor's performance of all contractor and subcontractor activities.

DCH/BOR Responsibilities During Implementation

During the implementation phase of the contract, GTA/DCH/BOR will be responsible for the following:

- Provide access to current MMIS documentation and the Medicaid State Plan;
- Provide policy guidelines and identify any restrictions or service limitations;
- Respond to contractor inquiries related to program policy and DCH data;
- Provide state resources as agreed to in the detailed implementation plan;
- Support contractor's effort to establish necessary communication linkages between various state offices;
- Assist the contractor in identifying the source(s) of data for various databases;
- Approve project site(s) for performance of all contract activities;
- Approve prime contractor staffing plans and key personnel;
- Review and approve the detailed implementation to ensure the development methodology includes appropriate linkages with other DCH contractors and a system for review of each contractor's application and data needs within the context of the overall DCH;
- Review and approve all plans required as part of the standard contract;
- Review and approve project control and status reporting protocols;
- Review and approve draft and final contract deliverables and provide timely feedback;
- Review and approve conversion plan;
- Approve final structured system test plan;
- Approve final operations readiness/operability test plan;
- Approve final acceptance test scenarios and acceptance test transactions;
- Provide state and consultant resources to review acceptance test results;
- Approve test results;
- Inform contractor of error situations;
- Review and approve contractor's resolution and results from re-test;
- Review and approve contractor's corrective action plan;
- With the assistance of the DCH procurement consultant, review and approve operations readiness and operability check-off matrices;
- Review the operations readiness test results and problem list of outstanding issues and problems resulting from the operations readiness test;
- Provide official approval to proceed to the next project task upon completion of activities in the previous task.

DCH/BOR Responsibilities During Operations

During the operations phase of the contract, DCH will be responsible for the following that apply to all aspects of the contract:

- Provide the contractor with information and requirements for implementing new policies and procedures or implementing changes in policy The BOR will provide the contractor with information related to its plan policies and procedures;
- Monitor the content of error messages to ensure clarity in interpretation;
- Provide the policy and approve updates to the edit/audit criteria database;
- Define alternative pricing methodologies to be implemented in the future;
- Define claims data requirements for standard and state-unique claims;
- Provide written approval of the format of electronic media claims;
- Review financial reports;
- Provide or approve text for remittance advice messages;
- Notify the contractor when slow response times and system unavailability become apparent to users;
- Assist in the resolution of any conflicts and issues with other state agencies interfacing with the MIS, along with the review and input of the BOR;
- Review and approve hardware, software and application changes, including continuous and ongoing technical refresh evaluation;
- Prepare and submit to the contractor a written system change request for changes initiated by state staff;
- Receive and review system change requests initiated by contractor staff;
- Review and approve system change requests;
- Determine priority for contractor completion of system change requests, and return approved requests to the contractor with priority assigned;
- Assist the contractor in conducting a detailed requirements analysis on any major changes required;
- Review and approve the requirements specifications document;
- Review and approve the detailed design for changes, when one is required;
- Monitor contractor maintenance and modification activities;
- Review and approve test plans and results;
- Review and approve updates to system documentation;
- Review and approve updates to user documentation and operations procedures (if required);
- Approve implementation of system changes;
- Review and approve changes to format and content of standard reference reports, both printed output and on-line displays;
- Approve changes to rates, billing codes, authorization codes and edit/audit values contained in the reference files;
- Review, approve, and monitor quality control policies and procedures for the prime contractor and all subcontractors;

- Validate the performance of the prime contractor and all subcontractors and approve payment/assess liquidated damages according to the contractor's performance
- Review and approve quality standards, quarterly quality plan and monthly quality reports;
- Submit and obtain approval from HCFA of a cost allocation plan.

1.1.5 Key Information Architecture Enablers

GTA and DCH require a prime contractor with the creativity, vision, and technology competencies to create and implement architectures that effectively support these strategic objectives. Given this, GTA and DCH do not intend to dictate to the prime contractor at a detailed level how these objectives will be achieved. However, based on current industry trends and regulatory developments, the GTA and DCH strongly anticipate that the following will form key foundational elements of the new information architecture created by the prime contractor.

1.1.5.1 Maximum use of the Internet and e-Commerce

The DCH anticipates that the prime contractor will depend primarily on the Internet to promote the broad and rapid acceptance of the DCH's e-commerce solutions. This is especially true given the need to integrate these solutions with the GTA's Internet portal (see **Appendix R** for more information). In turn, these e-commerce solutions will increase the speed of processing, reduce transaction turnaround times, reduce administrative errors, and reduce paper-based transactions and associated costs.

1.1.5.2 Leveraging the Health Insurance Portability and Accountability Act (HIPAA) Standards

In addition to requiring that the prime contractor ensure compliance with all HIPAA standards across all DCH programs, including transaction, common identifier, and privacy and security standards, by the effective date of those rules, the DCH anticipates that the prime contractor will not only comply with the rules, but will leverage these rules to achieve consistency in data collection, validation, storage, retrieval, and consolidation across all the DCH health plans.

1.1.5.3 Use of open Systems Technologies

In addition to using the Internet to promote e-commerce acceptance by members, providers, and other external stakeholders, the DCH anticipates that the prime contractor will define an information architecture that heavily leverages open systems technologies for making connections between all DCH systems

(including claims, medical management, reporting, etc.). This architecture should foster the DCH's ability to rapidly select, implement, and integrate 'best of breed' vendors into its overall operations.

Note, that in this proposal, "open" and "modern" mean two things. First, DCH requires systems in which functionality can easily be extended or modified (i.e., via modifications by non-programmers to logic tables or, failing that, by modifications by programmers to code). Second, DCH requires systems that are able to communicate easily with other systems using industry-standard communications protocols at all layers of functionality (i.e., transport, presentation, and application). DCH expects, for example, support for TCP/IP at the lower levels, and support for several program-to-program communications protocols, including HTTP for web-enabled functionality.

1.1.5.4 Use of Modern and Flexible Information Technologies

DCH anticipates that the prime contractor will implement information systems that are highly flexible, based on the use of relational data base management systems, table-driven logic, object- or component-based design, and modern user and data interfaces. On the other hand, to the extent any legacy systems are used, the DCH requires that these will be 'wrapped' as objects, and will communicate via web-based and open systems interfaces. Use of legacy systems is not viewed favorably by DCH, however the prime contractor may propose the use of such systems as part of their technical solution.

1.1.5.5 Continuous Technology Refresh and Upgrades

This RFP requires the prime contractor to continuously look for ways of improving delivery of services to DCH clients via both technology and service delivery upgrades. The prime contractor must provide the DCH with an approach to keeping the system(s) current with industry standards and future information technology. The prime contractor must submit an annual technology assessment report and recommendations for improvement to the DCH/BOR, in July. Industry standard software and hardware upgrades to networking and information technology (IT) infrastructure must be provided to the DCH without additional cost. New developments in healthcare information processing technology must be presented to the DCH by the prime contractor. The prime contractor will be required to justify any additional costs associated with these upgrades.

1.1.5.6 Consolidation of application systems

Ideally, the prime contractor will employ maximum consolidation of information systems across the DCH's member populations. This means, for example:

- the prime contractor would provide claims administration support for SHBP, BORHP, Medicaid, and PeachCare for Kids, using a single, claims administration application system; and
- failing the implementation of a single application system, the prime contractor must at least provide the appearance of a single application system using a consolidated set of web-based interfaces and open systems interfaces to enable the real-time consolidation of data across application systems.

Further, in the case of multiple claims administration systems (i.e., one for SHBP and BORHP, and another for Medicaid, and PeachCare for Kids), the prime contractor will embed ‘wrapper’ logic that will direct transactions and inquiries to the proper system in a manner that is transparent to the user. For example, if a provider electronically sends two claims to the DCH (one for a BORHP member and one for a Medicaid member), the ‘wrapper’ logic must automatically send each of these claims to the proper system and provide acknowledgement of receipt to the provider. This must be done in a seamless manner. To further elaborate, the term ‘wrapper’ refers to a web-based front-end application to the core claims administration and customer service applications. Rather than being invasive of the code in monolithic applications (i.e., a claims system), this application will add functionality with minimal changes to the core systems. This front-end will provide several services: 1) provide a consistent web-based interface for external users (providers and members) that is integrated with the GTA portal; 2) enable HIPAA-compliant transactions (i.e., claims submission, eligibility inquiry, etc.); and 3) in the event that two claims systems are used (i.e., one for Medicaid/PeachCare for Kids and another for SHBP/BORHP), provide logic to direct transactions to and from the correct application system.

We emphasize that when GTA standards and specification are released on the GTA Health Portal, the prime contractor will be expected to meet them and that these standards and specifications will become part of the portal.

1.2 BASIC GUIDELINES FOR THIS REQUEST FOR PROPOSALS

Pursuant to the provisions of the Official Code of Georgia Annotated 50-25-7.3, the GTA has determined that competitive sealed proposals shall be submitted in response, hereto, in the same manner as competitive sealed bids and shall be opened in the same manner as competitive sealed bids.

The proposals shall be evaluated in accordance with the evaluation criteria set forth in this RFP. Subsequent to the opening of the sealed proposals, discussions may be conducted by the GTA with responsible bidders (i.e., those who submit proposals determined to be reasonably acceptable of being selected for award). The purpose of such discussions is clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted (after submissions and prior to award) for the purpose of obtaining best and final offers.

In conducting any such discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders. The GTA contracting officer named below shall conduct all such discussions:

Barry Shepard, Contracting Officer
Georgia Technology Authority
100 Peachtree Street, Suite 2300
Atlanta, Georgia 30303-3404
Telephone: 404 463 2300 Fax: 404 463 2334
E-mail: www.bshepard@gagta.com

Award(s) shall be made to the responsible bidder(s) whose proposal(s) is determined in writing to be the most advantageous for the state, taking into account all of the evaluation factors set forth in this RFP. No other factors or criteria shall be used in the evaluation. The GTA reserves the right to reject any and all proposals submitted in response to this request.

1.2.1 State Technology Resource Agent

O.C.G.A. § 50-25-7.2 authorizes the GTA to act as the agent of any agency for any technology resource purchase exceeding \$100,000.00. All parties acknowledge and agree that during the term of this agreement, the GTA is authorized to act as agent for any state agency that is a party to this agreement, exercising any and all rights, powers, and responsibilities available to the principal agency and/or granted to the GTA by law.

1.3 SCHEDULE OF EVENTS

See **Appendix A**.

1.3.1 Bidders' Conference and Pre-Proposal Questions

The DCH will sponsor an optional Bidders' Conference with regard to this RFP on March 9, 2001, in Atlanta, Georgia, at a time and location to be announced at a

later date. Participation at the Bidders' Conference is limited to only two people attending from each bidder or subcontractor.

Any person with a disability who requires assistance with access to the Bidders' Conference or any other type of assistance to enable their participation in the conference should contact the Contract Officer, or use the Georgia Relay Center.

All questions, including oral questions, raised at the Bidders' Conference will not be considered officially answered until the DCH/BOR issues a written reply.

The DCH will accept written questions submitted by 5:00 PM EST on March 6, 2001. The early submission of written questions is encouraged.

Written questions may be sent via e-mail or by facsimile to meet this deadline. The DCH will only respond to questions raised at the Bidders' Conference and to those submitted in writing by the stated deadline. Bidder questions may be submitted to the following e-mail address or faxed to the following fax number:

E-mail Address: www.bshepard@gagta.com
Fax Number: 404 463 2370

It is the responsibility of the bidding organization to confirm DCH's timely receipt of any information relative to this procurement.

A written reply to all questions submitted during the Bidders' Conference, and those submitted by the above-stated deadlines, will be posted at the GTA website at www.gagta.com and at www.communityhealth.state.ga.us.

Telephone contact between potential bidders and GTA, DCH, or BOR is forbidden and may result in automatic disqualification of a potential bidder. All questions must be submitted to GTA in writing.

1.4 RESTRICTIONS ON COMMUNICATIONS WITH STAFF

From the issue date of this RFP until a prime contractor is selected and the selection is announced, bidders are not allowed to communicate for any reason with any state staff except through the contracting officer named herein, or during the Bidders' Conference, or as provided by existing work agreement(s). For violation of this provision, the state shall reserve the right to reject the proposal of the offending bidder. All questions concerning this RFP must be submitted in writing (e-mail preferred, or fax may be used) to the contracting officer. No questions other than written will be accepted. No responses other than written will be binding upon the state.

1.4.1 Online Procurement Reference Materials

Procurement reference materials may be located at www.communityhealth.state.ga.us.com

Procurement reference materials contain information that bidders may find useful in preparing their proposals. All possible efforts have been made to ensure that reference materials are complete and current. The RFP requirements specified herein will take precedence over materials on the web site.

Online references will be available at the web site above if available.

1.4.2 Letter of Intent

Interested bidders are requested to submit a letter of intent to the issuing office by 5:00 PM EST on March 16, 2001, advising DCH of their intention to present a proposal in response to this RFP. A letter of intent may be faxed to meet this deadline. A letter of intent may not be sent by e-mail, as DCH requires the signature of a representative of the bidding organization. The filing of a letter of intent is not mandatory.

1.5 ACRONYMS AND DEFINITIONS OF TERMS

See **Appendix C**.

1.6 CONTRACT TERM

The resultant contract will begin on or about June 15, 2001, and will run separately for each program. This is because the BORHP benefit plan is based on a calendar year, while the other programs (SHBP, Medicaid, and PeachCare for Kids) are on a state fiscal year.

Renewals will be scheduled as follows:

| Program | Contract End Date | Effective Date of Services |
|--------------------|-------------------|------------------------------|
| Medicaid | June 30 | October 1, 2002 |
| PeachCare for kids | June 30 | October 1, 2002 |
| SHBP | June 30 | On or before July 1, 2003 |
| BORHP | December 31 | On or before January 1, 2004 |

The effective dates of services noted above represent fixed deadlines. The selected vendor(s) must commit to meeting them or incur substantial performance penalties for delays. See **Appendix A**.

Georgia law prohibits contracting for more than one fiscal year at a time; however, it is understood that pending sufficient funding, the initial contract term will be one (1) year, renewable annually for up to an additional four (4) years, with the possibility for two (2) additional one (1) year renewable extensions.

The contract will include a clause requiring the bidder to commit to providing services through a claims' run-out period of at least 12 months, in the event the contract is terminated.

The contract will have options to renew for two (2) additional contract periods with a contract end date as described above.

The annual renewal of the bidder's contract shall be based on the availability of funds and the bidder's successful contract performance the preceding year. Contract award will be by the issuance of a Notice of Award. Renewals will be accomplished through the issuance of Notice of Award Amendments.

2.0 BACKGROUND

2.1 AGENCY OVERVIEW

In July 1999, the DCH was formed to serve as the lead agency for the coordination of healthcare purchasing decisions on behalf of the state. A nine-member board appointed by the Governor approves the general policy for the DCH.

The DCH has responsibility for:

- coordinating the healthcare of nearly two million individuals;
- maximizing the state's healthcare purchasing power;
- planning for healthcare coverage of an estimated 1.3 million uninsured Georgians; and
- coordinating health planning for state agencies.

Georgia DCH components are as follows:

- Division of Health Planning,
- Division of Medical Assistance (Medicaid);
- Division of Public Employee Health Benefits (SHBP),
- Office of Minority Health;
- Office of Rural Health Services,
- Office of Women's Health,
- Composite State Board of Medical Examiners,
- Georgia Board for Physician Workforce, and
- State Medical Education Board.

Please note that throughout this document, any references to the DCH should be taken to include all programs and covered lives managed by the DCH (unless otherwise noted). Any reference to participants shall refer to all eligible employees covered under the SHBP and BORHP, as well as eligible recipients covered under Medicaid. Any references in this document to the Georgia Medical Assistance program (Medicaid) include the PeachCare for Kids program (Georgia's Title XXI Children's Health Insurance Program).

2.2 KEY BUSINESS FUNCTIONS AND PROCESS FLOW CHARTS

2.2.1 Division of Medical Assistance

The DCH's Division of Medical Assistance (DMA) is responsible for the administration of the Medical Assistance (Medicaid) program (Title XIX of the Federal Social Security Act) in Georgia, as well as the PeachCare for Kids program (Title XXI). The State of Georgia Medicaid program is a jointly funded

cooperative venture between the federal government and the state. The DMA spends \$3.1 billion annually to provide services to 1.1 million citizens.

PeachCare for Kids is the Title XXI Children's Health Insurance Program in Georgia that provides health coverage for uninsured children from birth to age 18 in families with income currently at or below 235 percent of the federal poverty level. There are approximately 120,000 children currently enrolled in the PeachCare for Kids program. While the PeachCare for Kids program mirrors that of the Medicaid program, it is considered a separate and distinct entity for data analysis and reporting purposes.

Besides PeachCare for Kids, Medicaid programs include Georgia Better Healthcare, a primary care case management (PCCM) program with over 4,200 participating providers and nearly 800,000 recipients, home-and community-based services, and non-emergency transportation.

The DMA is organized into sections responsible for general administration, legal and regulatory compliance, reimbursement services, systems management, program policy, and managed care.

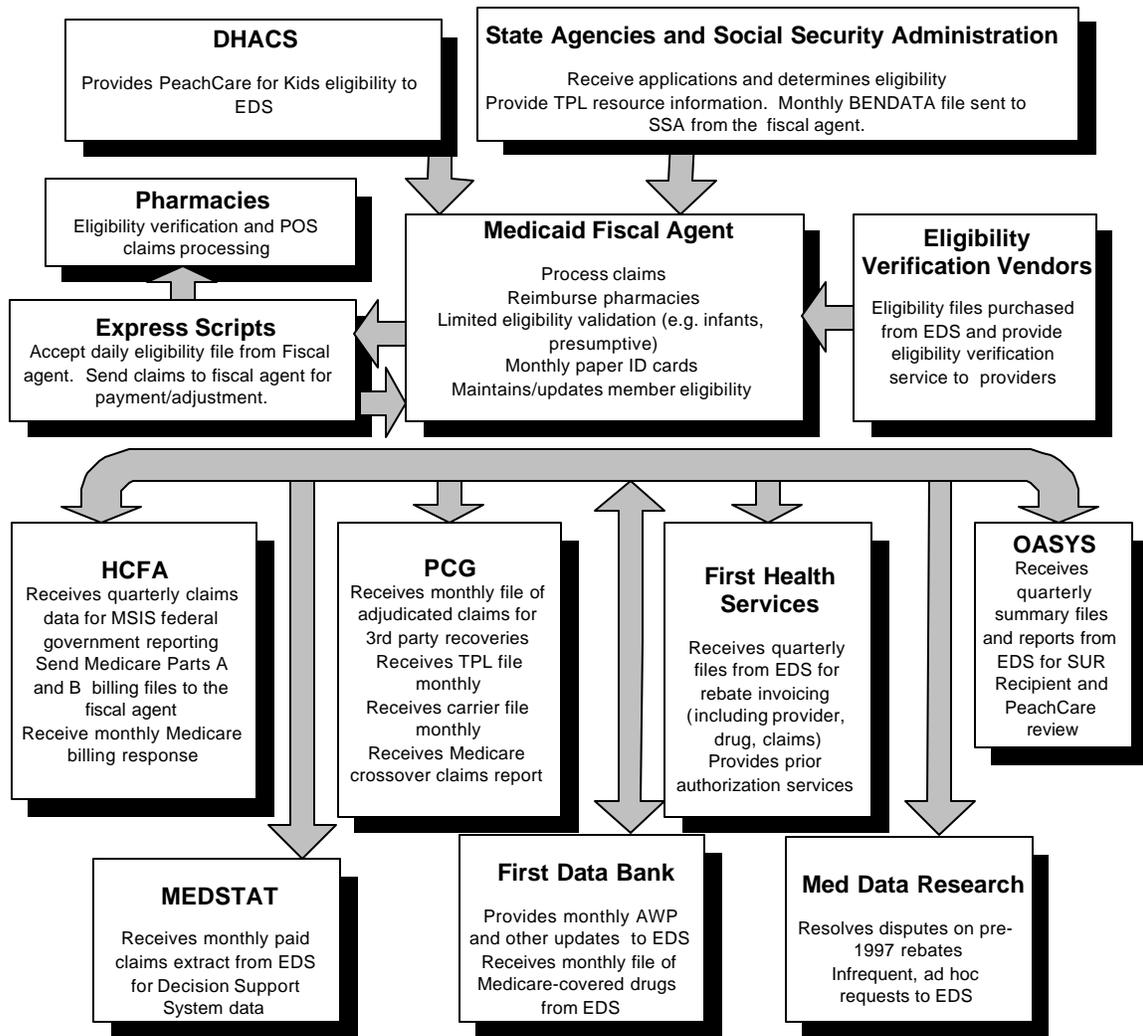
Medicaid enrollees qualify by meeting eligibility requirements based on being categorically needy (i.e., persons eligible to receive Temporary Assistance to Needy Families (TANF), Supplement Security Income (SSI), and children in families with incomes below certain thresholds, or medically needy. Enrollees may enter and leave the program more than once during the year based on their ability to meet eligibility criteria, and are typically classified by aid category (i.e., TANF; aged, blind, or disabled; Right from the Start Medicaid [RSM]).

Current Medicaid vendors and their major responsibilities include:

- Electronic Data Systems (EDS)—Medicaid fiscal agent—Administrator of the Medicaid Management Information System (MMIS), managing the following subsystems: Provider, Recipient, Reference, Claims, Surveillance and Utilization Review System (SURS), and Management and Administrative Reporting System (MARS); Provider Reimbursement Payments (weekly);
- MEDSTAT—Medicaid Decision Support System (DSS);
- Express Scripts—Pharmacy Benefits Manager;
- First Health Services—Drug prior approval, Rebate invoicing and posting, Prior period adjustments (PPA); Dispute resolution (2nd Quarter 1998 forward);
- First Data Bank—Drug database supplier to EDS and Express Scripts;
- Med Data Research—Resolves aged drug rebate disputes;
- Outsourced Administrative Services, Inc.—SUR recipient and peer review;
- Dental Health Administrative and Consulting Services (DHACS)—PeachCare for Kids third-party administrator; eligibility determination, verification, premium collection, and enrollment.;
- Public Consulting Group (PCG)—third party identification and recovery; and

- Georgia Medical Care Foundation (GMCF)—Hospital pre-certification, nursing home and waiver pre-certification, Georgia Better Health Care Member Services and nurse aide training and competency evaluation programs.

Current Medicaid Transaction Flow



2.2.2 *Division of Public Employee Health Benefits*

This Division administers the SHBP, which provides health insurance coverage for state employees, school system employees, retirees, and their dependents. Additionally, the division contracts with the BORHP to coordinate the purchasing and administration of healthcare benefits for the university employees, dependents, and retirees.

The SHBP spends more than \$1 billion annually for healthcare services for more than 570,000 employees, teachers, school personnel, their dependents, and retirees. The SHBP provides healthcare coverage to beneficiaries residing in virtually every county in the state, plus approximately 5,000 individuals living outside the state.

The SHBP offers to its members a PPO option as well as a high option indemnity plan and health maintenance organization (HMO) options. The SHBP also offers a Consumer Choice PPO option. This option offers members the same benefits as the standard PPO option, except members may nominate healthcare providers to the network as participating providers. The PPO option is offered through a Georgia and National PPO Network overlay of healthcare providers. Also, the DCH contracts directly with acute care hospitals throughout the state for the indemnity plan. There are approximately 172,000 members who are enrolled in the HMO options.

The DCH maintains eligibility information regarding the SHBP members in the Membership Enrollment Management System (MEMS). MEMS is a mainframe-based system, technically maintained by the Department of Administrative Services (DOAS), consisting of 320 programs designed to capture and maintain information related to eligibility, enrollment, and financial activity for the SHBP. Among other functions, the MEMS records basic demographic information and a history of coverage for all employees/retirees and dependents under the SHBP. This customized system is designed to support claims processing on a positive member identification (PMI) basis, that is, the system maintains complete current and historical coverage information to allow claims payment only for persons recorded in the system as covered on the date(s) of service. To operate efficiently on a PMI basis, the MEMS contains a number of automated interfaces and processes. The interfaces include updating eligibility nightly to SHBP's Plan claims payer. The MEMS consists of transaction programs, display programs, and batch update programs.

An Administrative Services Only (ASO) contract with Blue Cross Blue Shield of Georgia (BCBSGA) is currently in place to handle the claims processing, adjudicating, and recording health benefit claims for eligible members for the PPO, High Option, Consumer Choice PPO for the SHBP, and the similar PPO and indemnity plans for the BORHP. BCBSGA also provides the following services for both plans: various customer service activities, maintains indemnity

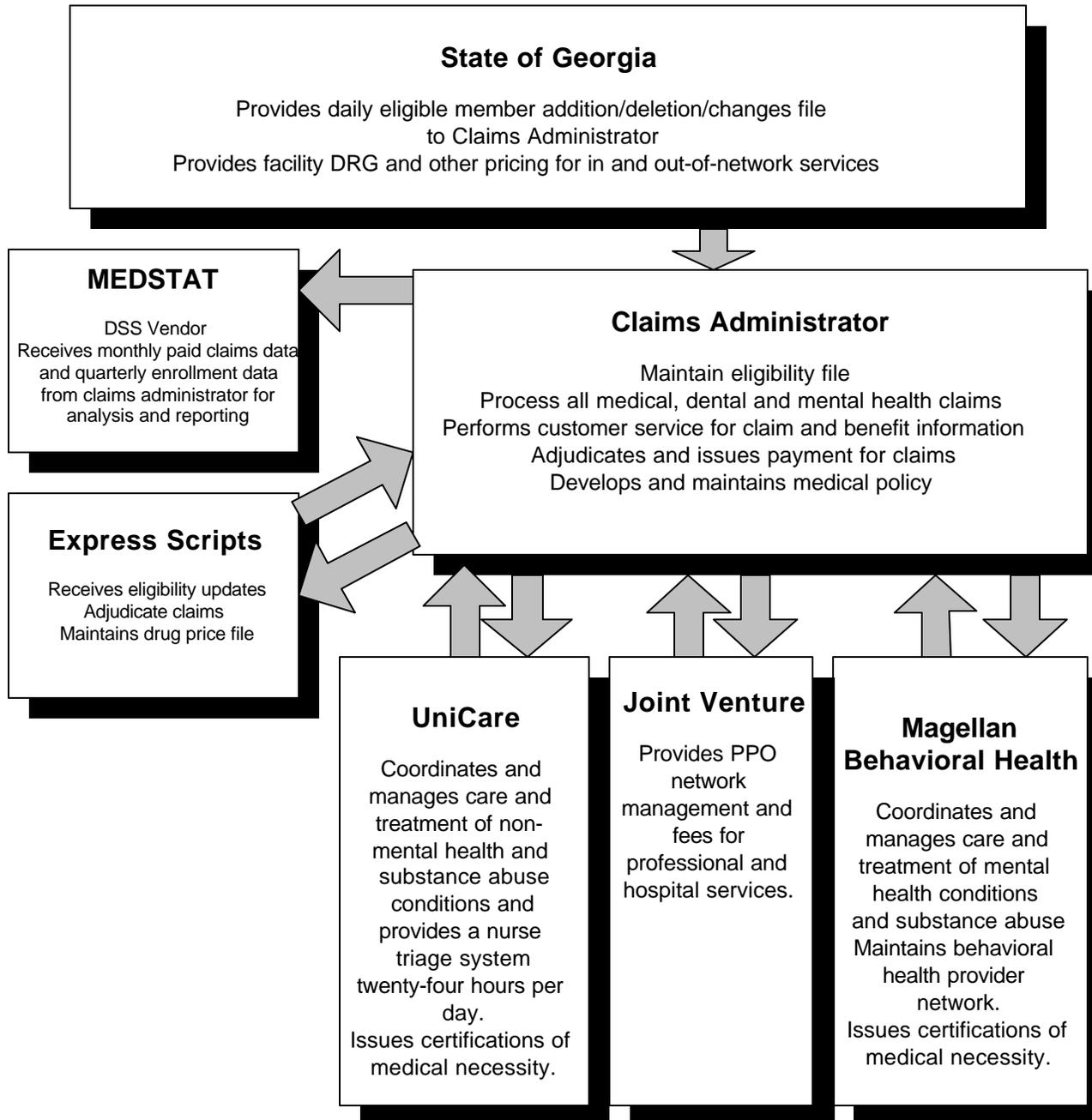
agreements with physicians that result in favorable pricing, pursues third-party reimbursements, recovers overpayments, and other typical administrative services required of third-party administrators. The contract with BCBSGA terminates as of June 30, 2001. DCH will enter into a contract with Well Point Health Networks on July 1, 2001, for third-party administrative services for the SHBP and BORHP.

Current SHBP vendors and their major responsibilities include:

- BCBSGA—Third-party administrator managing claims adjudication and processing, customer service activities, contracts with physicians for the indemnity plan, pursuit of third-party reimbursements, overpayment recovery, and other typical administrative services. As stated above, the DCH will contract with Well Point Health Networks as of July 1, 2001, for these services.
- MEDSTAT—SHBP Decision Support System (DSS).
- Express Scripts (effective January 1, 2001)—Administers pharmacy claims and forwards to BCBSGA for payment; maintains drug price file. ESI provides DUR Formulary Administration and provides Disease State Management (DSM) Service. Further, while ESI currently forwards pharmacy claims to BCBSGA for payment, as of July 1, 2001, ESI will convert the SHBP to a card program in which ESI will, itself, pay the pharmacy claims. ESI receives eligibility data from BCBSGA. The SHBP is responsible for inputting enrollment information into the MEMS, which is then loaded into BCBSGA's eligibility system.
- UniCare—Coordinates and manages care and treatment of non-mental health and substance abuse conditions and provides a 24/7 nurse triage system. The vendor also provides a 'carve out' preferred Transplantation Network.
- Magellan Behavioral Health (Magellan)—Coordinates and manages care and treatment of mental health conditions and substance abuse. As part of these services, Magellan provides a behavioral health provider network and pricing; Magellan provides this pricing to BCBSGA as services are authorized via pre-authorization and certification (PAC) records.
- Joint Venture—between Medical Resource Network (MRN) and Georgia 1st—provides the PPO network for both the SHBP and BORHP. This joint venture manages the provider network and sends provider updates to the current vendor, BCBSGA.
- National PPO contract—more information on this contract will be provided to bidders at a later date.

The current SHBP transaction flow is depicted in the following flowchart. Note, while not illustrated on this chart, there is an additional relationship between DCH and hospitals with which it holds direct indemnity contracts.

Current SHBP Transaction Flow



2.2.3 Board of Regents Health Plan

The DCH contracts with the Board of Regents of the University System of Georgia BORHP to coordinate the purchasing and administration of healthcare services benefits for its employees and dependents who are located in virtually every state, as well as internationally. The BOR is responsible for the administration of its respective healthcare plan options. The BORHP spends almost \$172 million annually for healthcare coverage for more than 73,000 members of this population. The Board of Regents has the authority to determine the plan design for its healthcare plan options and to determine the selection of vendors that will provide healthcare plan services to its members.

The BORHP historically has offered one indemnity self-insured plan. Effective January 2001, the BORHP began offering a PPO option and a Consumer Choice PPO option, along with their indemnity plan offering, and HMO offerings. The PPO and Consumer Choice options are offered through the same statewide network of healthcare providers used by the SHBP. The BORHP is essentially similar to the SHBP in many respects; however, the following are examples of some of the exceptions:

- Currently, the BORHP year runs on a calendar year basis, which is different than the SHBP;
- The BORHP eligibility is entered by each institution with the University System of Georgia. The Board of Regents maintains a separate University System of Georgia member eligibility and claims administration system with BCBS of Georgia for participants in their indemnity, PPO, PPO Consumer Choice, and BCBS Blue Choice HMO product. Information is transmitted via the Q-Care system to BCBS and is entered directly from a University System of Georgia institution. Q-Care is linked to BCBS via PEACHNET. This differs from the SHBP eligibility, which is handled by the MEMS. MEMS is a mainframe-based system maintained by the DOAS. The SHBP inputs enrollment into the MEMS, which is then loaded into the BCBSGA eligibility system. Note, however, that the prime contractor is responsible for replacing the MEMS eligibility system. Thus, by the time the prime contractor begins administration of the SHBP and BORHP programs, this replacement eligibility system should be fully implemented.
- There are specific differences in the coverage offered by some of the health plans.

Current contracts include:

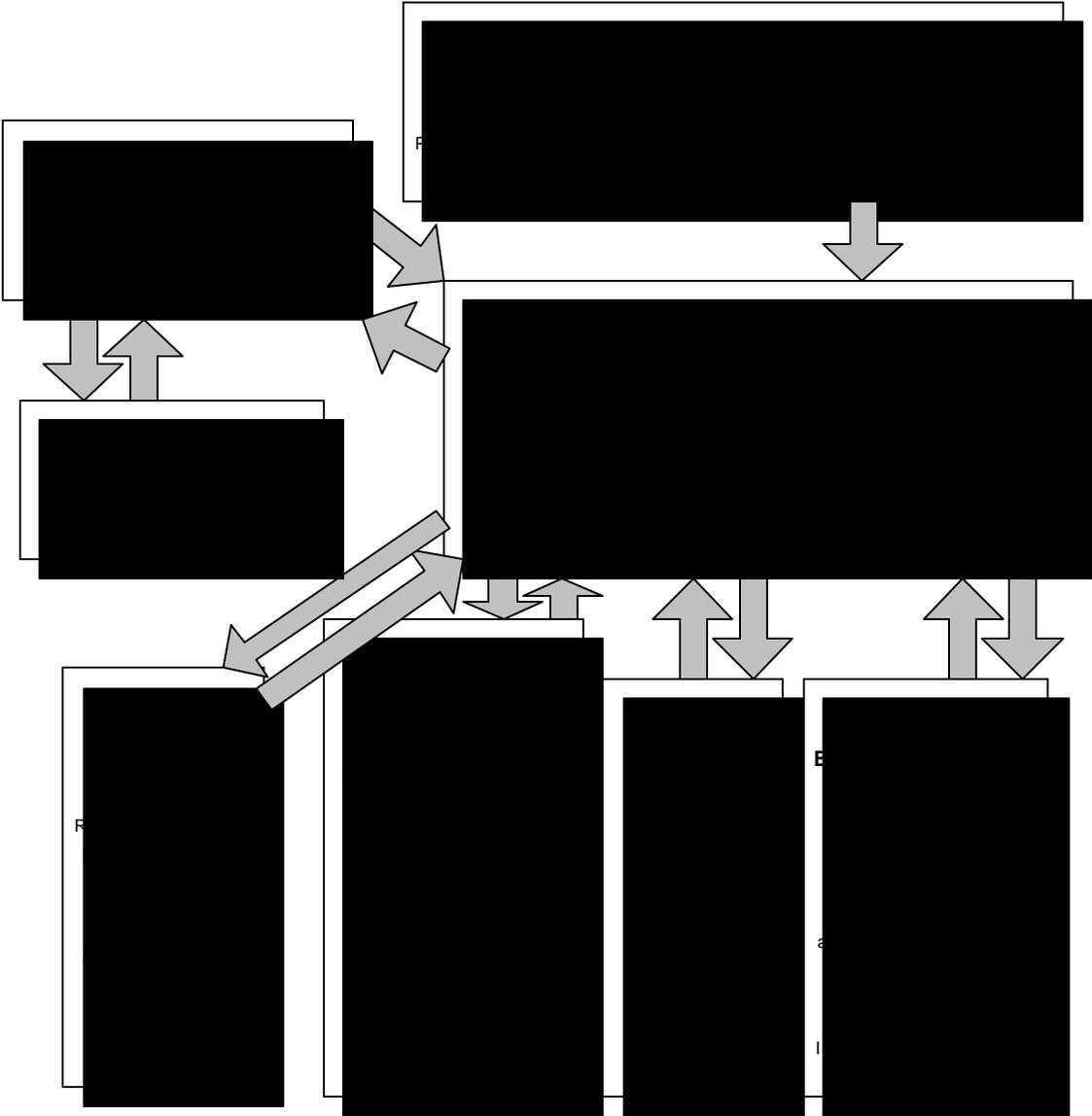
- Magellan—Behavioral Health Services Program—A program designed to coordinate and manage the care and treatment of mental health conditions and substance abuse through a network of preferred behavioral health providers. This program, administered through Magellan/Greenspring Behavioral Health Services, Inc., will remain intact for PPO participants. Blue Cross/Blue Shield

of Georgia manages mental health and substance abuse services for indemnity plan participants. As part of these services, Magellan provides a behavioral health provider network and pricing; Magellan provides this pricing to BCBSGA as services are authorized via PAC records for PPO plan participants.

- MedCall—A first help triage system provided through UniCare that allows members to call registered nurses and obtain assistance in selecting appropriate healthcare information 24 hours per day. MedCall personnel will also refer members to in-network providers where possible.
- UniCare—Centers of Excellence Transplant Network Program—A national network of credentialed providers selected according to documented standards of clinical expertise measured through outcomes, volume of procedures, and cost efficiency, provided through UniCare. The Centers of Excellence Transplant Network steers patients towards selected heart, liver, lung, and bone marrow transplant specialists. The program provides literature-based protocols, which guide the physician reviewers and the transplant panel in making all medical review determinations.
- UniCare—Utilization Management Program—Utilization management services for medical benefits are performed by UniCare. The Medical Certification Program (MCP) requires advance certification for care that involves overnight hospitalization for medical and surgical treatment, and for selected outpatient procedures.
- Express Scripts (effective January 1, 2001)—Administers a three-tiered pharmacy benefits card program for the BOR. ESI receives BOR member eligibility information directly from a BCBS Q-Care system feed. ESI bills the BOR directly for reimbursement of pharmacy claims costs and plan administrative fees.
- The Joint Venture (between MRN and Georgia 1st) which provides the PPO network for both the SHBP and BORHP. This joint venture assembles the provider network (other than hospitals, which are directly contracted by the DCH for all programs) and National PPO Network overlay of healthcare providers, and sends provider updates to the current vendor, BCBSGA.

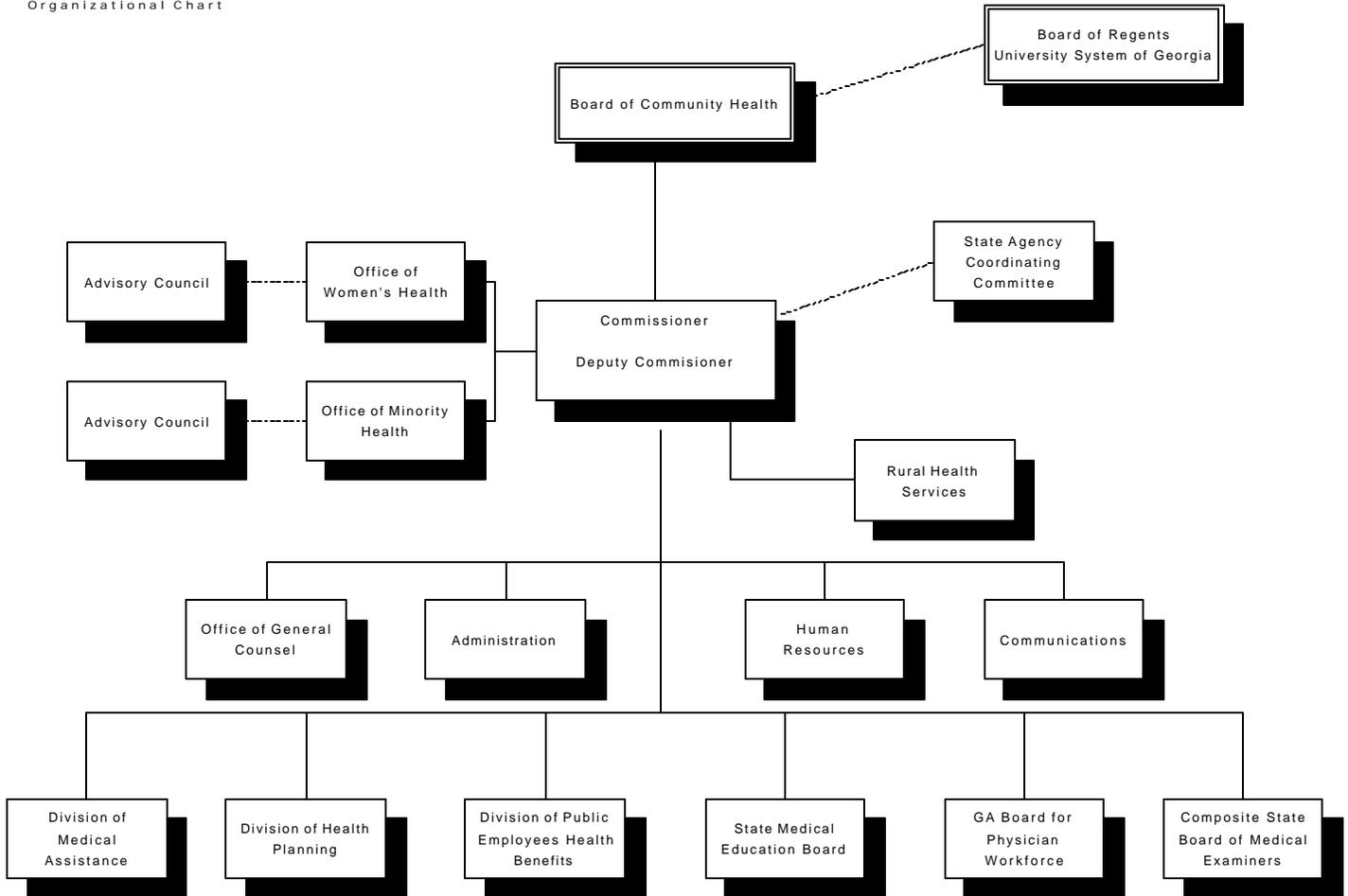
The flow chart on the following page depicts the BORHP transaction flow.

Current BORHP Transaction Flow



State of Georgia
 Department of Community Health

Organizational Chart



3.0 SCOPE OF SERVICES

3.1 INTRODUCTION

The GTA has established certain requirements with respect to proposals to be submitted by bidders.

Whenever the terms "shall," "must," "will," or "is required" are used in the RFP, the specification being referred to is a mandatory requirement of this RFP. Failure to meet any mandatory requirement will cause rejection of the bidder's proposal.

Whenever the terms "can," "may," or "should" are used in the RFP, the specification being referred to is a desirable requirement of this RFP. Failure to provide any items so termed may not be cause for rejection; however, it will probably cause a reduction in score awarded.

3.2 OBJECTIVES OF THE PROCUREMENT

The objective of this procurement is to contract with a prime contractor responsible for designing and implementing new information systems, providing claims and customer service administrative support, and managing other health benefit program subcontractors to support the SHBP, BORHP, Medicaid, and PeachCare for Kids programs. The fundamental goal is selecting a prime contractor that will support the GTA and DCH in achieving major improvements in program administration, including attainment of the strategic objectives outlined in Section 1.1.2.

Current contracts for claims and third party administration services for the DCH health programs are nearing expiration and will be a component of this procurement. These include:

- The DCH is currently under contract with BCBSGA for TPA services for the SHBP. The BOR is currently under contract with BCBSGA for TPA services for the BORHP. These contracts will expire on June 30, 2001. Thereafter, the DCH is entering into a contract with Well Point Health Networks to administer the SHBP and BORHP effective July 1, 2001 through June 30, 2003. (The BORHP agreement is through December 31, 2003.)
- The DCH is also under contract with EDS to provide fiscal agent services and system support for the Medicaid and PeachCare for Kids programs; this contract is scheduled to expire on June 30, 2002.

With the expiration of these contracts, the DCH has an opportunity to embark on major improvements and leverage technology advances in the administration of these programs.

The DCH's strategic objectives were described earlier in Section 1.1.2. To recap, these objectives include:

- Access to and consolidation of all program data in real-time;
- Single point electronic entry for all transactions for all members and providers;
- Consistency of programs across the DCH populations;
- Simplification of program administration;
- Continuous improvement in program administration;
- Continuous refresh of information technology;
- Cost savings; and
- Healthcare improvements.

The DCH's ultimate objective is to create a single point of entry for all constituents, medical providers, and associated businesses that do business with the DCH. The desired system will emphasize the use of the Internet for all claims submission, eligibility verification, provider inquiries, etc., will be in accordance with the GTA guidelines, standards, and protocols; and will be consistent with the requirements of the BOR information technology infrastructure.

3.3 *VENDOR REQUIREMENTS AND CHARACTERISTICS*

To meet this objective, the DCH is seeking a uniquely qualified vendor(s) capable of and committed to meeting all of the following requirements, at a minimum:

- Maximize consolidation of application systems across all the DCH member populations (SHBP, BORHP, Medicaid, and PeachCare for Kids) using a single, integrated software approach that achieves economies of scale not available through separately maintained applications, maintaining distinct programs and reporting for each population. Note, on an interim basis, the DCH would consider an approach that initially supports the commercial requirements for the SHBP and BORHP on one system and the Medicaid and PeachCare for Kids program requirements on another system. However, the DCH is seeking common application software across all of its health plan populations so, at a minimum, the bidder must present and implement a configuration which allows the DCH to provide the appearance of a single application system to program users;
- Support for common Internet portals for all health programs, including integration with the GTA portal, which is currently under development (see **Appendix R** for more information);
- Support the application of advanced technologies (electronic funds transfer, imaging/optical character recognition, Internet-based EDI/autopay functionality, etc.) for plan administration;
- Assure HIPAA compliance for all programs by federally mandated deadlines through a credible and documented compliance strategy and execution of that strategy;

- Implementation of a web-based, Member Eligibility System to replace the current MEMS system for the SHBP and, possibly, the BORHP programs by July 1, 2002. DCH will consider an approach that phases in SHBP followed by BORHP into this system; and
- Prior to implementation for SHBP (on or before July 2003), the vendor must support the SHBP Open Enrollment in April 2003, and the BORHP Open Enrollment in November 2003, by:
 - providing information (such as call center telephone numbers and claims submission addresses) by mid-February 2003 (mid-July 2003 for BORHP) when the DCH's production of open enrollment materials begin;
 - implementing initial call center support for the SHBP by May 2003 (November 2003 for BORHP); and
 - assuring that claims processing systems and procedures are ready for production on or before July 1, 2003 (on or before January 1, 2004, for BORHP).

The vendor should anticipate a planned transition and cutover with run-out support from the current vendor. Additionally, if selected as the successful bidder for this procurement, the vendor should anticipate providing run-out support upon the termination date of this contract; the vendor will be asked to price this run-out support. See **Appendix L**.

In addition, DCH has the following requirements:

- The prime contractor will be the single point of interface with DCH and BOR. All payments will be made to this vendor.
- Liquidated damages may be assessed against the prime contractor under the terms and conditions of the contract. Note, that the contract (Appendix N) has not been included in the RFP, but will be provided to bidders at a later date, but prior to the bid due date.
- The contract must state that administrative fees cannot be changed except on the contract anniversary, and that written notice must be provided at least six (6) months prior to the end of the rate guarantee period. Additionally, the prime contractor must commit to a firm fixed price for implementation costs and the first three (3) operational years. Thereafter, the operational costs may be adjusted by up to the previous twelve (12) months' Consumer Price Index-All Urban Consumers (CPI-U). For the purposes of this proposal, bidders are instructed to assume CPI-U, during this time period, is three (3) percent. Further, bidders need to supply cost data for the first five (5) years of the contract. The remaining option years will be negotiated during the fifth and sixth year, respectively.
- All actively-at-work and dependent non-confinement requirements (per HIPAA regulations) must be waived for all eligible plan participants who are covered and hospitalized on the plan effective date.
- The dedicated account executive and dedicated service representative(s) will deal directly with the DCH.

- This environment requires that the account management team must:
 - be able to devote the necessary time to the account, including being available for frequent telephone and on-site consultations with the DCH (Atlanta, Georgia); bidders who are not committed to account service will not receive serious consideration;
 - be extremely responsive, creative and innovative;
 - be comprised of individuals with specialized knowledge of the bidder’s operations, claims and eligibility systems, systems reporting capabilities, claims adjudication policies and procedures, contract wording, standard and non-standard banking arrangements, and relationships with third parties;
 - » be thoroughly familiar with virtually all of your organization’s functions that relate directly or indirectly to the DCH; and
 - » act on behalf of the DCH in ‘cutting through red tape.’ This facet of account management cannot be emphasized enough—the account management team must be able to effectively advance the interests of the DCH through your corporate structure/secondary bidder relationships.

3.3.1 *Vendor Characteristics*

The DCH has determined that it wishes to secure a contract with an administrator that best exhibits the following characteristics:

- Based on a contract award date on or about May 30, 2001, the ability to implement and support administration of the DCH programs by the deadlines specified in Section 3.5;
- Advanced use of technology, including significant expertise in systems integration, creation of interfaces, web-enabled e-commerce development, HIPAA compliance, sophisticated EDI/autopay functionality, the use of web-enabled interfaces (GUI interfaces), and the use of Internet ‘wrapper’ functionality as described in Section 1.1.5. This should include the ability of healthcare claims submitters to obtain immediate feedback at the time of submission regarding the status of each claim to be processed (i.e., with respect to patient eligibility, benefit coverages and exclusions, allowable fees, coding completeness, and accuracy, etc.);
- Successful experience with large accounts (defined as 250,000 lives and above), including demonstrable experience with large accounts on the proposed claims engine. Note, if two claims processing systems are proposed, large-scale experience (250,000+ lives) is required for both systems;
- Ability to routinely consolidate pharmacy benefits manager, health claims, utilization manager, and other data sets via ad hoc requests, as described in Section 1.1;
- Successful experience with complex interfaces to third-party vendors, such as Magellan and UniCare PAC, and inquiry interfaces;

- Inquiry tracking and referral system accessible by other vendors and the client;
- A Georgia office with either service/sales or claims;
- A physician indemnity network comparable to the DCH's PPO vendor (MRN and Georgia 1st), a National PPO vendor (to be named), or BCBSGA;
- Advantageous administrative pricing;
- Advanced use of technology, including sophisticated EDI/auto pay functionality and the use of web-enabled interfaces;
- Ability to support the various eligibility characteristics of the different benefit plans (i.e., MEMS support for the SHBP, initially an interface with PeopleSoft system for BORHP eligibility, and the eligibility complications associated with Medicaid and PeachCare for Kids); and
- Demonstrated ability to comply with the DCH performance requirements, including standards for:
 - claims adjudication accuracy;
 - claims adjudication timeliness; and
 - customer service standards for member and provider service.

See **Appendix O** for Minimum Mandatory Vendor Requirements.

See **Appendix I** for Performance Standards and Goals.

See **Appendix J** for Functional Requirements Matrices that must be responded to for each of the health program systems. Functional requirements include, but are not limited to, the following:

- Ability to meet federally mandated reporting requirements, as well as the DCH ad hoc reporting requirements (**Appendix J** includes functional requirements to address federally mandated reports);
- Ability to provide other miscellaneous requirements, such as language translation services, etc.;
- Ability of the bidders' proposed system(s) to comply with the DCH requirements related to systems architecture:
 - systems proposed by the bidder must be based on modern, open software architectures, platforms and tools that support the DCH's requirements for flexibility, extensibility, connectivity and ease of use, data interfaces, reporting, and analysis.
 - systems proposed by the bidder must make maximum use of the Internet to promote the broad and rapid acceptance of the DCH e-commerce solutions to increase the speed of processing, reduce transaction turnaround times, reduce administrative errors, and reduce paper-based transactions and associated costs. E-commerce solutions must be integrated with the GTA's Internet portal (see **Appendix R** for more information).

- systems proposed by the bidder must comply with all HIPAA standards, including transaction, common identifier, and privacy and security standards, by the effective date of those rules, as well as leverage these rules to achieve consistency in data collection, validation, storage, retrieval, and consolidation across all the DCH health plans.
- systems proposed by the bidder must be based on an information architecture that heavily leverages open systems technologies for making connections between all the DCH systems, including claims, medical management, reporting, and so on. This architecture should foster the DCH’s ability to rapidly select, implement, and integrate ‘best of breed’ vendors into its overall operations.
- systems proposed by the bidder must be highly flexible, based on the use of relational data base management systems, table-driven logic, object- or component-based design, and modern user and data interfaces. Given this requirement, the DCH is willing to consider systems that are still in the development stages at this time. However, to the extent any legacy systems are used, the DCH requires that these will be ‘wrapped’ as objects and will communicate via web-based and open systems interfaces. Legacy systems may be proposed by the bidder; however, please note they will likely have a negative evaluation factor associated with them.
- systems proposed by the bidder must employ maximum consolidation of information systems across the DCH’s member populations. This means, for example:
 - ♦ the prime contractor would provide claims administration support for SHBP, BORHP, Medicaid, and PeachCare for Kids using a single claims administration application system;
 - ♦ failing implementation of a single application, the prime contractor must, at least, provide the appearance of a single application using a consolidated set of web-based and open systems interfaces to enable the real-time consolidation of data across application systems. Further, in the case of multiple claims administration systems, the prime contractor will embed ‘wrapper’ logic that will direct transactions and inquiries to the proper system in a manner that is transparent to the user. See Section 1.1.5 for an explanation of our use of the term ‘wrapper’; and
 - ♦ Regardless of whether one or two applications are used, checks and remittance advices must be consolidated across all patients. This means, for example, that a provider seeing both Medicaid and SHBP patients would receive a single check (or EFT) and a single remittance advice (or electronic remittance advice) for all of those patients.
- ability to meet the DCH technical standards for user interface, connectivity, data management, and reporting tools and platforms, including online access to the claims database;

- ability to meet the DCH's infrastructure and technical requirements related to the development methodologies used, and applicable standards for software development;
- ability to meet the DCH's requirements for multiple levels of system security;
- ability to meet the DCH's requirements for data conversion by assuring that all existing historical data are retained; and
- provision of well-documented and comprehensive implementation plans for Phase I and Phase II activities.

3.4 PHASING OF WORK

Work is envisioned in two major phases, as described below.

Phase I—Medicaid/PeachCare for Kids and HIPAA Compliance. The first phase of work involves the implementation of fiscal agent services and an MMIS to support the Medicaid and PeachCare for Kids programs by October 1, 2002.

As part of Phase I, the selected vendor will be expected to achieve compliance with HIPAA for all programs by federally mandated deadlines. All HIPAA requirements related to transaction standards, coding sets, and privacy and security must be addressed in the development of systems supporting the DCH health plans.

As part of Phase I, the selected vendor is also expected to develop and implement a MIS that can be certified by the Health Care Finance Administration (HCFA). The prime contractor, HCFA and DCH will work jointly to develop the standards for certification.

Additionally, in Phase I the prime contractor/system integrator must design, develop, and implement a web-based eligibility tracking system to replace the current MEMS for the SHBP and possibly for BORHP. This system must be implemented by July 1, 2002.

Phase II—SHBP and BORHP. This second phase of work involves the implementation of a claims processing system, claims adjudication services, and customer service support function for the SHBP and BORHP, on or before July 1, 2003, and the BORHP on or before January 1, 2004.

This includes providing TPA support for both health plans, as well as providing previously noted information and services to support the SHBP's Open Enrollment process, beginning April 1, 2003. Note, the BORHP currently operates on a calendar year basis. Accordingly, the prime contractor will need to provide TPA support for the BORHP Open Enrollment process beginning September 1, 2003.

Note, also, that the prime contractor's Phase II responsibilities include the e-commerce and real-time data access across all plans, as Phase II includes the consolidation of the DCH programs on a common platform or data repository. No later than January 1, 2004, the vendor(s) must consolidate all the DCH populations and the data associated with

them to one common platform or data repository. Failing to achieve a common platform or repository, the prime contractor must, at least, provide the appearance of a single platform using a consolidated set of web-based and open systems interfaces to enable the real-time consolidation of data across application systems. In the case of multiple claims administration systems, the prime contractor must embed ‘wrapper’ logic that will direct transactions and inquiries to the proper system in a manner that is transparent to the user. See Section 1.1.5 for an explanation of our use of the term ‘wrapper’.

Additionally, the selected vendor must work with the DCH and the BOR to meet all technology standards established by the GTA as they evolve, in order to ensure the compatibility of the statewide enterprise infrastructure, are critical for each phase of the development.

3.5 *DEADLINES*

Based on a contract award date on or about May 30, 2001, the successful vendor(s) must commit to an implementation and support administration of:

- Medicaid and PeachCare for Kids system implementation by October 1, 2002;
- SHBP system implementation and operations on or before July 1, 2003;
- BORHP system implementation and operations on or before January 1, 2004;
- HIPAA compliance for all programs by federally mandated deadlines; and
- Consolidation of all programs on a single common platform (or the appearance of a single platform) and data repository on or before January 1, 2004.

These schedules and deliverables are fixed—the selected vendor(s) must commit to meeting them or else incur substantial performance penalties for delays.

3.6 *OUT OF SCOPE SERVICES*

The following services are, and will continue, to be provided by other vendors or by DCH, and are, therefore, out of scope:

- Management of the DCH’s pharmacy benefit manager, Express Scripts will continue to be managed directly by the DCH for the foreseeable future;
- Management of DCH’s decision support system/executive information system vendor, MEDSTAT, will be retained into the foreseeable future to provide its highly sophisticated reports and analyses. The prime contractor, in contrast, will be charged with implementing the additional capability to provide a real-time ability to consolidate data across all vendors and systems and all patient populations. This may not be as sophisticated as MEDSTAT, but will provide the DCH with an improved ability to “keep its finger on the pulse” of its programs, including spotting trends and support case management/disease management;

- Financial reporting/filings that are not specifically requested and that are currently the responsibility of the DCH's banking vendor;
- Provider network(s) for PPO benefit plans only;
- Fee contracting for in-state facilities for the indemnity plan only;
- Medicaid eligibility determination and tracking system;
- PeachCare for Kids eligibility determination and tracking system;
- Existing contracts for care management programs for SHBP and BORHP (utilization management, case management, transplant network, and nurse line);
- Behavioral health network and care management for SHBP and BORHP;
- TPL processing for SHBP and possibly for BORHP, and Medicaid (this will be procured separately). However, the prime contractor will still be responsible for the collection of their claims overpayments, and will need to provide cost avoidance for claims processing, even though the other functions of third party recovery have been carved out of this procurement; and
- Other carve-out networks and programs.

However, the selected vendor(s) will be expected to integrate its systems and operations with the DCH and these other functions and programs.

3.7 DETAILED SERVICES REQUIRED

To achieve its goals, the DCH requires innovative, technology-driven solutions in support of key functions and programmatic operations. Through this procurement process, the DCH seeks to engage solution providers that can successfully implement forward-thinking and cost-effective innovations to administer the DCH's health plans.

A prime contractor/systems integrator, working jointly with the DCH, will be responsible for the management and coordination of all specified administrative and system activities, including:

- Establishing and integrating the system architecture with existing DCH and/or BOR information technology systems;
- Defining inter-operability and performance guidelines of the integrated system;
- Coordinating and integrating data operations;
- Contracting with providers of specific services;
- Monitoring system performance; and
- Providing operational support for specified the DCH functions.

The prime contractor will also ensure that any and all technology standards that are established by the GTA are adhered to in the development of the system. Following the standards will confirm that the system architecture is compatible with the enterprise view of the state government. A common Internet portal is also planned by the GTA for all healthcare and human services (see **Appendix R** for more information). The new DCH system must be accessible through the GTA health portal.

The prime contractor must also bring in a system and the connection to DCH staff and their agents and must remain compatible with internal DCH administrative office tools, including E-mail, Word Processing (WORD), Excel, MS Project, MS Access, etc.

Additionally, the prime contractor will coordinate the provision of the required data from all solution providers to the party responsible for managing the DCH's data warehouse and DSS. The prime contractor must also interface with the new, but yet uncompleted BOR data warehouse.

Examples of technical system needs include:

- A common programmatic platform (i.e., a single application system running on a single hardware environment to support all of DCH's healthcare benefits programs) to the fullest extent possible with one point of entry for all DCH programs;
- System flexibility and ease of adaptation;
- Ability to support two-way communication between the DCH and its clients (providers/members) via the Internet, use of e-mail, help desk support for providers, etc.;
- Ability to provide care-related prompts to healthcare provider, and on an extended basis, to recipients;
- Access to healthcare information with input and output by and to members and providers;
- Access to payment and eligibility status inquiry, provider and policy manuals, online directories, etc.;
- Improved tools for monitoring and analyzing healthcare program cost and utilization drivers;
- The maximum use of electronic transactions by as many healthcare providers as possible for the submission of claims and encounter data, distribution of remittance advice notices and panel rosters, payment or recovery of claims, and other communications as defined in Appendix J;
- User-friendly information systems accessible on a limited basis to DCH staff to the extent specified by the DCH; and
- Integrated information systems and business processes that will meet current and future management and program needs, and provide checks and balances throughout the DCH operations.

3.8 DCH NETWORK DESCRIPTION

A description of the DCH's current computer system and communications equipment is provided in **Appendix P**.

4.0 INSTRUCTIONS FOR SUBMITTING A RESPONSIVE PROPOSAL

4.1 GENERAL ORGANIZATION

Bidders must adhere to the DCH's rules as established in the RFP for proposal content and format. The GTA, DCH, and BOR reserve the right to reject any or all proposals for non-compliance. The GTA, DCH, and BOR reserve the right to waive administrative deficiency in a bidder's proposal.

The following instructions establish the acceptable minimum requirements for the format and content of proposals. The overall proposal shall consist of three (3) physically separated and detachable parts, individually entitled:

- Part I: Executed Request for Proposal Documents
- Part II: Technical Proposal
- Part III: Cost Proposal

Note, the bidder must submit clearly delineated costs for SHBP, BORHP, Medicaid, and PeachCare for Kids programs in the Cost Proposal.

Failure to submit separate, sealed proposal parts as described above may result in immediate disqualification of the bidder.

4.2 MINIMUM ADMINISTRATIVE SUBMISSION REQUIREMENTS

In developing a proposal, the DCH requires all bidders, at a minimum, to respond clearly to all questions posed in this RFP. Each proposal must include a Table of Contents for the appropriate proposal sections and must cross-reference the appropriate section of the RFP being addressed. Each proposal must include the following:

- Answers to the questions posed in Section 4.6 (Proposal Content Requirements) and 4.7 (Project Management Requirements);
- Response to the Functional Requirements matrices (**Appendix J**);
- A properly completed Cost Proposal (**Appendix L**);
- A Transmittal Letter of no more than two (2) pages. The bidder certifies in the Transmittal Letter that, in connection with this procurement, the following requirements have been met:
 - the costs proposed have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such process with any other organization, or with any competitor;

- unless otherwise required by law, the cost quoted has not been knowingly disclosed, directly or indirectly, on a prior basis by the bidder to any other organization or to any competitor;
- no attempt has been made, or will be made, by the bidder to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition;
- the bidder had no knowledge of the specific RFP contents prior to actual receipt of the RFP and had no part in the RFP development;
- a statement guaranteeing that the proposed cost will be in effect for 180 days after the proposal submission date;
- a statement certifying that the bidder will provide a drug-free workplace, in accordance with U.S. Department of Health and Human Services requirements;
- a statement indicating the bidder’s ability and willingness, upon contract award, to initiate implementation immediately based upon a letter of intent and to negotiate in good faith to finalize a contract; and
- a statement that the prime contractor has the authority to bind the subcontractors to the submission of the bid.

- A signed Certification Regarding Lobbying form (see **Appendix M**).

4.3 *ECONOMICAL PREPARATION AND CLARITY OF CONTENT*

To aid in the evaluation, proposals shall be prepared simply and economically, providing straightforward, practical, concise delineation of the bidder’s capabilities to satisfy the requirements of the RFP. Proposals shall be neat, indexed (cross-indexed, as appropriate) and logically assembled. Emphasis on each proposal must be on completeness and clarity of content.

4.3.1 *Binding of Proposals*

Each bidder must submit a proposal in a format that will allow for easy insertion of updated pages.

4.3.2 *Page Numbers*

Each page of the proposal sections should be numbered consecutively, including all appended materials.

4.4 PACKAGING AND NUMBER OF COPIES REQUIRED

Each proposal Part (I, II, and III) shall be contained in sealed, separate packages, identified by the respective part, RFP number, proposal opening date and time, and submitted in the following required number of exact legible hard copies:

| Required Proposal Part | | Number of Hard Copies |
|------------------------|---|---------------------------|
| Part I | Executed Request for Proposal Documents | Original, plus one copy |
| Part II | Technical Proposal | Original, plus ten copies |
| Part III | Cost Proposal | Original, plus ten copies |

Failure to submit separate, sealed proposal parts as described above may result in immediate disqualification of the bidder.

4.4.1 *Electronic Copies*

One complete Technical Proposal on a CD-ROM in Microsoft Word 97 should be enclosed with the hard copies.

One complete Cost Proposal on a CD-ROM in Microsoft Word 97 or Microsoft Excel 97 should be enclosed with the hard copies.

4.4.2 *Delivery of Proposals*

Proposals should be mailed to the following address and must be received by the due date specified in **Appendix A**:

Georgia Technology Authority
100 Peachtree Street, Suite 2300
Atlanta, Georgia 30303-3404

4.5 PREPARATION OF PROPOSAL PARTS

4.5.1 *Part I*

This part shall contain the signed original of all documents requiring signature of the bidder. Use of reproductions of signed originals is authorized in the second copy. All certifications required by the solicitation shall be completed and included in this part. The Proposal Letter should be included in this part, and must be signed by a person authorized to bind the company.

4.5.2 *Part II*

The Technical Proposal shall separately answer each question listed in Sections 4.6 through 4.10, as well as Appendices K, J, and M. Answers should support all of the requirements of the RFP, including those contained in Sections 1.1, 3.2, 3.3, 3.4, 3.7, and the Appendices. The Technical Proposal is not to include any cost figures. Any reference to cost in the Technical Proposal may result in immediate disqualification of the proposal.

Proposal revisions shall be submitted as page replacements with revised text readily identifiable (i.e., underline or by use of vertical bar in the right margin). Revised pages shall be numbered, dated, and submitted in the same number of pages as the original submission.

The Technical Proposal response must contain a clear cross-reference by section and page number to the RFP to allow for expedient review and evaluation.

4.5.3 *Part III*

The cost proposal shall include information as requested herein at **Appendix L** relative to the costs proposed to accomplish the requirement. Cost proposal shall include a complete and auditable description of costs for the performance of all work. Again, the cost proposal must be broken down into:

- Costs associated with the design, development, and implementation of the system(s) to support the Medicaid and PeachCare for Kids program effective October 1, 2002;
- Costs associated with the design, development, and implementation of the system(s) to support the SHBP and BORHP programs effective on or before July 1, 2003 for SHBP, and on or before January, 2004 for BORHP;
- Costs associated with the design, development, and implementation of the eligibility tracking and financial system (MEMS replacement) for the SHBP and possibly BORHP programs effective July 1, 2002 for SHBP, and on or before July 1, 2003 for BORHP;
- Costs associated with the operational costs for Medicaid and PeachCare for Kids;
- Costs associated with the operational costs for SHBP and BORHP; and
- Other cost breakdowns as specified in **Appendix L**.

4.6 PROPOSAL CONTENT REQUIREMENTS

The following sections outline detailed information required. Please read each section carefully and NOTE THE PAGE RESTRICTIONS THAT APPLY TO THE BIDDER'S RESPONSE.

4.6.1 Bidder Qualifications

The following sections outline information required to evaluate bidder qualifications.

4.6.1.1 Organizational Background

For each primary and secondary bidder, provide a summary of the company/organization, its size, and resources. This information should be no more than two (2) pages per identified organization. The details should include:

- Full name, address, and telephone number of the organization;
- Role in this project (i.e., primary or secondary bidder, and specific services provided);
- Date established;
- Ownership (public company, partnership, etc.);
- Provide a description of your business operations;
- Provide details of any proposed mergers, acquisitions, or sales that may affect the financial stability or organizational structure of your company, organizational chart and current full time employees (FTEs) by unit or department;
- Number of FTEs in healthcare administration on January and July for the last three (3) years beginning January 1, 1998; and
- Whether the organization has a valid Georgia TPA or insurance license.

4.6.1.2 Financial and Insurance Information

Each bidder, both primary and secondary, must supply two (2) complete sets of audited financial statements for the last three (3) years. Privately owned companies may supply unaudited statements if audited statements are not available. Such information should include, at the minimum:

- Balance sheet;
- Income statement;
- Statement of cash flow; and
- Notes to financial statements.

4.6.1.3 Litigation/Bankruptcy History and Insurance Information

The bidder also must submit the following:

- A copy, if any, of the letter from the bidder's attorney and/or in-house legal counsel to the bidder's auditor concerning the status of lawsuits and pending litigation for the most recent fiscal year;
- A description, if any, of litigation active in the past five (5) years related to the bidder's past performance under contracts awarded;
- An explanation, if the organization or any affiliated organization ever filed for bankruptcy;
- A description of the insurance coverage your company carries, including the name of the insurance company, the type, amount of general liability, and professional liability coverage;
- A description, if appropriate, of your insurance coverage that includes the cost of recovering lost data resulting from a software failure; and
- A description, if any, of insurance claims filed within the past five (5) years.

4.6.1.4 Program and System Experience

The bidder must describe relevant program administration experience of the unit, office, or branch of the identified organization/company that would be implementing and managing this project. The bidder must also include job descriptions and biographies of the proposed management staff. This section is limited to ten (10) pages, excluding job descriptions and biographies per identified organization.

The details should cover any experience in at least the following areas:

- List three (3) representative active Medicaid contracts that includes the contracting organization name, contact person, phone number, e-mail address, contract amount, contract start, contract end, and contract type;
- List three (3) representative active clients comparable to SHBP and BORHP that includes the organization name, contact person, phone number, email address, number of members, and effective date of administration;
- Describe experience in the past three (3) years in implementing large employer and Medicaid contracts requiring significant staffing levels;
- Describe experience in the past three (3) years in managing Medicaid contracts requiring extensive contact with the public;
- List all current clients that are using proposed systems (whether in whole or in part) or technology, and describe what business is supported by the system (commercial versus public sector);

- Provide a written narrative that expresses the bidder's understanding of cultural competency within Georgia, including any current and/or relevant organizational policy statements;
- Describe experience in the past three (3) years in managing the delivery of services heavily dependent on proper implementation of state or federal regulations;
- Describe experience in the past three (3) years in significantly modifying a base system to meet either employer or Medicaid program requirements;
- Describe experience in the past three (3) years in implementing web-enabled healthcare applications similar to or like the types of interactive applications requested by this RFP;
- Describe experience with voice communication systems, including the monthly average call response time, average hold time in queue, call abandonment rate, and average talk time. Use the period January 1, 1999 to December 31, 2000;
- Describe experience with other types of provider/member communications methods, including e-mail, bulletin boards, intranets, etc.; and
- Describe experience with the database software and development tools proposed.

4.7 *PROJECT MANAGEMENT APPROACH*

The bidder is reminded about the two (2) distinct project periods as identified in Section 3.4. The bidder should provide responses specific to these project periods as appropriate. The bidder should refer to Part 3, Scope of Services, and referenced appendices for completion of the RFP.

4.7.1 *Project Organizational Structure*

Describe the overall organization of this project, in no more than eight (8) pages, including the following:

- If multiple vendors are bidding together (i.e., one for systems and one for administration) designate the primary bidder;
- Overview of functions to be undertaken by the primary bidder;
- Overview of functions to be undertaken by subcontractors;
- Description of physical location of each function, including especially an explanation of which functions would be located within the state;
- Unit or office of the primary bidder's organization, which will be responsible for project implementation and on-going administration; and
- Supervision to be provided by the primary bidder of activities undertaken on this project.

Describe organizational structure with supporting charts for the ‘development period’ and the ‘implementation period’. Include both a discussion of the proposed internal management structure of the claims and customer service administration operations and the supervision to be provided by the bidder for the claims administration operation project director. Note, the DCH will require separate operational units for supporting the commercial groups (SHBP and BORHP) and the Medicaid groups (Medicaid and PeachCare for Kids); the description of the organizational structure and supporting charts should recognize this requirement.

Describe approach for managing the program with oversight by the DCH (include strategies for feedback to and from the DCH, formal and informal communications, obtaining the DCH approval of changes in software or procedures, etc.).

4.7.2 Project Staffing during Development and Implementation Period

The bidder must designate a project team for the development and implementation period comprised of a project director and key personnel. This section should be no more than five (5) pages, excluding resumes and references.

The overall account manager should have overall responsibility for the implementation of the new program design required under this RFP, including implementation of the system, other systems support, and the administration of the program using the system. This individual must be available for weekly project meetings at the DCH beginning on or about June 4, 2001, and extending to the successful implementation of program requirements in this RFP as determined by the DCH. This individual need not be assigned an on-going role in the claims administration operation following successful implementation.

4.7.2.1 Required Staffing Information

For each of the following, briefly describe your understanding of what functions the position will be required to perform on this project, and provide the candidate’s previous experience that qualifies them for the position:

- Overall account manager;
- Senior technical architect;
- Project manager;
- Day-to-day account manager for Medicaid and PeachCare for Kids;
- Day-to-day account manager for SHBP/BORHP;
- Customer service coordinator;
- Clinical program coordinator; and
- Reporting/data coordinator.

The information below must be submitted:

- Name(s);
- Resumes (two (2) page limit each);
- Two (2) recent business references for the day-to-day account managers (include name, organization, and phone number), and the employment status with the bidder;
- Experience in similar roles for other similar projects;
- Summary of duties; and
- Percentage of time dedicated to this project, in the format shown below.

4.7.2.2 DCH/BOR Approval of Staff

DCH/BOR require approval rights for all proposed senior staff mentioned in Section 4.7.2.1. Additionally, the bidder should confirm that all proposed staff would be dedicated one hundred (100) percent to this account. The bidder must receive DCH (and BOR, if appropriate) approval to replace proposed staff, and must provide equally qualified candidates in the event that the proposed staff member is not available.

4.7.2.3 Other Direct Contact Information

Identify all other direct contacts that will address the DCH's inquiries or account management needs.

4.7.3 Project Management Methodology

Describe the project management methodology, three (3)-page maximum that would be used to manage the project. Include details regarding:

- Project oversight;
- Team(s) structure;
- Role of the DCH and GTA staff
- Internal communications and documentation plan;
- External communications to stakeholders;
- Project tracking (i.e., tasks, issues, decisions, and status reporting); and
- Corrective actions.

4.7.4 Development and Implementation Project Work Plans

The bidder must provide detailed work plans in Microsoft Project format. Work plans should specify tasks and sub-tasks, anticipated start and end dates, task interdependencies, responsible staff, key project milestones, deliverables, and deliverable dates. In the accompanying narrative for each deliverable, describe the

scope, duration, or milestone, and the criteria for the delivery, inspection, and acceptance of deliverables.

Detailed work plans should be developed to include the phases, milestones, and deliverables described in **Appendix H**.

4.7.4.1 Documentation

Describe how you will maintain and provide documentation that is current, comprehensive, accurate and timely. Documentation includes, but is not limited to:

- Programming documentation;
- Systems design documentation;
- Computer operations documentation;
- User documentation; and
- Organizational documentation.

Describe how systems change requests will be documented and tracked.

This question has a five (5)-page limit.

4.7.5 Data Conversion

The DCH is requesting that each bidder describe, with a five (5)-page limit, its conversion approach to these types of data. Note, the bidder must assume responsibility for mapping data from the source tables and for resolving errors. Issues to discuss for each type of data include:

- Automated versus manual conversion of data—Will data be converted automatically, manually, or automatically with manual checking?; and
- Destination and use of converted data—Will the converted data be included in the regular system tables (in the new system) or stored in separate “prior history” tables? Will the converted data be used in the same way or differently from new data entered into the system (i.e., will converted transaction data be used directly to develop subtotals and accumulators, or will these subtotals and accumulators be separately calculated and stored in a static fashion)?

Describe the approach to data conversions (i.e., the number and timing of history conversions during the transition period, and the handling of accumulators). The approach must include conversion of all systems currently in use that are a part of this procurement, including the MEMS (BCBS eligibility system for BORHP).

4.8 PROJECT APPROACH

The bidder is reminded about the two (2) distinct project phases as identified in **Section 3**.

The bidder should provide responses specific to these two (2) project phases as appropriate. At a minimum, the bidder should address Phase I (implementation of support for Medicaid and PeachCare for Kids, and the implementation of the eligibility tracking system for SHBP and BORHP) separately from Phase II (implementation of support for SHBP and BORHP). The bidder should refer to the preceding sections of this RFP and the referenced appendices to complete the following sections.

4.8.1 *Definition and Implementation of an Information Architecture*

The prime contractor will provide a highly modular, component-based architecture that supports dynamic changes to business processes. These components can be used, at the state's option, as part of the state's application infrastructure by other state agencies.

The method or middleware product by which these n-tier services will be accessed should be indicated.

4.8.1.1 *Claims Administration, Customer Services, Integration, and E-commerce System Development Methodology, Tools, and Platforms*

Describe the systems development methodology, tools, and platforms that would be used to create an information architecture for meeting the following key information objectives systems analysis, and design tools and workbenches;

- Claims administration systems;
- Implementing real-time, electronic communications between all of the DCH's various systems;
- Implementing real-time electronic communications with the DCH stakeholders (including members, providers, etc.), and the ability to access the DCH systems to conduct all HIPAA transactions via the Internet using the portal being developed by the GTA; and
Real-time data consolidation, analysis, and reporting from all the DCH transaction processing systems.

Fully describe information (especially Internet or web) technologies and tools used, including, but not limited to:

- Systems analysis and design tools and workbenches;
- Change control tools;
- Documentation tools;
- Testing tools;
- Programming and scripting languages;
- Web authoring tools;
- Use of applets and controls;
- Database management systems;
- Tools and protocols for server-side, data driven dynamic web pages (i.e., CGI or ASP);
- Operating systems and web servers; and
- Security applications proposed to meet HIPAA regulations and maintain confidentiality of data.

There is a ten (10)-page limit on this section.

4.8.1.2 System Enhancements and Testing

Describe and compare your test environment to the production environment.

Describe your process for adhering to a standard enhancement methodology, and tracking system enhancements and modifications. Discuss the following:

- User acceptance testing and sign-off;
- Parallel testing;
- Unit testing;
- System testing; and
- Integration testing.

This question has a three (3) page limit.

4.8.1.3 System Developers and Architects

Describe the qualifications and experience of the developers and system architects you are proposing for this project, and your rationale for utilizing these particular staff on this project. Provide detail regarding the number of staff knowledgeable regarding each of the methodologies, tools, and platforms described in Section 4.8.1.1. Further, differentiate between staff focused on each of the following areas or systems: claims, customer service, systems integration, and e-commerce. Finally, describe which staff members will have responsibility for achieving HIPAA compliance.

There is a four (4)-page limit on this section.

4.8.1.4 Integration and E-commerce System Architecture

Describe the overall proposed system architecture for claims administration, customer service, integration, and e-commerce to facilitate the key information objectives described in Sections 1.1 and 3.3. Relate this architecture to the methodologies, tools, and platforms described in Section 4.8.1.1. At a high level, portray the architecture from at least the following viewpoints (five (5)-page limit):

- Hardware and telecommunications;
- Data; and
- Logic processes and data flows.

Describe how this architecture will:

- Integrate data and processes across all subcontractors;
- Implement a single, electronic point of entry for all transactions for all members and providers using the GTA portal; and
- Provide access to and consolidation of all program data in real-time (include a description of how the DCH will have the ability to access data across all contractors in different systems for analysis).

Describe how integration of data will support and facilitate business transactions.

Describe how you will meet DCH's requirement that, after DCH/BOR defines the system data elements, the prime contractor will provide data definitions (format, length, and type) for each data element in each database. If commercial off-the-shelf software is proposed, the prime contractor must supply the above items in electronic format to GTA.

4.8.1.5 HIPAA Compliance

Describe how the combination of the e-commerce and integration information architecture, and the claims and customer services information architecture would support compliance with HIPAA (five (5)-page limit). This should include a discussion of both current capabilities, gaps in capabilities, and action plans to close those gaps by October 2002 for:

- Transaction standards;
- Code set standards;
- Unique identifier standards;
- Security standards; and
- Privacy standards.

4.8.1.6 Claims and Customer Services Product Description and History

Bidders must have an operational claims and customer services system that will be demonstrated to meet the requirements of this RFP. This base system is referred to as the “core system software”. For the system software package proposed, the bidder must (with a two (2)-page limit) respond to the following:

- Provide the name and version of the package;
- Identify the party responsible for the development of the original version of the software;
- Provide the age of the package and a history of upgrades;
- Indicate whether the package has been successfully installed in a production environment and when it was installed;
- Indicate whether the product is web-enabled and if so, describe the current capabilities using web technology. Additionally, describe the environment and current client that uses the application;
- For the product you are proposing, please identify the number of current installations, the year and location of the first installation, and the number of new clients in the past year;
- If the product (with or without modification) was in production use within the past three (3) years, provide user contact references for all installations; the references should include each customer’s name, current address, and telephone number;
- Indicate whether any of these installations were for supporting a commercial or Medicaid program;
- Indicate if any of these users have discontinued use of the product within the past three (3) years;

- Provide the language and the hardware and operating software environment(s) on which the package is capable of running; if the package runs in more than one environment, indicate the preferred or recommended environment; and
- Indicate whether any portion of the base system was developed with federal funds and provide assurances that the business proposals will comply with applicable federal guidelines on transferring technology originally developed with federal funding.

The bidder must provide a brief description of the proposed system as it is currently operational and any plans for the proposed software, no matter how tentative, for replacing this software, for selling it to another bidder, or for terminating it as an active product of the company. Plans for significant enhancements to the package must also be described (two (2)-page limit).

The final system delivered is expected to meet all the requirements of this RFP, per the two (2) phases described in Section 3. In this section, the bidder should, in high-level terms, describe the functionality that can be demonstrated at this time in the base system (two (2)-page limit).

The bidder should describe how it will meet DCH's contractual requirement that the selected vendor must either provide source code for all applications, or escrow the source code (one page limit).

Further, the bidder should, at a high-level, describe key functionality that will need to be developed in each of the two (2) project phases (two (2)-page limit per phase): Phase I and Phase II.

4.8.1.7 Claims and Customer Services System Structure and Architecture

Provide a brief description, with a five (5)-page limit, of the structure of the proposed system, as it is currently operational. The proposed system must be based on modern platforms and technologies. This description should briefly address at least the following areas:

- User interface—Include both the primary and secondary user interface (i.e., the primary interface could be a Windows GUI, while the secondary could be web-browser based). For a secondary interface, indicate if the interface is available for all functions or only for selected functions (if the latter, indicate the functions). Note, by the end of Phase II every function must be web-enabled;
- System architecture—Describe whether the system is primarily based on a host/terminal, N-tier client server, Internet browser 'thin client,' or other architecture. For 'fat client' models (i.e., 2-tier client server), describe implications for operating the system over a wide area network (WAN) and for providing software updates to desktop workstations;

- Database management system—Indicate architecture (i.e., relational, network, or flat file), product (i.e., Oracle, SAS, SQL Server), and version. The bidder must propose a relational database management system (RDBMS); however, it is acceptable to utilize flat files for implementing interfaces between systems;
- Communications protocols—Describe the communications protocols needed by the software to communicate over both local area networks (LANs) and WANs (i.e., TCP/IP, SPX/IPX, NetBIOS, SNA/SDLC, etc.);
- On-line help—Describe the amount of help that is available (i.e., entire user manual or only portions), whether the help is context-sensitive, and whether the help can be made to include operating policies and procedures; and
- Support for ad hoc reporting—Specifically, indicate ad hoc reporting tools included, and whether a separate data repository for ad hoc reporting is provided. If a separate repository is included, what is the frequency of update from the production system?

This description should briefly address at least the following areas:

- Job scheduling software;
- Screen navigation options;
- Alerts reminders;
- Work flow support for routing and tracking data among users;
- Imaging and OCR support for processing, storing, and retrieving textual documents;
- Security within the state network (user profiles and passwords);
- Security across the Internet (i.e., user profiles and passwords, level of encryption, certificates, firewalls, etc.); and
- On-line and batch printing.

4.8.1.8 Claims and Customer Services System Maintenance

Describe, with a two (2)-page limit, the process for handling routine system maintenance tasks including:

- Adding and deleting users;
- Modifying security access levels on individual users;
- Assigning passwords;
- Adding printers and other hardware to the network;
- Loading new tables, such as fee schedules or rates;
- Adding new codes to an existing field;
- Modifying field edits;
- Modifying standard notice text;
- Modifying variable notice text;
- Modifying an existing report; and
- On-going system maintenance.

4.8.2 Approach for Meeting Claims Program Administrative Requirements

4.8.2.1 Staff Recruitment and Training for On-going Operations

Describe the approach to staff hiring and training, with a two (2)-page limit, per phase (i.e., timing of hiring during the respective project periods, approach to training during this period, strategy for assembling and maintaining policies, procedures, and workbooks, etc.). All training costs must be included in the cost proposal.

Bidders will be expected to maintain actual staffing equal to at least ninety (90) percent of the level and type indicated in their RFP response unless the DCH approves a variation.

4.8.2.2 Management of Other DCH Vendors

Describe your approach for managing other vendors that are directly a part of this contract; four (4)-page limit on this section. Provide details regarding your approach to:

- Providing management oversight of other vendors;
- Measuring the effectiveness of that oversight;
- Communicating with and achieving approvals from the DCH for proposed changes in program operations;
- Providing support to the DCH in communicating and coordinating changes in program operations with external stakeholders (i.e., members, providers, the legislature, advocacy groups, the media, etc.);
- Providing on-going project management of vendor initiatives;
- Tracking issues and documenting decisions;
- Achieving excellent execution and synergies across vendors;
- Identifying cost saving measures across vendors; and
- Measuring cost savings achieved from initiatives, both initially and over time.

Describe the details of your staffing plan for management of subcontractors; there is a two (2)-page limit on this section.

4.8.2.3 Enrollment Application Processing and Eligibility Management

Provide a description, with a four (4)-page limit per phase, how enrollment application processing and on-going eligibility management will be organized. Provide separate discussions for SHBP and BORHP versus Medicaid and PeachCare for Kids, recognizing the major differences in the requirements between these programs.

Include a description of how you will develop an eligibility system to replace the existing MEMS currently used to support SHBP. This system must incorporate the functionality outlined in this RFP with regard to member eligibility for the SHBP and (possibly) BORHP programs. It must be a web-enabled application and must provide at least nightly updates (preferred real-time updates) to the MIS.

Provide a description of your solution to issuing member identification cards for all DCH populations. Specifically discuss any experience with implementing Smart Card technology.

4.8.2.4 Voice Communications Plan

Telephone call volume for SHBP and BORHP programs, historically, has been high compared to the number of members; call volume for the Medicaid and PeachCare for Kids programs also is traditionally high. Bidders must assure that the voice communication system proposed can support the telephone reporting requirements. Bidders must complete the information requested as follows, with a four (4)-page limit per phase, respond to this section and also include **Appendix J**, Functional Requirements.

Describe how telephone coverage will be organized for both the Development and Implementation Project periods. Include a discussion of any call center methods to respond to unanticipated short-term increases in telephone call volume and to guarantee uninterrupted telephone service. Describe any technology solutions proposed to minimize telephone call volumes and institute more of a client self-service environment.

Given the DCH's desire to achieve customer service access and responsiveness performance standards as described in **Appendix I**, please describe the telephone equipment and voice lines proposed to support the customer service operation. At a minimum, the bidder must address:

- How residents of every part of Georgia and how plan members residing outside the State of Georgia will be provided with toll free access to customer service staff;

- The level of dedicated incoming capacity (i.e., concurrent callers) the system will provide;
- The level of dedicated outgoing capacity the system will provide;
- The level of capacity available for use by either incoming or outgoing calls;
- Provisions to allow an increase in incoming capacity if needed;
- Call distribution system incorporated into the selected system;
- Real-time monitoring of call center call volumes;
- Recorded messages to be used in the proposed telephone system;
- How callers will queue if staff cannot immediately answer an incoming call;
- Voice mail procedures;
- Management reporting to identify problems and meet DCH required reporting, including the number of member inquiries, average wait time, call abandonment rate, and breakout by type of call and volume by type. Please provide a copy of your call tracking system reports; and
- Staffing ratios to membership.

Describe how members will secure telephone access to customer service representatives. Given the many service options (800 service, local service, ACD system, switch, headsets, etc.) generally associated with any one phone system, bidders must demonstrate either in-house expertise sufficient to manage these complex components or must secure the services of a full service support bidder.

Provide at least two (2) references (include name, organization, telephone number, and e-mail address) from current clients who can attest to the bidder or subcontractor's ability to respond quickly and effectively to telephone problems of all types.

Describe any additional features of the telephone system that will allow the bidder to provide high quality telephone access to members, providers, and the public. Such features could include but are not limited to computer telephony integration (CTI), interactive voice response (IVR), automated call tracking, or scripting.

Describe your call center's capabilities for handling large blocks of new members.

Describe how the hardware configuration will support the anticipated increase in clients and associated phone traffic.

Propose alternative solutions (other than the traditional telephone call center approach) to providing customer service to providers, members and the DCH. Include a discussion of non-voice solutions.

4.8.2.5 *Provider Management and Maintenance*

Describe how you will manage the following aspects of providers and fee schedules (four (4)-page limit):

- A stable in-state physician network for the SHBP and BORHP indemnity products;
- Maintaining consistent, yet distinct, provider information across all benefit programs, including the issue of accepting and validating updates from multiple sources (i.e., Medicaid and PeachCare for Kids provider maintenance, physician indemnity network for SHBP and BORHP, PPO network for SHBP and BORHP, Consumer Choice option providers by member);
- Maintaining fee schedules for the various benefit programs, including multiple fee schedules simultaneously (i.e., Medicaid and PeachCare for Kids, indemnity network for SHBP and BORHP, PPO network for SHBP and BORHP, Consumer Choice option providers by member) and tracking fee schedule changes over time; and
- Conducting fraud and abuse programs for SHBP, BOR, Medicaid and PeachCare for Kids.

4.8.2.5.1 Distribution of Provider Enrollment Forms

Describe your process and timelines for informing providers about the enrollment process for all DCH programs. Discuss ability to provide required forms via the web. What is the standard turnaround time for responding to requests from providers? Do you track the requests for provider applications and monitor the application throughout the credentialing process? This question has a two (2) page limit.

4.8.2.5.2 Provider Appeal Process and Grievance Hearings

Please describe your process for maintaining documentation and generating reports to support the provider appeal process and grievance hearings. This question has a two (2) page limit.

4.8.2.5.2 Provider Inquiries

Describe your process for receiving and responding to written inquiries from providers, and maintaining records of written and verbal provider inquiries or contacts. DCH requires records of written inquiries and responses to be maintained for a minimum of two (2) years. Include ability to capture voice communications for replay by DCH utilizing WAV files. This question has a one (1)-page limit.

4.8.2.5.3 Provider Training

Describe the process you will use for providing initial and ongoing training to providers in Georgia Medicaid policy and procedures, including any audio-visual aids. Please provide:

- An outline of the training program and materials, distinguishing between training to be provided to new providers with no prior Medicaid experience; existing providers who need additional assistance or training; individual sessions conducted at a provider's office to provide training assistance in resolving problems; and special training sessions to resolve specific recurring problems or to introduce and provide training on program or billing changes;
- Schedule of training sessions. DCH requires annual statewide training, at a minimum, and additional training as required when policy and/or procedures are implemented;
- Copies of recent provider newsletters; and
- Use of teleconferencing or the Internet.

This question has a four (4)-page limit.

4.8.2.5.4 Provider Handbook

Describe how you will furnish providers with a handbook that contains information such as plan contact information and phone numbers, policies and procedures, billing tips, etc. How frequently will this be updated? This question has a one (1)-page limit.

4.8.2.5.5 Nurse Aide Training Programs

Please describe the measures you will take to certify both public and private sector Nurse Aide Training Programs. The DCH requires the vendor to staff a hotline that provides information regarding the Nurse Aide Training Program, the Nurse Registry, the statewide Nurse Aide exam and the reporting of patient abuse. Give a description of how you will accommodate these requirements. This question has a two (2)-page limit.

4.8.2.5.6 In-state Indemnity Physician Network

Describe how you will meet the following requirements for an in-state indemnity physician network. This requirement may be met through the use of a commercial PPO network provider. This question has a three (3) page limit (note: supporting graphics such as provider distribution maps are not subject to this three page limit).

- Provider Access: The following requirements apply statewide
 - primary care providers within 15 miles of home
 - 1 OB/GYN within 15 miles of home
 - 1 pediatrician within 15 miles of home
 - 1 hospital within 25 miles of home
 - appropriate ratios of various specialists per 1000 members in the region
 - representation of minorities on provider panels
- Quality of Network Administration:
 - accreditation
 - provider credentialing
 - quality assurance
- Network Savings:
 - level of savings vs. market rates
 - ability to prevent balance billings to members

4.8.2.6 Claims Processing

Describe, with a ten (10)-page limit per phase, how claims processing will be organized to include descriptions of:

- Plan for minimizing paper claim submission and maximizing electronic claims processing;
- Data capture and editing, including use of imaging/OCR for paper claims and EDI in the HIPAA environment;
- Inventory controls and procedures to assure that all claims received by the vendor are accounted for and processed;
- Batching and routing of claims, correspondence, and requested documentation from members and providers;
- Document tracking after leaving mailroom;
- Autopay technology;
- Security edits, overrides, and internal controls;
- Process used to detect fraud and abuse, and the steps to review such cases while adhering to NCCP standards. Fraud and abuse can include: excessive billing; inappropriate billing practices; unnecessary utilization; and clinically inappropriate services;
- Integration with PAC records from care management vendors, such as UniCare and Magellan;
- Workflow management and queuing for claims that do not pass autopay edits;

- Maintaining provider network data, including accepting provider information data from third-party networks, such as the Joint Venture PPO Network and National PPO Network;
- Matching claims to providers, especially among different contracts or payment arrangements (i.e., indemnity, PPO, CCO, Medicaid, and PeachCare for Kids);
- Support for advanced payment arrangements, including DRGs, nursing home case mix, etc.;
- Handling COB and subrogation, including the issue of state-on-state TPL (i.e., both spouses employed by state or by BOR system (or one by each system), and enrolled as subscribers and dependents for healthcare benefits);
- Provide cost avoidance for claims processing, even though other functions for third party recovery have been carved out of this procurement;
- Verify that all claims are processed in compliance with state and federal requirements for timeliness and accuracy, and provide a copy of your claim management reports for monitoring the timeliness and accuracy of the claims processing function;
- Process Medicaid as secondary payer for both maintenance of benefits and copay reimbursement under managed care;
- Process claims received from a Medicare intermediary at the detail level and in the same manner as other provider submitted claims;
- Support for claims rebundling and defragmentation, including package used and rules supported;
- Support for generating explanation of benefits (EOB) and electronic provider remittance advices, including the ability to generate multiple messages per claim and the different messages to members and providers for the same claim. Address generating individual EOB forms per covered person to support HIPAA requirements;
- Consolidate multiple payments to a single provider on a single check and in supporting electronic funds transfer for all providers;
- Ability to issue multiple EOBs, remittance advices, and payments consolidated under single envelopes in zip code order to qualify for first class, pre-sort mailing rates;
- Check reconciliation procedures; and
- Ability to perform workers' compensation determination and data matches with the workers' compensation system.

4.8.2.7 Quality Assurance

Describe, with a two (2)-page limit, the activities to be assigned to the quality assurance staff beyond the activities mandated in this RFP to include a discussion of:

- The frequency and process for evaluating the entire operation and making recommendations to the DCH for process and quality improvement; and

- The process by which the bidder will sample claims output and customer service call and open inquiry monitoring to measure and report quality for performance guarantee purposes.

4.8.2.8 Member Service Management

Describe your member record reconciliation process for each of the following:

- Member records that fail edits during the upload/interface process; and
- Research and correction of pended eligibility update transactions that fail edits.

This question has a one (1)-page limit.

4.8.2.8.1 Member Questions and Complaints

Describe how you will record, research, and respond to questions or complaints from members. This question has a one (1) page limit.

4.8.2.8.2 Member Appeals Process and Grievance Hearings

Describe the process you will use to document and monitor the member appeals process and grievance hearings. This question has a one (1)-page limit.

4.8.2.8.3 Member Interpreter Services

Describe how you will meet DCH's requirement to provide member interpreter services as required. This question has a one (1)-page limit.

4.8.2.8.4 HEALTH CHECK (EPSDT)

HEALTH CHECK is the State of Georgia's Early Periodic Screening, Diagnosis and Treatment (EPSDT) program for Medicaid members from birth to age 21. This program provides early detection and treatment of conditions to correct or ameliorate defects and chronic conditions.

Describe the method you will use to:

- Track abnormal HEALTH CHECK screens and abnormal screens referred for treatment;
- Track number of recipients referred for treatment from abnormal screens;
- Screen and refer members into the HEALTH CHECK program;

- Promote full program participation, including monitoring appointment scheduling and mailing appointment reminders; tracking and follow-up on scheduled appointments and referrals;
- Contact parents and guardians of eligible members who are overdue for screening within the designated timeframes;
- Generate a roster containing the screening status of each assigned member under age 21;
- Run a roster for the last screen done and the next screen due based on the recipients date of birth;
- Run report of all Medicaid providers;
- Run report of all HEALTH CHECK provider names listed by county;
- Run notifications of HEALTH CHECK screens for pregnant women;
- Run HEALTH CHECK dental notifications;
- Distribute HEALTH CHECK rosters to providers;
- Increase program participation of members who are eligible for the program;
- Decrease the incidence of failed appointments; and
- Interface with the Statewide Immunization Tracking Registry–GRITS.

This question has a three (3)-page limit.

4.8.2.8.5 Medical and Agency Referral Network

Describe how you will develop a network of medical and agency referral sources for a variety of needs, such as early intervention services for children from birth to age three who are physically or mentally disabled and at risk for growth and developmental delays. This question has a one (1)-page limit.

4.8.2.8.6 Member Death Data

Describe your process for obtaining member death information and posting death status and date to member eligibility and demographic records. Describe any automated processes to recover monies paid out after member date of death. This question has a one (1)-page limit.

4.8.2.9 Customer Service Survey

Describe, with a two (2)-page limit, the plan to conduct responsive customer service surveys. The DCH requires a customer service survey for all the DCH programs conducted at the end of the first six (6) months of the contract, and annually thereafter. The DCH will negotiate with the vendor regarding the content of the surveys. Discuss alternatives to traditional paper surveys that are mailed out and discuss how the data collected will be utilized.

4.8.2.10 Reporting Requirements

Describe how the reporting requirements described in **Appendix J** will be met (two (2)-page limit).

Describe the approach for training the prime contractor, other subcontractors, DCH and BOR staff, including both claims administration operation and non-claims administration operation staff, in the use of the system and reporting capabilities.

4.8.2.11 Functional Requirements

Appendix J identifies the functional requirements as they address the uniform Third Party Administration operation regulations. The bidder must complete **Appendix J** and include it as part of their Proposal Part II.

4.8.2.12 Continuous Technology Refresh and Upgrades

Describe, within a two (2)-page limit, the approach for continuously refreshing and upgrading your services and systems technology, including the following:

- Describe how you will meet the requirement to continuously look for ways of improving delivery of services to the DCH clients via both technology and service delivery upgrades;
- Provide a description of your approach for keeping the system(s) current with industry standard and future IT;
- Provide an outline of the content of the annual technology assessment report, and recommendations for improvement, which must be submitted on a yearly basis by the prime contractor/system integrator; and
- Describe how you will present new developments in healthcare information processing technology to the DCH, and how you anticipate cost justifying any additional costs associated with these upgrades.

4.9 SECURITY AND DISASTER RECOVERY

4.9.1 General Security Requirements

The contractor must ensure that the systems development effort and the systems operations are in accordance with both state and federal regulations and guidelines related to security, confidentiality, and auditing. The procedures and controls developed will follow FIPS PUB 31 Automatic Data Processing Physical

Security and Risk Management guidelines, FIPS PUB 41 Computer Security Guidelines for Implementing the Privacy Act of 1974, and FIPS PUB 73 Guidelines for Security of Computer Applications.

The contractor is responsible for providing staff for a Security Management Team to work with DCH and the other subcontractors to ensure security. The prime contractor is expected to assist DCH in the development of a Security Management Plan and to submit regular Security Management reports to DCH according to a schedule established in the Security Management Plan. It is the intent of the state that all activity covered by this RFP be fully secured and protected by satisfactory security arrangements that must be documented within the Security Management Plan.

The prime contractor and his subcontractors, will treat all information that is obtained through their performance under this contract as confidential information, and will not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and securement of its rights contained within this RFP. State and federal officials, or representatives of these parties, will have access to all confidential information in accordance with the requirements of state and federal laws and regulations. The state will have absolute authority to determine if and when any other party is allowed to access Georgia Medicaid confidential information.

The bidder is to describe how it will meet these general security requirements (two (2)- page limit).

The Security Management Plan will at a minimum address two areas:

- Software/Data Security
- Facilities Security

The requirements for these two areas are contained below.

4.9.2 Software/Data Security Software System

The prime contractor's responsibility for managing the security and confidentiality of the data contained in the data repository(s) and all other associated systems is crucial for the protection of the assets owned by DCH. The prime contractor will ensure that DCH's documents and data are completely segregated from other contractor customers' material and that no unauthorized personnel will have access to the documents and data without specific approval by DCH.

The contractor will provide a fully functional, fully operational security software system to monitor access to the system, tables, files, and databases. In managing this feature the contractor will:

1. Log and report to DCH unauthorized attempts to access the system;
2. Establish a limit of unsuccessful access attempts after which a workstation will be disconnected;
3. Investigate relevant facts before any disconnected workstation is reconnected;
4. Protect against unauthorized access to DCH's data utilizing security software that is approved by DCH, if dial-up access is available to the MIS system;
5. Establish unique log-on for each user;
6. Require passwords that expire periodically and can be changed by users, as necessary;
7. Maintain complete confidentiality of passwords and IDs used by contractors and state employees. Contractor employees will not be allowed to share passwords or IDs except as authorized by DCH. Ensure that contractor employees not specifically assigned to work on DCH's account do not have access to the state's data;
8. Provide for the restriction of selected applications, transactions, data fields, and/or functions within an application to specific log-on and workstations;
9. Provide audit trails of transactions, including attempted transactions, by log-on ID, time entered, and source of entry;
10. Provide for automatic log-off if no workstation activity occurs for a specified length of time. The length of time will be specified by DCH;
11. Establish a limit of unsuccessful access attempts after which a user will be disconnected. Disconnect any user for whom the limit is reached;
12. Provide for complete LAN/Wide Area Network (WAN) security in accordance with GTA/DCH policies and procedures;
13. Provide weekly security report detailing all suspended user ids, the reason for suspension and the resolution of the suspension;
14. Provide for E-mail security in accordance with GTA/DCH policies and procedures;
15. Ensure that assigned employees and contractors are informed of and sign a confidentiality statement specifically addressing the materials, issues and data for DCH;
16. Dispose of all reports, whether test or production, printed at the contractor site, containing Georgia-specific information, and not forwarded to DCH, by either shredding or burning.

The bidder is to describe how it will meet these Software/Data Security requirements (five (5) page limit).

4.9.3 *Facilities Security*

The prime contractor and all subcontractors must limit access to their central and off-site facilities, including storage facilities, and provide DCH with a copy of its security plan and a safety plan and procedures for all facilities. Security at these facilities must meet the guidelines specified by GTA/DCH and the safety plan must conform to OSHA requirements. DCH reserves the right to perform spontaneous physical security and safety checks on the prime contractor or any of his subcontractors, without any prior notification. All violations identified by DCH will be assessed for their impact on the operations. The net result of these security and safety violations may include financial reductions in reimbursement, or in the case of extreme violations, a DCH request for the termination of a subcontractor or the termination of the prime contractor contract. The following are the minimum requirements for Facilities Security. The prime contractor, as a part of the Security Management Plan requirement, is encouraged to propose additional security measures. At a minimum:

1. The facility must be secure, with access limited to authorized personnel only;
2. The facility must have controlled access with doors locked at all times;
3. All visitors to the prime contractor's, or any Subcontractors' facility must wear badges and have signed a written record before entering the facility;
4. All data files must be secured in a fireproof vault when not in use;
5. The facility must be adequately powered and humidity-controlled according to the hardware manufacturer's guidelines;
6. No windows or doors to the prime contractor, or any subcontractors "computer room" that have direct external facilities access are allowed;
7. The facility and data storage vault(s) must be protected from fire and flood;
8. Equipment and devices must be protected against power fluctuations to ensure continuous uninterrupted operation;
9. The prime contractor will provide a safe and secure location in Atlanta, Georgia. This will include external surveillance, appropriate lighting, safe parking access, and security patrols as deemed appropriate by the DCH. All subcontractor facilities will be required to meet the same or similar standards as deemed appropriate by the DCH.

The prime contractor must identify all off-site storage facilities for all subcontractors and submit a detailed plan for the storage of contract material for DCH approval.

The bidder is to describe how it will meet the Facilities Security requirements (three (3) page limit).

4.9.4 *Backup and Disaster Recovery*

The prime contractor must maintain a state approved disaster recovery and backup plan at all times for themselves and for all subcontractors. The prime contractor, in cooperation with the other subcontractors, will develop appropriate checkpoint/restart capabilities and other features necessary to ensure reliability and recovery, including telecommunication and disaster recovery. The prime contractor will be required to prepare and maintain an escalation policy that identifies specific steps to be taken in the event of system interruption. This escalation policy must be submitted to and approved by the GTA/DCH by close of implementation and at least once a year during the term of the contract.

The prime contractor will provide a disaster recovery plan identifying the disaster recovery team, and a detailed description of the team's responsibilities. These responsibilities should cover problem detection and definition, scope and extent of the problem, affected hardware, software and networks, and the steps for problem resolution. The prime contractor must describe in its proposal the approach to ensure development, maintenance, and execution of the disaster recovery and backup plan.

The prime contractor will identify a data storage and disaster recovery facility for critical operational areas, and validate contractual commitment by providing DCH with copies of the contracts and/or agreements.

The prime contractor will identify a disaster recovery training schedule. This schedule will be submitted to DCH for approval. As modifications and updates are made to the disaster recovery plan, or as new employees are added to the disaster recovery team, an updated training schedule will be submitted to DCH for approval.

The prime contractor will be required to maintain a disaster recovery plan modeled according to the guidelines in FIPS PUB 87, Guidelines for Automated Data Processing (ADP) Contingency Planning, and designed to minimize any disruption to the processing of DCH transactions. It is the contractor's responsibility to maintain adequate backup to ensure continued automated and manual processing. The prime contractor will demonstrate this disaster recovery plan capability no less than once every year, in accordance with the Code of Federal Regulation 45 (CFR) 95.621(f), and make any changes required by DCH. The validation of the disaster recovery plan must include demonstration of the network switching and processing.

The prime contractor will be required to prepare and maintain a disaster recovery plan and provide DCH with up-to-date copies at least once a year during the term of the contract. The disaster recovery plan must be submitted to DCH for approval

prior to the systems implementation and whenever changes are required, not to exceed quarterly updates. The plan will at a minimum encompass the following:

1. Ensure checkpoint/restart capabilities;
2. Retain and store backup files and software;
3. Provide hardware backup for the main processor(s);
4. Provide network backup for telecommunications;
5. Provide telecommunications equipment;
6. Provide an Uninterruptible Power Source (UPS) at both the primary and alternate sites with the capacity to support the system and its components;
7. Continuously maintain data at a backup data site, assuming the loss of the prime contractor's primary data site. This will include interim support for the on-line components and will be effective within one business day of the unavailability of the primary data site;
8. Implement backup procedures and support to accommodate the loss of on-line communications between the data repository(s), all subcontractors, and DCH. These procedures and support will provide the necessary requirements associated with the primary site and will not disrupt DCH or the other contractors in the performance of their functions;
9. Provide a detailed file backup plan and the required procedures necessary to capture and store off-site all transaction and master databases determined to be critical by DCH. The plan will include a detailed schedule for backing up these critical databases and their rotation to an off-site storage facility. This file backup plan will be reviewed by DCH on an annual basis and the prime contractor will make any required changes;
10. Assume all critical operations (designated by DCH) within five business days following a "disaster". All critical operations shall be clearly defined in the prime contractors state approved disaster recovery and backup plan;
11. Ensure that the off-site facility meets the requirements for security of the data and documentation stored there, including protection against fire, sabotage, and adverse environmental conditions;
12. Provide procedures for the maintenance of current systems documentation and source program libraries at the off-site facility;
13. Ensure that copies of the disaster recovery plan and all necessary procedures will be made available for auditing at the request of DCH;
14. Address Georgia-specific disaster preparedness needs, even though the prime contractor may have one Disaster Recovery and Backup Plan which covers both in-state and out-of-state operations;
15. Make the Disaster Recovery and Backup Plan available to all subcontractors, the state and its' designated agents, on-line.

The bidder is to describe how it will meet these Disaster Recovery requirements (five (5) page limit).

4.10 *TURNOVER*

Prior to the conclusion of the contract, or prior to termination, the prime contractor shall provide assistance in turning over any and all pieces of the Georgia MIS to the state or its designated agent. This Section specifies the minimum requirements for the Turnover Phase. The Section applies whether it is a turnover of just the prime contractor, or the prime contractor and the entire team of subcontractors. The state will determine at the time of turnover, to what extent the following minimum requirements apply.

4.10.1 *General Requirements*

- For a non-proprietary system, the prime contractor must provide for a smooth, timely, and error-free turnover of the system and operations to DCH or its designated contractor at the point that the contract is terminated.
- For a proprietary system, the prime contractor must provide for a smooth, timely and error-free turnover of all MIS data, linkage modules, and equipment and software not owned by the contractor to DCH or its designated contractor.

The state will notify the prime contractor at least six months prior to the contract termination date or of the state's intent to transfer responsibility of the MIS to another contractor or enter into an alternative arrangement (receive a new system) from another contractor.

The bidder is to describe how it will meet these Turnover General Requirements (two (2) page limit).

4.10.2 *Minimum Turnover Requirements*

The prime contractor will be responsible for providing the state with several items to support turnover activities. At a minimum, the prime contractor will:

1. Develop a Georgia MIS Turnover Plan, which must include at a minimum:
 - a. Proposed approach to turnover;
 - b. Tasks and phases for turnover;
 - c. Schedule for turnover; and
 - d. All Georgia MIS production data , program libraries, and documentation including documentation update procedures during turnover.
2. Develop a Statement of Requirements for Georgia MIS Operations.
As a part of the turnover plan, the prime contractor shall furnish a statement of resources that would be required by the state or another contractor to take over operation of the Georgia MIS. If the prime contractor alone is being replaced, the statement would be limited to the number and types of staff employed by the prime contractor in order to effectively coordinate all

subcontractors. For a large scale turnover involving some or all of the subcontractors and the prime contractor, this statement shall include:

- a. An estimate of the number, and salary of personnel to operate the equipment and perform the functions needed to support the MIS. The statement shall be separated by the type of activity of the personnel, including, but not limited to the following categories:
 - i. data processing staff,
 - ii. computer operators,
 - iii. systems analysts,
 - iv. systems programmers,
 - v. programmer analysts,
 - vi. data entry staff,
 - vii. document imaging and workflow technology operators,
 - viii. management engineers,
 - ix. provider services staff,
 - x. administrative staff,
 - xi. provider field representatives,
 - xii. clerks, and
 - xiii. managers;
 - b. The statement of resources will also include a statement of all facilities and other hardware necessary to support the operation of the Georgia MIS, including , but not limited to:
 - i. data processing and document imaging and workflow technology equipment,
 - ii. system and special software,
 - iii. other equipment,
 - iv. telecommunications circuits,
 - v. telephones, and
 - vi. office space (both in Atlanta and remote);
 - c. The statement of resource requirements must be based on the contractors experience in the operation of the Georgia MIS and shall include information on actual contractor resources devoted to the operation of the system; and
 - d. The prime contractor shall provide a detailed organization chart for the project depicting the prime contractor's total Georgia MIS operation.
3. Provide Turnover Services
- When requested by the DCH and/or BOR for its plan, the prime contractor and his subcontractors, shall provide turnover services to the state and the incoming prime contractor and his team of subcontractors. The following are the minimum requirements for this task:
- a. When requested by the state, arrange for the transfer of all Georgia MIS source programs using an appropriate media such as magnetic tape;
 - b. When requested, transfer to the state or it's agent, as directed by DCH, a copy of the enhanced Georgia MIS including:

- i. All necessary data and reference files on magnetic tape cartridges, or other appropriate media and imaged documents stored on document imaging and workflow technology and magnetic disk,
 - ii. All production computer programs on magnetic tape cartridges, or other appropriate media,
 - iii. Job Control Language (JCL) on magnetic tape,
 - iv. All other documentation, including but not limited to, user manuals, operations manuals, and system documentation, in both hard and soft copy format, needed to operate and maintain the system, and
 - v. Procedures for updating computer programs, JCL, and other system documentation;
- c. Train the state staff or its' designated agent, in the operation of the Georgia MIS when requested. Such training must be completed at least two months before the end of the contract. Such training shall include:
- i. Data entry, document imaging and workflow technology, and claims processing,
 - ii. Computer operations,
 - iii. Controls and balancing procedures,
 - iv. Exception claims processing, and
 - v. Other manual procedures;
- d. Provide updates or replacements for all reference files, computer programs, JCL, and all other documentation that will be required by the state or their designated agent to operate the Georgia MIS when requested;
- e. At a turnover date to be determined by the state, provide to the state or its' agent all updated computer programs, data and reference files, JCL, and all other documentation and records that will be required by the state or its' designated agent to operate the Georgia MIS; and
- f. Following the turnover of operations, provide the state a turnover results report that will document completion of all tasks at each step of the turnover plan.
4. Provide Post Turnover Services including the following:
- a. Ensure that the Georgia MIS system will be error free when turned over to the state or its' designated agent at the end of the terms of the contract;
 - b. Correct, at no cost to the state, malfunctions that existed in the system prior to turnover or caused by a lack of support at turnover, as determined by the state; and
 - c. Provide support for the turnover up to 180 days after the turnover date.

The bidder is to describe how it will meet these Minimum Turnover Requirements (five (5) page limit).

5.0 BIDDER EVALUATION AND CONTRACT AWARD

5.1 BIDDER EVALUATION

The DCH will conduct a comprehensive, fair, and impartial evaluation of all proposals received in response to this procurement. The evaluation process will include not only evaluations of the RFP responses, but also evaluations of bidder references, on-site demonstrations, and any other relevant source of information regarding a bidder and its products and services.

An Evaluation Committee will be established to assist the DCH in selection of a contractor. The Evaluation Committee will be responsible for the review and scoring of all bidders. The Evaluation Committee will recommend a contract award decision to the Commissioner and the Chancellor of the Board of Regents, who will then render the final decision. All bidders will be notified in writing of the selection of the successful offeror.

While cost is a consideration and is included in the evaluation criteria, the DCH and BOR reserves the right to award this contract to the bidder whose proposal is most advantageous to the needs of the DCH, cost and all other factors considered.

More specifically, the prime contractor must substantially meet all aspects of the requirements. To be considered for a contract award, a bidder must achieve minimally acceptable scores in *each* scoring category described below. Thus, it is possible for a bidder to be disqualified from consideration if it scores unacceptably low in any given scoring category, even if its overall score across categories is high.

The DCH will invite bidders achieving minimally acceptable scores in the Technical Proposal, all scoring categories, to present their capabilities during an oral presentation at DCH during the week of May 14, 2001 and a demonstration at a representative facility/facilities of the bidder during the week of May 21, 2001. Further, the DCH reserves the right to request that bidders make additional presentations, either in person or by telephone, to the Evaluation Committee clarifying their bid and responding to questions from the Committee regarding their bid.

The DCH also reserves the right to require additional written documentation to support and clarify information provided in the proposal. Failure to respond to such requests may result in disqualification of the bidder from further consideration at the DCH's sole discretion.

Each proposal must meet minimum requirements set forth in this RFP before consideration will be granted for a complete evaluation. The evaluation will be conducted according to the following process:

- review for proposal minimum submission requirements;

- evaluation of technical proposal—this will occur only if the proposal minimum submission requirements are met;
- evaluation of cost proposal—this will occur only if the proposal minimum submission requirements are met and if the Evaluation Committee determines that the bidder has achieved a minimally acceptable score in each scoring category of the Technical Proposal; and
- ranking of proposals.

5.2 *PROPOSAL MINIMUM SUBMISSION REQUIREMENTS REVIEW*

The minimum requirements for a proposal to be given consideration for a complete evaluation are as follows:

- adherence to all response requirements set out in the RFP;
- adherence to all time frames and proper appendices and forms as prescribed in this RFP (or subsequent department formal documents); and
- acceptance of all conditions described in this RFP, including but not limited to, those described in the Contract Terms and Conditions.

5.3 *EVALUATION OF TECHNICAL PROPOSAL*

The Evaluation Committee will allocate up to 1,040 points to each bidder meeting the proposal minimum submission requirements. The technical portion of the proposal will be worth a maximum of 650 points, and the cost portion of the proposal will be worth a maximum of 350 points. Forty (40) additional points may be awarded for bidders who comply with the Minority Business Policy and Tax Incentives Requirements described in Section 6.10.

We reiterate that DCH is requesting, via this RFP, innovative and creative technology and operational solutions to accomplish DCH business functions. It is imperative to stress to potential vendors that DCH is not interested in traditional MMIS systems, nor a standard commercial system. Instead, DCH is looking for the prime contractor/system integrator to propose an innovative solution that is flexible and scalable as requirements for DCH evolve over time. Additionally, as discussed in the RFP, DCH requires continuous technology refresh assessment and replacement on an annual basis as needed. For meeting the same base requirements, DCH will award more points for bidders that propose innovative and creative technology and operational solutions that foster the ability to rapidly and efficiently add new functionality over time.

For the Technical Proposal, each proposal will be evaluated and assigned point scores based on the categories in the following table:

| Scoring Category | Points |
|---|------------------|
| 1. Bidder's ability to meet claims administration requirements of SHBP, BORHP, Medicaid, and PeachCare for Kids by the required timeframes. | Up to 200 points |
| 2. Bidder's ability to provide management services for all other contractors, with the exception of MEDSTAT and Express Scripts. | Up to 50 points |
| 3. Bidder's ability to demonstrate effectively and timely manage and execute large, complex implementation projects, as demonstrated via its responses to RFP questions regarding project management, testing approaches and time lines, and client references. | Up to 75 points |
| 4. Bidder's commitment to continuous review of systems and operations with a focus on both operational and technological improvements. | Up to 50 points |
| 5. Organizational qualifications, including bidder experience, reputation, and financial strength. | Up to 25 points |
| 6. Characteristics of the system and the proposed system architecture, including the use of modern technology platforms, tools, and architectures that will provide flexibility and extensibility to the system over time, the ability to support the consolidation of data in real-time, and the ability to support e-commerce through integration with GTA's portal. Innovation and creativity of technical proposal. | Up to 150 points |
| 7. Oral Presentations | Up to 40 points |
| 8. Vendor demonstrations/site visits | Up to 60 points |
| 9. Additional possible points awarded for Minority Business Policy and Tax Incentive (See Section 6.10). | 40 points |

5.4 EVALUATION OF COST PROPOSAL

The Cost Proposal portion will be worth a maximum of 350 points. The Cost Proposal will only be opened and reviewed for bidders who have met both requirements below:

- the Proposal Minimum Submission Requirements are met; and
- the Evaluation Committee determines that, at least, minimally acceptable scores have been achieved in the Technical Proposal for each scoring category.

The Cost Proposal should assume:

- pending sufficient funding, the initial contract term will be one (1) year, renewable annually for up to an additional four (4) years, with the possibility for two (2) additional one (1) year renewable extensions. This means that the DCH and the selected vendor could contract for up to seven (7) consecutive years before a competitive procurement is required for a total of eight years.

Accordingly, the contract will run from contract award date through June 30, 2006 (five (5) years), with two (2) renewable one-year options (through June 30, 2008). bidders should bid firm, fixed prices through June 30, 2005. Subsequent to that date, prices for each year's upcoming services may be adjusted by up to the previous 12 months' CPI-U. For the purposes of this proposal, bidders are instructed to assume the CPI-U during this time period is three (3) percent. Further, bidders need to supply cost data for the first five (5) years of the contract.

The bidder's Cost Proposal must conform to the format and instructions on **Appendix L, Cost Proposal**.

The Cost Proposal will be examined to determine if it:

- meets all minimum requirements for submission as outlined in the RFP;
- is consistent with the services proposed; and
- contains accurate calculations.

Any cost proposal that is incomplete or in which there are significant inconsistencies or inaccuracies may cause the entire proposal to be rejected.

For each cost proposal that is examined, costs will be analyzed as follows:

- The total costs for each year from the Appendix L Cost Grids will be discounted by the state's average weighted cost of capital (AWCC) to arrive at the present value of these costs, using the targeted start date of the contract as the "present."
- The present value (PV) cost for each year will be summed to determine the overall PV cost for the bidder.

The Cost Proposal score will be calculated as follows:

$$\frac{\text{Lowest PV Cost from Any Bidder} \times 350 \text{ points}}{\text{Bidder's PV Cost}}$$

Bidders may fulfill this obligation through a subcontract for any services related to this contract by utilizing small, minority, or women's business as suppliers of goods or services. Up to an additional 40 points may be awarded. Reference Section 6.10.

5.5 RANKING OF BIDDERS

Upon receipt of the bidder proposals, the Evaluation Committee will, for bidders meeting the Proposal Minimum Submission Requirements and achieving minimally acceptable scores in all Technical Proposal scoring categories, total the points awarded for the Technical and Cost Proposals to determine the ranking of these bidders. The Evaluation Committee will revise these scores as it gathers additional information regarding each bidder through procurement activities, such as the oral presentations, on-site demonstrations, reference checking, and requests for additional information. While a proposal's numerical rank will play a major role in the Evaluation Committee's recommendations, the DCH reserves the right to recommend contract award based on an overall assessment of the needs of the DCH after consultation between the DCH Commissioner and the Chancellor of BOR. Recommendations, along with the pertinent supporting materials, will then be conveyed to the DCH Commissioner and the Chancellor of BOR.

5.6 NEGOTIATIONS AND BAFO

DCH may require the bidder to provide additional detailed data to support the data submitted in the Technical and Cost Proposals. DCH may make this request at any time, including during the procurement process and/or at the time of contract award. At the time of contract award, DCH may require the selected bidder to respond to questions regarding costs and services and to negotiate in good faith a Best and Final Offer (BAFO). DCH reserves the right to withhold or change the award of this contract based upon DCH's evaluation of the bidder's negotiations and BAFO.

6.0 PROCUREMENT TERMS AND CONDITIONS

6.1 VENDOR REGISTRATION

Vendors responding to this RFP need to become a registered vendor in order to sell products or services to the State of Georgia. The Department of Administrative Services Bid Room will e-mail you our Internet registration address and a pass code that will enable you to self-register electronically. Registering to become part of the state Purchasing vendor file is important because:

- Buyers in all state government and educational agencies often refer to the file to target vendors supplying a particular product or service. Please note that the vendor file is a good source for vendor information, but not the only source. Registration does not guarantee that your firm will be solicited for any or all requirements. All vendors should check the Procurement Registry on the Internet frequently.
- State of Georgia implemented a new automated, integrated financial and purchasing system on July 1, 1999. The vendor file will also be used to support financial transactions with vendors including invoice payments.

If you have any question or concerns, please feel free to contact:

Barry Shepard
Contracting Officer
Georgia Technology Authority
100 Peachtree Street, Suite 2300
Atlanta, Georgia 30303-3404
Telephone: 404 463 2300 FAX: 404 463 2390
E-mail: www.bshepard@gagta.com

GTA, working with the DCH and BOR, is the procuring authority for this project and will be the point of contact for all questions and comments. GTA will issue all amendments to this RFP.

6.2 RFP AMENDMENTS

The GTA reserves the right to addend the RFP prior to the date of proposal submission. Addenda will be posted to the Internet (see **Appendix A**).

6.3 PROPOSAL WITHDRAWAL

Prior to the proposal due date, a submitted proposal may be withdrawn by the bidder by submitting a written request to the Procurement Analyst named herein. A person authorized to sign on behalf of the bidder must sign all such requests.

After proposal due date, the GTA, may in its sole discretion, permit withdrawal when the best interest of the GTA would be served. Generally, withdrawal will only be allowed in cases where there has been an honest mistake not resulting from negligence and the mistake is clearly ascertainable.

6.4 PERIOD OF PERFORMANCE

Any contract awarded hereunder shall commence on or about May 30, 2001, or date of award if later, and shall remain in effect through June 30, 2006, unless sooner terminated under the provisions of this contract (see Appendix N). Per Georgia statute, all the DCH contracts are for 12 months, and run from July 1 to June 30 each year; one-year renewals are then permitted to allow a longer contract period. Assuming this contract runs the full five (5) years and all annual extensions are used, the contract end date would be June 30, 2007. All BOR contracts are for 12 months, and run from January 1 to December 31 each year; one-year renewals are then permitted to allow for a longer contract period. This means that the contract could run as long as December 31, 2006 for the BORHP.

6.5 CONTRACT ADMINISTRATION DATA

The contracting officer or his/her designated contracting officer administrative representative at the agency/department level will perform all contract administration. The contract administration functions include, but are not limited to ensuring compliance with contract requirements, insofar as the work is concerned; and advising the contracting officer of any factors, which may cause delay in performance of the work.

6.6 COST FOR PREPARING PROPOSALS

The cost for developing the proposal is the sole responsibility of the bidder. The GTA, DCH, and BOR will not provide reimbursement for such costs.

6.7 CONTRACT

The contract, which the GTA intends to use with the successful bidder, will be attached as **Appendix N** as an amendment to this RFP. The contract will be posted at least three (3) weeks prior to the bid proposal due date. Prospective bidders are urged to carefully read this contract prior to making their offers. Contract and any exceptions to the Contract must be submitted with the bidder's proposal. The GTA reserves the right to add provisions to the Contract to be consistent with the successful bidder's offer, and to negotiate with the successful bidder other additions to, deletions from, and/or changes in the language in the Contract, provided that no such addition, deletion, or change in the

Contract language would, in the sole discretion of the GTA, affect the evaluation criteria set forth herein, or give the successful bidder a competitive advantage.

Any exceptions to the agreement must be clearly identified, accompany the bidder's proposal, and be attached to the agreement. Bidders are cautioned that any exception submitted that will give the bidder a competitive advantage over another bidder, or that will cause a failure to meet a mandatory requirement of the RFP, will not be accepted.

Prior to award, the apparent winning bidder will be required to enter into discussions with the state to resolve any contractual differences before an award is made. These discussions are to be finalized and all exceptions resolved within one (1) week of notification. If not, this could lead to rejection of the bidder's proposal and discussions initiated with the second highest scoring bidder.

The bidder will not retype the enclosed Contract. The prime contractor should sign and return the Contract with their Proposal.

6.8 CONFLICT OF INTEREST

If a bidder has any existing client relationship(s) that involves the state that would prevent their being objective, the bidder must disclose such relationship(s).

6.9 CONFIDENTIALITY REQUIREMENTS

The staff members that are assigned by the successful bidder to this project may be required to sign a departmental non-disclosure statement. Proposals are subject to the Georgia Open Records Act and may be provided to anyone properly requesting same, after contract award. The state cannot protect proprietary data submitted in Vendor proposals.

6.10 MINORITY BUSINESS POLICY AND TAX INCENTIVE

It is the policy of the state that minority business enterprises shall have a fair and equal opportunity to participate in the state's purchasing process. Therefore, the state encourages all minority business enterprises to compete for, win, and receive contracts for goods, services, and construction. Also, the state encourages all companies to subcontract portions of any state contract to minority business enterprises. There is a Minority Subcontractor Georgia Income Tax Incentive opportunity. See Official Code of Georgia Annotated 48-7-38. bidders interested in taking advantage of the state income tax incentives, relative to the use of minority subcontractors in the performance of contracts awarded by the state, should address their questions to the State Small and Minority Business Director (See 5.14 for address).

6.11 RECIPROCAL PREFERENCE LAW

For the purposes of evaluation only, bidders resident in the State of Georgia will be granted the same preference over bidder's resident in another state and in the same manner, on the same basis, and to the same extent that preference is granted in awarding bids for the same goods or services by such other state to bidder's resident therein over bidder's resident in the State of Georgia. NOTE: For the purposes of this law, the definition of a resident offeror is one who maintains a place of business with at least one employee inside the State of Georgia. A post office box address will not satisfy this requirement.

6.12 POLICY ON DRUG-FREE WORKPLACE

The final award of a contract is contingent upon the prime contractor certifying to the state that a drug-free workplace will be provided for the prime contractor's employees during the performance of the contract as required by the "Drug-Free Workplace Act" (O.C.G.A. 50-24-1).

6.13 AMERICANS WITH DISABILITIES ACT (ADA) GUIDELINES

The state adheres to the guidelines set forth in the ADA. Accordingly, provisions will be made to make use of the services provided by the Statewide Operations and Support Services of the Department of Administrative Services easier and more accessible. We ask that you please call the Bid Officer at 404 656 5720 in advance if you require special arrangements when you attend the public bid openings or when you visit our offices. If you need assistance when attending a Bidders' Conference, if one is scheduled, please contact the contracting officer named herein. Please try to give at least one-day notice. The Georgia Relay Center at 800 255 0056 (TDD Only) or 800 255 0135 (Voice) will relay messages for the speech and hearing impaired in strict confidence.

6.14 FINANCIAL INFORMATION

DCH is concerned about bidders' financial capability to perform. Therefore, please provide sufficient data to lead evaluators to the conclusion that your firm has the financial capability to perform. As detailed financial data is generally proprietary and bidders do not wish such information to be part of the public record under the Georgia Open Records Act (G.O.R.A.), the GTA reserves the right to perform additional due diligence in this area, at the sole discretion of the GTA, prior to award of any contract.