



**DATE: OCTOBER 27, 2012**

**STATE OF VERMONT**

**DEPARTMENT OF VERMONT HEALTH ACCESS**

**Health Care Reform Division**

**SEALED BID**

**REQUEST FOR PROPOSALS**

**TITLE: HEALTH BENEFITS EXCHANGE PLANNING AND IMPLEMENTATION**

**REQUISITION NUMBER: 03410-103-12**

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# **CHAPTER 1**

## **INFORMATION FOR THE BIDDER**

## 1. **GENERAL PROVISIONS**

### 1.1. **INTRODUCTION**

The Department of Vermont Health Access (DVHA), on behalf of the State of Vermont (hereinafter called the “State”), is seeking to establish service agreements with one or more companies that can provide assistance in Vermont’s second year of planning for design and implementation of a federally-mandated American Health Benefits Exchange (the “Exchange”). Award of this bid is expressly conditioned on receipt of grant funding. Even if grant funding is awarded, the State expressly reserves the right to award no contracts pursuant to this RFP, in its entirety or in sections. Contracts awarded pursuant to this RFP will not include minimum guarantees of funding and will include payments based on actual work performed as requested.

The Patient Protection and Affordable Care Act (ACA), was signed into law in March, 2010. The ACA requires each state (or the federal government acting on behalf of each state) to create an Exchange that performs a variety of functions, including offering residents of the state the means to compare information on available health benefit plans, enroll in plans, and receive tax credits if eligible. In addition, the Exchange (or an entity on behalf of the Exchange) will certify “qualified health plans” to be offered on the Exchange, rate those plans based on quality, maintain a website and toll-free number, provide a calculator for consumers to determine the amount of their tax credit, coordinate with the Medicaid/CHIP agencies to enroll applicants found eligible for Medicaid or CHIP, identify individuals exempt from the federal insurance mandate, require participating plans to justify rate increases, and contract for navigators to provide public education and facilitate enrollment. Either as part of the Exchange for individuals, or as a separate Exchange, small businesses will have the opportunity to assist their employees in enrolling in health plans offered on the Exchange. Exchanges must be operational by January 1, 2014.

The State applied for and received federal planning grant funds for Federal Fiscal Year 2011 (October 1, 2010, through September 30, 2011), and has applied for additional grant funding for Federal Fiscal Year 2012 (October 1, 2011 through September 30, 2012). Please see the appendix for the Project Abstract and Project Narrative for the State’s second-year grant application.

### 1.2. **SCHEDULE OF EVENTS**

The expected timetable, including the Proposal Due Date and other important dates are set forth below.

RFP Posted	10/27/2011
Intent to Bid	11/7/2011, 4:30 pm
Bidder’s Questions Due	11/15/2011
Dept Response to Questions	11/21/2011
Proposal Due/Closing Date	11/30/2011, 3:30 pm
Bid Opening	11/30/2011, 3:30 pm
Selection Notification	12/13/2011
Commencement of Contract	Mid to Late January

**1.3. SINGLE POINT OF CONTACT**

All communications concerning this Request For Proposal (RFP) are to be addressed in writing to the attention of: Jason Elledge, Grants Management Specialist, Dept. of Vermont Health Access, 312 Hurricane Lane, Suite 201, Williston, VT 05495; [jason.elledge@ahs.state.vt.us](mailto:jason.elledge@ahs.state.vt.us) will be the sole contact for this proposal. Attempts by bidders to contact any other party could result in the rejection of their proposal.

**1.4. LETTER OF INTENT - PRE-REQUISITE**

In order to ensure all necessary communication with the appropriate bidders and to prepare for the review of proposals, one letter of intent to bid must be submitted per bidder. The letter must identify the sections for which it is intending to submit a proposal.

Letters of Intent must be submitted by November 7, 2011 by 4:30 p.m. to:

Jason Elledge, Grants Management Specialist, Dept. of Vermont Health Access, 312 Hurricane Lane, Suite 201, Williston, VT 05495

**1.5. QUESTION AND ANSWER PERIOD**

Any vendor requiring clarification of any section of this proposal must submit specific questions in writing according to the Schedule listed in Section 1.2. Questions must be e-mailed to the RFP Contact listed in Section 1.3 of this proposal. Any question not raised in writing on or before the last day of the initial question period is waived. Responses to the questions sent will be posted to the Electronic Bulletin Board website.

**1.6. BIDDER'S CONFERENCE**

There will be no bidder's conference.

**1.7. INSTRUCTIONS TO BIDDERS**

**The Proposal Packet:** A proposal packet is the entire package of information sent by one bidder in response to one or more sections described in this document. Each bidder may submit only one proposal packet. A bidder may submit a proposal for more than one section in its packet. Each bidder may submit only one proposal. If you send multiple proposals for the same program, the State will reject all of your proposals. Your proposal must include:

**1.7.1. Rate Chart:** One rate chart indicating the sections for which you are submitting a proposal and the proposed rates.

**1.7.2. Certification and Assurances:** One copy of the signed Certifications and Assurances, found in Appendix A, signed by a person authorized to bind your Company to a contract.

**1.7.3. References:** Provide the names, addresses, and phone numbers of at least three companies with whom you have transacted similar business in the last 24 months. You must include contact names who can talk knowledgeably about performance.

**1.7.4. Insurance certificate:** As part of the proposal packet the Bidder must provide current certificates of insurance which may or may not meet the minimum requirements laid out in the section 4 of this document. Any questions a bidder may have concerning the necessary insurance coverage must be raised during the question and answer period set out in section 1.5 of this document. In the absence of a question, and upon contract negotiations the apparently successful bidder must provide a certificate of insurance that meets the minimum coverage specified in section 4 of this document.

**1.7.5.** Any other attachments to the proposal labeled and attached.

**1.7.6. Letter of Submittal:** One letter of submittal, signed by a person authorized to bind your organization to a contract. Your letter must include:

- 1.7.6.1. Identifying information about your organization and any sub-contractors. Include the name of the organization, names, addresses, telephone numbers, and address of principal officers and project/program leader, and a description of the type of organization you operate.
- 1.7.6.2. A detailed list of all materials and enclosures being sent in the proposal.
- 1.7.6.3. Any other statements you wish to convey to the State.
- 1.7.6.4. Any alternative contract language you wish to propose. If alternate contract language is longer than one page, attach it to your letter in a separate document.
- 1.7.7. Your proposal should respond to the following four identified areas (see Section 2.1\_SCORING for more detail).
  - 1.7.7.1. Quality of Bidder Experience
  - 1.7.7.2. Bidder Capacity
  - 1.7.7.3. Technical Proposal/Program Specifications
  - 1.7.7.4. Program Costs
- 1.7.8. Proposal Format:
  - 1.7.8.1. Use standard 8.5" x 11" white paper. Documents must be single-spaced and use not less than a twelve point font.
  - 1.7.8.2. Send four (4) identical copies of each Program Proposal you are submitting and include a computer file copy of the document on a CD using Microsoft Word, Word Perfect or straight text file formats in the proposal packet.
  - 1.7.8.3. State your organization's name on each page of your program proposals and on any other information you are submitting.
  - 1.7.8.4. Write the program proposal in the order given in the scoring criteria charts (bidder capacity, bidder experience, program specifications, and program costs).
- 1.7.9. Closing Date & Proposal Packet Delivery:
  - 1.7.9.1. Send four (4) copies of your proposal to:

Jason Elledge, Grants Management Specialist, Dept. of Vermont Health Access,  
312 Hurricane Lane, Suite 201, Williston, VT 05495
  - 1.7.9.2. Your proposal, (all components including hard copies AND e-mail and/or CD copy) whether mailed or hand delivered, must arrive at the Division (DVHA) **no later than 3:30 PM, November 30, 2011**. Late responses shall not be accepted and shall automatically be disqualified from further consideration. The method of delivery shall be at your discretion, and shall be at your sole risk to assure delivery at the designated office. DVHA does not take responsibility for any problems in mail or delivery, either within or outside DVHA. Receipt by any other office or mailroom is not equivalent to receipt by DVHA.

## 1.8. FACSIMILE AND EMAIL COMMUNICATION

You may use facsimile communication (FAX) or email for any communication required in this RFP - EXCEPT for your proposal and protest, if any. You may not send your proposal or protest by facsimile or email communication.

**1.9. BID OPENING**

The bid opening will be held on November 30, 2011, 3:30pm at 312 Hurricane Lane, Suite 201, Williston, VT 05495 and is open to the public. The State will open the bid and read the name and address of the bidder. No further information that pertains to the bid will be available at that time other than the name and address of the bidder. Bid results are a public record; however, the bid results are exempt from disclosure to the public until the award has been made and the contract is executed with the apparently successful bidder.

**1.10. PUBLIC RECORD**

All bid proposals and submitted information connected to this RFP may be subject to disclosure under the State's access-to-public-records law. The successful bidder's response will become part of the official contract file. Once the contract is finalized, material associated with its negotiation is a matter of public record except for those materials that are specifically exempted under the law. One such exemption is material that constitutes trade secret, proprietary, or confidential information. If the response includes material that is considered by the bidder to be proprietary and confidential under 1 V.S.A., Ch. 5 Sec. 317, the bidder shall clearly designate the material as such prior to bid submission. The bidder must identify each page or section of the response that it believes is proprietary and confidential and provide a written explanation relating to each marked portion to justify the denial of a public record request should the State receive such a request. The letter must address the proprietary or confidential nature of each marked section, provide the legal authority relied on, and explain the harm that would occur should the material be disclosed. Under no circumstances can the entire response or price information be marked confidential. Responses so marked may not be considered and will be returned to the bidder.

**1.10.1.** All proposals shall become the property of the State.

**1.10.2.** All public records of DVHA may be disclosed, except that submitted bid documents shall not be released until the Contractor and DVHA have executed the contract. At that time, the unsuccessful bidders may request a copy of their own score sheets as well as request to view the apparently successful bidder's proposal at DVHA Central Office. The name of any Vendor submitting a response shall also be a matter of public record. Other persons or organizations may also make a request at that time or at a later date.

**1.10.3.** Consistent with state law, DVHA will not disclose submitted bid documents or RFP records until execution of the contract(s). At that time, upon receipt of a public records request, information about the competitive procurement may be subject to disclosure. DVHA will review the submitted bids and related materials and consider whether those portions specifically marked by a bidder as falling within one of the exceptions of 1 V.S.A., Ch. 5 Sec. 317 are legally exempt. If in DVHA's judgment pages or sections marked as proprietary or confidential are not proprietary or confidential, DVHA will contact the bidder to provide the bidder with an opportunity to prevent the disclosure of those marked portions of its bid.

**1.11. COSTS OF PROPOSAL PREPARATION**

DVHA will not pay any bidder costs associated with preparing or presenting any proposal in response to this RFP.

**1.12. RECEIPT OF INSUFFICIENT COMPETITIVE PROPOSALS**

If DVHA receives one or fewer responsive proposals as a result of this RFP, DVHA reserves the right to select the proposal which best meets DVHA's needs. Furthermore, DVHA reserves the right to reject all proposals. Such a decision may or may not result in reissuance of the RFP. Should a bidder be selected as a result of this RFP, that bidder need not be the sole bidder but will be required to document their

ability to meet the requirements identified in this RFP. DVHA reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal or any part thereof. Failure of a bidder to respond to a request for additional information or clarification could result in rejection of that bidder's proposal.

### **1.13. NON-RESPONSIVE PROPOSALS/WAIVER OF MINOR IRREGULARITIES**

Read all instructions carefully. If you do not comply with any part of this RFP, DVHA may, at its sole option, reject your proposal as non-responsive. DVHA reserves the right to waive minor irregularities contained in any proposal.

### **1.14. RFP AMENDMENTS**

DVHA reserves the right to amend this RFP. DVHA will post any RFP amendments to on the Electronic Bulletin Board (<http://www.vermontbidsystem.com>).

### **1.15. REJECTION RIGHTS**

DVHA may, at any time and at its sole discretion and without penalty, reject any and all proposals and issue no contract as a result of this RFP. Furthermore a proposal may be rejected for one or more of the following reasons or for any other reason deemed to be in the best interest of the State:

**1.15.1.** The failure of the bidder to adhere to one or more provisions established in this RFP.

**1.15.2.** The failure of the bidder to submit required information in the format specified in this RFP.

**1.15.3.** The failure of the bidder to adhere to generally accepted ethical and professional principles during the RFP process.

### **1.16. AUTHORITY TO BIND DVHA**

The Commissioner and Deputy Commissioner of DVHA (in parent AHS Secretary or Deputy Secretary) are the only persons who may legally commit DVHA to any contract agreements.

## **2. PROPOSAL REVIEW**

A review team of knowledgeable individuals will evaluate each proposal. The Program Management Unit shall review all proposals for compliance with RFP procedural instructions. If the procedural instructions are not followed, the proposal shall be considered non-responsive. Non-responsive proposals will be eliminated from further evaluation.

### **2.1. SCORING**

For each program proposal, the four sections outlined in this section (Quality of Bidder Experience, Bidder Capacity, Technical Proposal and Program Costs) must be responded to in your proposal. Proposals will be scored by individual team members. Scoring is intended to clarify strengths and weaknesses of proposals relative to one another and to provide guidance to decision-makers. The sum of the scores of the members will become the proposal's final score. (see criteria for scoring on the following pages).



CRITERIA FOR SCORING	Total possible points
<b>1 INFORMATION FROM THE BIDDER</b>	
<b>A. Quality of Bidder's Experience</b>	<b>20</b>
<ul style="list-style-type: none"> <li>Bidder's current and past experience relevant to the tasks defined in the RFP, including descriptions of successful projects</li> <li>Appropriateness of references provided (Bidders must include at least three (3) business references, including the name and address of the organization and name, phone number, and email address of the project administrator most familiar with the bidder's performance)</li> <li>Experience in working with Vermont and/or other state governments</li> </ul>	
<b>B. Bidder's Capacity to Perform</b>	<b>20</b>
<ul style="list-style-type: none"> <li>Organizational capacity of the bidder, including subcontractors, as evidenced by organizational charts and descriptions of organizational size and/or back-up capacity.</li> <li>Quality of staff assigned to this project, including subcontractor staff, as presented in résumés of key project staff (cost proposal must estimate the number of hours each key person will devote to this project)</li> <li>Ability of bidder to meet project schedule</li> </ul>	
<b>2 TECHNICAL PROPOSAL/PROGRAM SPECIFICATIONS</b>	
<b>A. Responsiveness to Specifications</b>	<b>35</b>
<ul style="list-style-type: none"> <li>Demonstration of understanding of the purpose and scope of this project</li> <li>Adequacy of management plan</li> <li>Identification of pertinent project issues</li> <li>Identification of potential problems</li> <li>Practicality and feasibility of proposal</li> </ul>	
<b>B. Program Cost</b>	<b>25</b>
<b>Schedule A: Summary Program Costs</b> <ul style="list-style-type: none"> <li>Itemize your program costs.</li> </ul>	
<b>Schedule B: Detail of Expenses</b> <ul style="list-style-type: none"> <li>In narrative form explain how figures for salary, benefits, phone, mileage, buildings, and facilities were determined.</li> </ul>	
<b>Schedule C: Allocation Methods</b> <ul style="list-style-type: none"> <li>In narrative form, describe your method for allocating your administrative costs (<b>not to exceed 13%</b>).</li> </ul>	
<b>Schedule D: Related Party Disclosure</b> <ul style="list-style-type: none"> <li>In narrative form, disclose all related party relationships including cost purpose and approval process.</li> </ul>	
<b>OVERALL TOTAL SCORE</b>	<b>100</b>

**2.2. SELECTION OF THE APPARENTLY SUCCESSFUL BIDDER**

The Review Team will evaluate the proposals based on responsiveness to RFP key points and forward the completed scoring tools as well as copies of the proposals to Mark Larson, Commissioner, Department of Vermont Health Access, for final review and determination of the Apparently Successful Bidder.

**2.3. NOTIFICATION OF AWARD**

DVHA will notify all bidders in writing of selection of the apparently successful bidder(s). DVHA will notify all bidders when the contract(s) resulting from this RFP are signed by posting to the Electronic Bulletin Board (<http://www.vermontbidsystem.com>).

**3. CONTRACT DEVELOPMENT****3.1. CONTRACT TERM**

Tentatively, the period of performance of the work to be performed as a result of this RFP is January 15, 2012 to September 9, 2012. DVHA has the option to continue to contract with the successful bidder pursuant to this RFP for up to two additional years.

**3.2. CONTRACT STIPULATIONS**

DVHA reserves the right to incorporate standard contract provisions that can be mutually agreed upon into any contract negotiated as a result of any proposal submitted in response to this RFP. These provisions may include such things as the normal day-to-day relationships with the vendor, but may not substantially alter the requirements of this RFP. Further, the successful vendor is to be aware that all material submitted in response to this RFP, as well as the RFP itself, may be incorporated as part of the final contract. The selected vendor(s) will sign a contract with DVHA to provide the items named in their responses, at the prices listed. This contract will be subject to review throughout its term. DVHA will consider cancellation upon discovery that the selected vendor is in violation of any portion of the agreement, including an inability by the vendor to provide the products, support and/or service offered in their response. If two or more organizations' joint proposal is apparently successful, one organization must be designated as the Prime Bidder. The Prime Bidder will be DVHA's sole point of contact and will bear sole responsibility for performance under any resulting agreement.

**3.3. REMITTANCE OF PAYMENT**

Contractor must specify the address to which payments will be sent and provide a current W-9 to DVHA upon request.

**3.4. CONTRACT ACCEPTANCE**

If the apparently successful bidder(s) refuses to sign the agreement within ten (10) business days of delivery, DVHA may cancel the selection and award to the next highest-ranked bidder(s).

**4. STATE AND AGENCY CUSTOMARY CONTRACTING PROVISIONS**

**ATTACHMENT C  
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS**

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This Agreement will be governed by the laws of the State of Vermont.

3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Agreement.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverage is in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

**Workers Compensation:** With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

**General Liability and Property Damage:** With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

### Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- \$1,000,000 Per Occurrence
- \$1,000,000 General Aggregate
- \$1,000,000 Products/Completed Operations Aggregate
- \$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

**Automotive Liability:** The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

**Professional Liability:** Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of \$1,000,000 per occurrence, and \$1,000,000 aggregate.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and if this Subrecipient expends \$500,000 or more in federal assistance during its fiscal year, the Subrecipient is required to have a single audit conducted in accordance with the Single Audit Act, except when it elects to have a program specific audit.

The Subrecipient may elect to have a program specific audit if it expends funds under only one federal program and the federal program's laws, regulating or grant agreements do not require a financial statement audit of the Party.

A Subrecipient is exempt if the Party expends less than \$500,000 in total federal assistance in one year.

The Subrecipient will complete the Certification of Audit Requirement annually within 45 days after its fiscal year end. If a single audit is required, the sub-recipient will submit a copy of the audit report to the primary pass-through Party and any other pass-through Party that requests it within 9 months. If a single audit is not required, the Subrecipient will submit the Schedule of Federal Expenditures within 45 days. These forms will be mailed to the Subrecipient by the Department of Finance and Management near the end of its fiscal year.

These forms are also available on the Finance & Management Web page at:

<http://finance.vermont.gov/forms>

10. **Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the

right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.

11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. **Taxes Due to the State:**

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. **Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. **Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

Notwithstanding the foregoing, the State agrees that the Party may assign this agreement, including all of the Party's rights and obligations hereunder, to any successor in interest to the Party arising out of the sale of or reorganization of the Party.

16. **No Gifts or Gratuities:** Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
17. **Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.
18. **Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

State of Vermont – Attachment C  
Revised AHS – 1-11-11

## ATTACHMENT E BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("AGREEMENT") IS ENTERED INTO BY AND BETWEEN **THE STATE OF VERMONT AGENCY OF HUMAN SERVICES OPERATING BY AND THROUGH ITS DEPARTMENT OF VERMONT HEALTH ACCESS** ("COVERED ENTITY") AND (      INSERT NAME OF THE CONTRACTOR      ) ("BUSINESS ASSOCIATE") AS OF (      INSERT DATE      ) ("EFFECTIVE DATE"). THIS AGREEMENT SUPPLEMENTS AND IS MADE A PART OF THE CONTRACT TO WHICH IT IS AN ATTACHMENT.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 ("Privacy Rule") and the Security Standards at 45 CFR Parts 160 and 164 ("Security Rule"), as amended by subtitle D of the Health Information Technology for Economic and Clinical Health Act.

The parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term "Services" includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term "Individual" includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

The term "Breach" means the acquisition, access, use or disclosure of protected health information (PHI) in a manner not permitted under the HIPAA Privacy Rule, 45 CFR part 164, subpart E, which compromises the security or privacy of the PHI. "Compromises the security or privacy of the PHI" means poses a significant risk of financial, reputational or other harm to the individual.

2. **Permitted and Required Uses/Disclosures of PHI.**

- 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying contract with Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by

Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

- 2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 8 and 16 or (b) as otherwise permitted by Section 3.
3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity if necessary for Business Associate’s proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity for Business Associate’s proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written agreement from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person notifies Business Associate, within three business days (who in turn will notify Covered Entity within three business days after receiving notice of a Breach as specified in Section 5.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in this Section must be of the minimum amount of PHI necessary to accomplish such purposes.
4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Documenting and Reporting Breaches.**
  - 5.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI as soon as it (or any of its employees or agents) become aware of any such Breach, and in no case later than three (3) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.
  - 5.2 Business Associate shall provide Covered Entity with the names of the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR §164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it.
  - 5.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce does not pose a significant risk of harm to the affected individuals, it shall document its assessment of risk. Such assessment shall include: 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the

determination of low risk of harm. When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity.

6. **Mitigation and Corrective Action.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity.

7. **Providing Notice of Breaches.**

- 7.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR §164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individuals whose PHI was the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies shall be borne by Business Associate.
- 7.2 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.
- 7.3 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or obtain additional information, as set forth in 45 CFR §164.404(c).
- 7.4 Business Associate shall notify individuals of Breaches as specified in 45 CFR §164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR §164.406.

8. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written agreement to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 14. Business Associate must enter into the written agreement before any use or disclosure of PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.

9. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered



Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.

10. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
11. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.
12. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
13. **Termination.**
  - 13.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 17.7.
  - 13.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.
14. **Return/Destruction of PHI.**

- 14.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy, at the discretion of the Covered Entity, all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.
- 14.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.
15. **Penalties and Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in training regarding the use, confidentiality, and security of PHI.
16. **Security Rule Obligations.** The following provisions of this Section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.
- 16.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.
- 16.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written agreement to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written agreement before any use or disclosure of Electronic PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 16.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than three (3) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 16.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity

implements to obtain compliance under the Security Rule.

**17. Miscellaneous.**

- 17.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 17.2 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 17.3 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 17.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 17.5 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.
- 17.6 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.
- 17.7 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 14.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 11 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

(AHS Rev: 8/31/10)

**ATTACHMENT F**  
**AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS**

- 1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
- 2. **2-1-1 Data Base:** The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the "Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at [www.vermont211.org](http://www.vermont211.org)
- 3. **Medicaid Program Contractors:**

Inspection of Records: Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (HHS) and the Government Accounting Office (GAO) to:

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and Inspect and audit any financial records of such Contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the Contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the Contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the Contractor or subcontractor's performance is inadequate. The Contractor agrees to make available upon request to the Agency of Human Services; the Department of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the Contractor and service providers.

Medicaid Notification of Termination Requirements: Any Contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Department of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any Contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

Federal Medicaid System Security Requirements Compliance: All contractors and subcontractors must provide a security plan, risk assessment, and security controls review document within three months of the start date of this agreement (and update it annually thereafter) to support audit compliance with 45CFR95.621 subpart F, *ADP (Automated Data Processing) System Security Requirements and Review Process*.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.** The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.
5. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The Contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.
7. **Privacy and Security Standards.**

Protected Health Information: The Contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The Contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

Substance Abuse Treatment Information: The confidentiality of any alcohol and drug abuse treatment

information acquired by or provided to the Contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

Other Confidential Consumer Information: The Contractor agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to information. The Contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The Contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

Social Security numbers: The Contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The Contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Protection Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911(c)(3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.
10. **Intellectual Property/Work Product Ownership.** All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor's materials.

11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

12. **Computing and Communication:** The Contractor shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work performed by the Contractor as part of this agreement. Options include, but are not limited to:

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards.

The State will not supply e-mail accounts to the Contractor.

13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.

14. **Non-discrimination.** The Contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.

The Contractor will also not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity under Title 9 V.S.A. Chapter 139.

15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.

*Attachment F - Revised AHS -12/10/10*

## **CHAPTER 2**

# **INFORMATION FROM THE BIDDER**



**1. QUALITY OF BIDDER'S EXPERIENCE**

In this section you are telling the State about the related experience your company has with these services and with the State or other states.

Total points for this section –20. (see Proposal Review and the criteria for scoring chart, Section 2.1, for additional detail)

**2. BIDDER'S CAPACITY**

In this section you are telling the State about the capacity of your company to provide the services outlined in the RFP. You are describing your organizational structure and how this program fits into this structure.

Total points for this section – 20 points. (see Proposal Review and the criteria for scoring chart, Section 2.1 for additional detail)

# **CHAPTER 3**

## **TECHNICAL PROPOSAL/PROGRAM SPECIFICATIONS**

**ATTACHMENT A SPECIFICATION OF WORK TO BE PERFORMED****1.1. TECHNICAL PROPOSAL**

This section describes the format of the bidder's response to key points in the program specifications detailed in Attachment A.

Total points for this section – 35. (see Proposal Review and criteria for scoring chart, Section 2.1 for additional detail)

**I. PROGRAM SUMMARY**

The State has made significant progress in the last twelve months in its planning for an Exchange, using funds from the federal Exchange Planning Grant received on 10/1/10 to complete a number of reports and engage stakeholders in the process of establishing an Exchange that will be integrated with other public health care programs, such as Medicaid and CHIP, and aligned with Vermont's vision for Green Mountain Care. Significant progress has been made in the core areas laid out by the United States Department of Health and Human Services (HHS). All reports produced under the first year of Exchange planning can be found on DVHA's website under the heading Health Benefits Exchange located at <http://dvha.vermont.gov/administration/health-benefits-exchange>.

The State is now seeking assistance with the second year of planning and development for the Exchange. Work to be completed in Federal Fiscal Year 2012 is described below. The tasks are divided into eight sections. Bidders may submit proposals for one or more sections, or may submit a proposal that includes all eight sections, but may not bid on individual sub-sections within each section.

**II. RESPONSIBILITIES OF CONTRACTOR****Section 1: Exchange Operations/Business Functions****A. Call Center**

The ACA mandates that Exchanges provide a toll-free telephone hotline to assist individuals and small employers in all aspects of the Exchange process, including plan selection. In order to ensure that the State, its vendors, providers, businesses, and individuals are ready for the implementation of the Exchange and understand how to enroll in coverage during the designated open enrollment period, the State's call center will be operational during the spring or summer of 2013 in advance of open enrollment, which begins on October 1, 2013. Through a vendor, the State currently operates a call center to serve all of its public health coverage programs, including Medicaid, Dr. Dynasaur, the Vermont Health Access Plan, and Catamount Health premium assistance. The call center assists enrollees and others in gaining an understanding of each program's benefits and policies and responds to individual questions. Most incoming calls fall within one of the following categories of questions:

- eligibility and enrollment status,
- premiums,
- information updates, and
- covered benefits.

The call center also places outbound calls to assist new enrollees in the selection of a health plan and physician, as appropriate, depending on the program. The vendor is able to access back-up capacity to limit wait times during

high-volume periods.

The requirements of an Exchange call center are similar but not identical. For instance, under the Exchange the call center will need capacity to work closely with small businesses and answer their questions, and will need to learn in detail about ACA eligibility requirements, particularly as they relate to the provision of refundable tax credits and cost-sharing subsidies.

The Contractor will assist the State to:

- Review current call center contract and inventory current call center functions
- Review federal requirements for a call center that will serve both the Exchange and other publicly-funded health care programs, such as Medicaid
- Identify modifications to the current call center necessary to assure full compliance with Exchange requirements, including additional staff and technology resources
- Draft an amendment to the contract with the current call center vendor

#### B. Financial Management

The Exchange must develop a financial management system that offers integrity and a thoughtful and detailed approach to maintaining efficient spending and revenue streams. The system will need to adhere to HHS Financial Management standards. In addition, under the State's Act 48, DVHA is required to have adequate financial management systems and provide efficient and effective accountability and control of all property, funds, and assets related to grants and cooperative agreements with the federal government. Although the accounting standards that are in place at DVHA and the Agency of Human Services ensure adequate financial management, the State will need to assess the specific policies required by the federal government and adapt policies as needed and allowed within State law. Because the Exchange is located within a State agency, DVHA will be responsible for the financial management of grant funding and ultimately of the Exchange.

As part of the financial and business functions plan that was developed during the first year of Exchange planning, an analysis of existing State resources, financial management needs, and gaps in current structures were identified. Once the Exchange design has been finalized, the State must refine the financial model to project Exchange revenue and expenses over a five-year period. Because the Exchange must be operating independently and with its own source of funding by January 1, 2015, the Exchange needs reliable estimates of the operational costs. Final recommendations on the levels of funding required for Exchange self-sustainability by January 2015, and potential revenues for that level of funding, will be made once the costs for Exchange operations are refined.

The State will also assess the adequacy of current accounting and financial reporting systems and will identify gaps. The State proposes working with a contractor to identify the additional requirements necessary to manage the finances of the Exchange, including the ability to publish all expenses, receivables, and expenditures consistent with federal requirements.

The Contractor will assist the State to:

- Analyze current system, building on work done in Year 1 of planning, by researching federal and state policies and requirements and identifying necessary modifications
- Finalize Year 1 cost estimates for development and operation of all Exchange functions
- Finalize a sustainability plan, including revenue sources and amounts

### C. Program Integrity

The Exchange must combat waste, fraud, and abuse within all its systems, including its financial management system, the eligibility determination process, appeals for exemptions to the individual mandate, and overall information and funds that flow through the Exchange. The State intends to leverage existing processes to the extent possible.

The Contractor will assist the State to:

- Review existing policies/procedures aimed at preventing waste, fraud, and abuse
- Review HHS auditing requirements and develop/modify procedures to meet them
- Assess existing programs across several departments/agencies, review federal requirements, and develop a plan for enhancing existing programs and/or adding programs for the Exchange
- Develop procedures for an independent, external audit, fraud detection, and reporting to HHS on efforts to prevent waste, fraud, and abuse
- Ensure that program integrity functions are aligned between Medicaid and the Exchange to the extent allowable under federal law.

### D. Exchange Staffing

Act 48, passed during the last legislative session, establishes the Exchange in DVHA and authorizes the creation of a Deputy Commissioner for the Exchange Division. The Deputy Commissioner position will be filled in late 2011. In 2012, 25 to 30 additional positions will be created to perform Exchange functions. The State seeks assistance in developing job descriptions for these positions and establishing a management structure for the Exchange.

The Contractor will assist the State to:

- Develop job descriptions for Exchange-related positions and assist with administrative work resulting from the recruitment process
- Recommend a management structure for the Exchange Division in DVHA

### E. Exchange Evaluation

The State must develop an evaluation plan for the Exchange once it is fully implemented. The State has a long history of data collection that will provide most of the baseline data necessary to evaluate the Exchange; however, additional data collection may be necessary for measurement of one or more of the identified indicators of Exchange success.

The Contractor will assist the State to:

- Review the goals of the Exchange and identify a few key indicators under each goal
- Inventory health care data sources to determine how indicators will be measured
- Identify any gaps in data needed and propose a method for obtaining the needed data
- Develop a reporting template and define a process for periodic measurement
- Produce a baseline data report prior to Exchange implementation

#### F. Level 2 Establishment Grant Application

The State will apply to HHS for a Level 2 Exchange Establishment grant in March or June of 2012 to provide funds for development and implementation of the Exchange through its first operational year of Calendar Year 2014.

The Contractor will assist the State to:

- Develop the project abstract, narrative, budget narrative, and other supporting documents for the application submittal

### **Section 2: SHOP Exchange, Individual and Employer Responsibility, and Enrollment**

#### A. SHOP Exchange

The State has decided to have one Exchange that includes the Small Business Health Options, or “SHOP” Exchange. During the first year of planning, focus groups were held with employers to determine their level of understanding of the Exchange and to seek their input on important features of the SHOP Exchange and a preliminary SHOP design. The focus groups revealed that employers are generally uninformed about the Exchange and will need and desire significant assistance in understanding the options in order for them to provide meaningful input into the design and planning.

During the next phase of Exchange planning, the State will continue to explore potential enrollment options and further define the enrollment procedures. During this process, the State will learn from the experience of employer enrollment in Massachusetts and contemplated in other states, and have focused design meetings with insurers and employees to understand potential enrollment barriers and ways to simplify the enrollment process for employers and their employees. Other issues that will be considered during this early phase include cross-border enrollment and service issues.

The contractor will assist the State to:

- Conduct design meetings with employers and employees
- Research models in use in other states
- Develop a proposed SHOP model
- Test the proposed model with small business representatives
- Develop cost estimates for mandatory and optional SHOP functions, taking into consideration additional staff, technology, and consulting/contracting needs
- Develop procedures and operational processes for the SHOP

#### B. Individual and Employer Responsibility Determinations

The Exchange will be responsible for determining whether an individual should be exempt from complying with the insurance mandate based on the lack of Minimum Essential Coverage, the lack of an affordable plan, or other criteria as defined in the ACA and federal regulations. This function should leverage the existing Medicaid appeals function where possible. The Exchange must also determine whether individual employers are subject to tax penalties for employees who do not have access to Minimum Essential Coverage through the employer.

The Contractor will assist the State to:

- Review federal guidance and regulations in this area
- Evaluate existing State appeals functions in Medicaid and other publicly-funded health care programs
- Develop a detailed process to receive and evaluate exemption requests from individuals
- Develop a process, with assistance from the State Department of Labor, to determine whether an employer is subject to a tax penalty based on the lack of an offer to employees of Minimum Essential Coverage
- Define reporting requirements to individuals, employers, and the federal government based on decisions in these areas

### C. Enrollment in Qualified Health Plans

The Exchange must enroll individuals in Qualified Health Plans (QHPs), present participating employers with consolidated bills, collect premiums from employers, and potentially offer individuals the choice of paying premiums to the Exchange or directly to the QHPs. Proposed federal regulations anticipate an initial open enrollment period from October 2013 through February 2014 for individuals, and an annual open enrollment period thereafter. Ideally, individuals and employers will be able to access a real-time eligibility decisions and health plan enrollment through the Exchange web portal. The Exchange must use standardized forms and formats for presenting health benefit options. The Exchange website will include this information, as well as a calculator that will allow individuals to determine their estimated out-of-pocket cost for various plan options. Alternatively, enrollment options by phone, by mail, or in person must also be available.

The Contractor will assist the State to:

- Evaluate the existing enrollment and premium payment processes in publicly-funded programs, such as Catamount Health
- Explore and evaluate enrollment/premium payment processes in use in other states
- Conduct meetings with insurers and small businesses to understand potential enrollment barriers, and develop options for simplifying the enrollment/premium payment process for employers and their employees
- Develop proposed enrollment procedures for individuals, employers, and employees
- Develop billing and premium payment procedures for employers
- Evaluate the option of allowing individuals to choose to pay premiums to the Exchange, and recommend whether the State should adopt this option

## **Section 3: Health Insurance Market Reform**

### A. Analysis of the Impact of the Exchange on the Outside Market

The State is in the process of assessing the advantages and disadvantages for the State, employers, and individuals of various options for providing access to private insurance coverage, including the impact of the availability of supplemental insurance plans on offerings in the small group and individual market. It is likely that follow-up analysis and market design work will be necessary at least for the balance of Calendar Year 2012.

The Contractor will assist the State to:

- Analyze follow-up issues and questions and produce a report on any follow-up issues, estimated at approximately 150 hours of actuarial analysis

### B. Risk-Leveling Programs

The ACA requires implementation of three risk-leveling programs: a temporary three-year reinsurance program, a permanent risk adjustment program, and a risk corridor program to be administered by HHS.

The Contractor will assist the State to:

- Analyze federal law and regulations to determine the requirements and limits of all three programs
- Determine if changes in state law are needed to implement the programs
- Present program design options, with financial impacts and pros and cons of each, for the reinsurance and risk adjustment programs
- Develop an implementation plan for the chosen reinsurance and risk adjustment program models, including internal and external managerial models, required internal staffing, and cost estimates for implementation and ongoing administration
- Develop a process and methodology for meeting HHS's requirements for the risk corridor program

### C. Certification of Qualified Health Plans (QHPs)

The State must develop a process for certifying, recertifying, and decertifying plans offered on the Exchange. Vermont Act 48 requires Exchange plans to offer at least the silver level of coverage and meet minimum prevention, quality, and wellness standards, including the requirement that plans participate jointly in quality improvement activities with other plans and participate in Vermont's chronic care initiative, "Blueprint for Health." In certifying plans, the Exchange must minimally consider affordability; promotion of high-quality care, prevention, and wellness; promotion of access to health care; and participation in Vermont's health care reform efforts.

Act 48 also requires plans to charge the same premium for a plan whether or not it is obtained through the Exchange. Plans seeking recertification must submit a justification for a premium increase prior to implementation of such an increase. Vermont insurance law will have to be amended to allow the Exchange to conform to federal requirements and additional Exchange-related provisions in Act 48. Today the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA) reviews form filings and some rate filings from health insurers doing business in Vermont. Much of the information that will be required for certification is similar to that collected and reviewed by BISHCA today. The Exchange will therefore leverage BISHCA's process for reviewing health plans for certification, although the federal government may require the Exchange to establish its own procedures. It is possible that given the opportunities under the ACA, there will be potential new entrants to the Vermont market, creating additional plans for BISHCA and the Exchange to review. Vermont will need the capability to scrutinize both new and existing insurance issuers to assure their ability to comply with the ACA and Vermont's unique requirements for Exchange participation.

The Contractor will assist the State to:

- Analyze federal law and regulations for QHPs, as well as State law
- Develop certification criteria that includes federal and State requirements



- Develop processes and procedures for certifying, recertifying, and decertifying plans, and estimate needed resources, particularly one-time recourses for the initial certification of issuers
- Develop questionnaires and other information requests and a model contract for issuers that offer plans on the Exchange

#### D. Consumer Satisfaction Surveys

The ACA requires the Exchange to conduct periodic consumer satisfaction surveys and post the survey results on the website for review by the general public.

The Contractor will assist the State to:

- Propose appropriate consumer satisfaction standards and measures, including recommendations based on existing HEDIS and other satisfaction measurement programs
- Design a consumer satisfaction survey process
- Develop the survey instrument
- Develop procedures and administrative resources for survey completion on an ongoing basis
- Develop specifications for posting the results on the website and reporting to HHS

#### E. QHP Plan Design

The State must compare State-mandated benefits against the federally-defined Essential Health Benefits (EHB) package and identify any State mandates that exceed the EHB. Since states must fund premium and cost-sharing subsidy increases resulting from state-mandated benefits that exceed the federal EHB package, the State must estimate its potential costs for maintaining each State mandate, and the impact of eliminating each mandate, in order to make informed policy decisions on which State mandates to retain.

Vermont Act 48 requires a report to the legislature by February 15, 2012, describing a proposed minimum benefit package for use in the Exchange. Although federal regulations on Essential Health Benefits will not be released in time for incorporation into this report, Vermont will use the information available to complete the report, with the understanding that modifications may be necessary once the federal regulations are issued.

In addition, the State intends to develop standardized benefit/cost-sharing designs at the silver, gold, and platinum levels for QHPs offered through the Exchange.

The Contractor will assist the State to:

- Complete a comparison of State mandates to the federally-defined EHB package
- Complete an actuarial analysis of the cost to the State of maintaining existing mandates that are not included in the EHB package
- Research other states to determine which states have similar mandates, and whether they intend to retain or eliminate these mandates, and the research behind these decisions
- Identify potential funding sources for retention of the State mandates
- Inventory the most utilized benefit plans in the State and determine the variations among those plan designs

- Obtain employer, employee, and individual input on potential standardized plan features
- Recommend one or more standardized plan designs at the silver, gold, and platinum levels and estimate the premium costs for each plan design
- Provide advice and written materials as requested to support the preparation of the February 15<sup>th</sup> report to the legislature

#### **Section 4: Stakeholder Involvement and Outreach/Education**

##### A. Navigator Program

The ACA requires the Exchange to contract with Navigators to assist with enrollment. The Navigator program must be fully State funded and must provide grants to qualified individuals and/or organizations to educate and assist individuals and small businesses in enrolling in health coverage through the Exchange. Federal HHS draft regulations on the Exchange require that the State contract with a minimum of two types of organizations.

The State will need to develop certification criteria and program direction for the Navigator function, as well as an RFP for qualified individuals or agencies to provide Navigator functions in different geographic areas of the state. The RFP will focus on needed skills and experience, and not specifically include or exclude any particular entity (consistent with the ACA requirements). Entities will have the option of bidding to serve either or both individuals and small businesses as Navigators, but will be evaluated separately based on experience and skill. Entities will also have the option of bidding to serve all areas of the state or just particular regions.

The Contractor will assist the State to:

- Develop certification criteria for Navigators, differentiating between Navigators serving individuals and those serving small businesses
- Develop a certification process for Navigators
- Develop a training program for navigators, including a curriculum and training materials
- Develop the RFP and model contract

##### B. Stakeholder Consultation

Act 48 requires the establishment of a Joint Advisory Committee for both Medicaid and the Exchange. This Joint Advisory Committee will meet at least ten times over the course of the next year and will assure program integration goals of both the ACA and Act 48 are met. Committee members will include a representative of health insurers licensed to do business in Vermont, with the remaining members drawn in equal numbers from beneficiaries of Medicaid or Medicaid-funded programs, individuals or small businesses eligible for enrollment in the Exchange, and advocates for consumer organizations and health care professionals.

In addition to these formal meetings, there will be informal stakeholder meetings and public forums scheduled over the course of the year in all regions of the state. Employer meetings will also be held to educate and inform small employers about the Exchange.

The Contractor will assist the State to:

- Develop agendas and prepare briefing materials for 10 Joint Advisory Group meetings, at least six regional public forums, and at least six regional meetings with small businesses

- Schedule meetings and arrange rooms and refreshments for all meetings
- Provide minutes/summaries of the meetings
- Develop recommendations in key areas, including basic Exchange design, resulting from public input

### C. Outreach and Education

The State will develop a comprehensive outreach, education, and marketing campaign aimed at both consumers and employers. For consumers, the focus will be on the insurance mandate, the opportunities for first-time coverage, the availability of tax credits, and the choices among programs and products available through the Exchange. For employers, the focus will be on employer decision-making in the Exchange, employee affordability, and tax credits. The campaign must be designed to meet the needs of individuals with disabilities, individuals with limited English-speaking proficiency, and other potential barriers to enrollment as required by the ACA. At a high level, the plan will:

- be organized around a set of simple messages that emphasize the State's priorities and educates both individuals and small businesses;
- utilize a multi-prong approach, including public education and outreach campaigns and collaborations with State agencies, community organizations, and corporate and civic organizations;
- give special consideration to the rural nature of Vermont and the characteristics of the current uninsured population;
- leverage and coordinate messages and consumer advice with the Exchange call center and Navigators; and,
- be coordinated with marketing campaigns of health plans that participate in the Exchange and, where possible, the business community.

As a first step, the State will develop an overarching message and branding for its Exchange campaign and should determine early on when, to what extent, and how it will weave in its ultimate goal of a single-payer plan. The overarching message will be used mainly in the pre-implementation process to provide broad information about the coming availability of the Exchange and its benefit to Vermonters, including small businesses. The message may be conveyed through a variety of means, including print, television and radio advertisements, brochures, fact sheets, Q&A documents, public information forums and community events, and other means.

Based on its overarching message, the State will next develop a strategy for providing more detailed and targeted marketing. This phase of marketing will focus on whom the Exchange can begin to cover immediately and, to the extent necessary, aim to reduce any fears by clarifying who is and is not impacted by the Exchange. In developing materials, the State will leverage its previous activities, including materials developed for Catamount Health, and as implementation nears, the State will collaborate closely with insurers that will be participating in the Exchange to ensure consistent messaging.

In addition to broad marketing of the program, it will be essential to have a comprehensive training program that provides widespread training for State staff and vendors, as well as providers, advocacy organizations, small businesses, chambers of commerce, and other interested organizations. In previous expansions, "Train the Trainer" models have been quite successful. The State will take advantage of this technique as much as possible. Training sessions may employ various delivery systems, such as the Vermont Interactive Television studios around the State, regional in-person trainings, and telephone/webinar trainings.

In compliance with the ACA, Act 48 requires the Exchange to create and maintain consumer assistance tools. Act 48 appropriately includes the website and call center as part of the program's outreach and educational tools. The Act specifies that any interactive online communication tools developed must comply with the requirements of the Americans with Disabilities Act.

The Contractor will assist the State to:

- Develop a comprehensive outreach, education, and marketing campaign as described above
- Implement and complete the first phase of the campaign in 2012

## **Section 5: Program Integration**

### A. Integration of Existing Coverage Groups

The State intends to develop a comprehensive strategy to integrate or align Medicaid (including Dr. Dynasaur and other Medicaid-funded programs), the Medicaid-Medicare dual-eligible demonstration project, private insurance, associations, and coverage for State and municipal employees. This strategy will include identification of statutory changes necessary to integrate the private insurance markets with the Exchange. In addition, the work will include the integration of the Exchange with other DVHA functions and with the health care eligibility function in the Department for Children and Families (DCF).

The Contractor will assist the State to:

- Develop a comprehensive integration strategy that includes the above-named programs and coverage options
- Identify statutory changes necessary to achieve the integration strategy
- Develop a plan for integrating the Exchange Division with other DVHA functions
- Develop a plan for integrating the Exchange with the Medicaid eligibility function in DCF

### B. Administrative Simplification

The State has several efforts underway to coordinate and simplify the programs it administers, including a grant from CMS to plan for a Medicare-Medicaid dual-eligible demonstration project. In addition, the State has previously studied possible strategies for streamlining and simplifying insurer coding through the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA). The ACA has several provisions aimed at administrative simplification. Research is needed, however, to determine how these efforts relate to one another and to ensure that these efforts result in true administrative simplification and not further complexity or competing efforts. The State must determine which efforts would result in true simplification at the health care provider's office or facility.

The Contractor would assist the State to:

- Review past and current simplification projects in the State, as well as any simplification efforts in other states, and national research in this area
- Research federal law to determine possible simplification opportunities
- Poll providers to determine areas of greatest complexity from their perspective and preferences and/or priorities
- Develop an administrative simplification plan for the State, including an implementation plan and timeline, that identifies any necessary State law changes and/or waivers of federal requirements, the estimated development costs to achieve the simplification strategy, and estimated long-term savings

## Section 6: Quality and Wellness

### A. Quality program and rating system

When the federal government provides guidance on quality standards for use by exchanges the State will engage expert assistance in creating standards and procedures that will satisfy federal requirements. At the same time, however, the State intends quality activities in the Exchange to be the template for wider (and possibly universal) application as more population segments begin purchasing through the Exchange. The Exchange's quality standards will have to be synchronized with quality requirements and measures in an unprecedented array of public and private programs, and results of the quality rating system must be displayed on the Exchange's website. In addition, the State wishes to develop a method for rewarding health plans for achieving quality goals based on the identified quality criteria.

The Contractor will assist the State to:

- Inventory existing quality programs and initiatives in the State
- Develop a plan for incorporating quality programs in the Exchange, including coordination with existing quality programs outside of the Exchange
- Analyze federal guidance and regulations on quality rating
- Develop a quality rating system for the Exchange that includes federally-required quality standards, as well as any additional standards the State wishes to include
- Propose a method for displaying ratings that will be easily understandable by the general public
- Develop a plan for rewarding plans that achieve quality goals

### B. Wellness programs

The State envisions that a substantial program of wellness and health promotion will be a precondition of certification as a qualified health plan in Vermont. Background research is needed to determine the parameters and effectiveness of existing wellness programs, including those provided by the Department of Health and programs associated with work site wellness, as well as evidence-based research, to determine what programs are effective at improving health and how such programs can be fully integrated with the Exchange.

The Contractor will assist the State to:

- Research existing programs in the State and in other states, including programs designed by insurers and employers
- Review evidence-based research on wellness programs
- Design a wellness program component to be included in the Exchange, including an implementation plan, timeline, and cost
- Develop an integration plan for the Exchange's wellness programs and any programs that exist outside of the Exchange

## Section 7: Payment Reform

The State intends to pursue All-Payer Rate Setting as a strategy for achieving several goals: controlling health care

cost increases, assuring greater equity in payments from carriers and between the public and private sectors, assuring greater equity across health care providers in payments, rationalizing and simplifying payment methodologies across payers, allowing for the financial sustainability of efficient and effective providers, and implementing common approaches to payment innovation to improve health system efficiency and quality of care. Act 48 provided the authority for the State to pursue both comprehensive administrative simplification and all-payer rate setting.

The State must examine methodologies for implementing All-Payer rates within the Exchange and for coordinating provider payment policies in the Exchange with those used by public programs and private carriers outside the Exchange. Specifically, we propose hiring a contractor who will document current payment levels used by commercial and public payers, payment methodologies, and variation in payments, both across payers and across providers within Vermont.

The Contractor will assist the State to:

- Assess potential approaches to implementing all-payer rates by identifying the scope of rate setting methodologies to be used, and any necessary phase-in approaches that would need to be employed
- Model the impact of implementing all-payer rates within the Exchange, and of applying those rates to public payers, including the identification of costs or savings to the State, to private payers, and to specific types of providers, individual institutions, or geographic areas. These payment rates should be more closely related to the cost of services delivered, and should minimize or eliminate the shifting of costs from payer to payer
- Develop a plan for coordinating the all-payer approach with Medicare payment policies and innovations in Medicare payment
- Find solutions to this approach that are consistent with Vermont's policies related to payment reform, and the political environment
- Accommodate and promote competitive approaches and solutions within an overall framework of consistent incentives, standards, and reasonable rules overseen by a regulatory authority
- Identify solutions to payment reform that achieve the simultaneous goals of achieving cost reduction and quality improvement and result in an increase in the overall value of care provided for the dollar expended
- Explore reimbursement systems that promote a higher degree of equity, predictability, stability, and fairness in the payment of provider services
- Insure that proposed solutions are aligned and in conformance with the ACA and Medicare Rules and Regulations

### **Section 8: Universal Exchange**

The Universal Exchange has been included as a separate section because, although related to the Exchange, it is broader in scope than the Exchange as set forth in the ACA.

The State wishes to explore design and functionality options for a Universal Exchange that serves all Vermonters on a mandatory or voluntary basis. The State must develop planning and analysis capacity to determine which functions of an Exchange could be shared with payers that are self-insured or insured in the large group market, as well as other coverage programs. This analysis involves an understanding of the Exchange business operations as well as the current operations of insurers and third-party administrators.

Planning and design tasks would include:

- Determining the nature and timing of necessary law changes and intergovernmental actions required to bring the maximum number of existing coverage programs into the Exchange or a subset of the Exchange's operations;
- Learning the health care coverage characteristics of the Vermont population that presently has coverage outside of the individual and small group market, including the self-insured sector and other government programs;
- Testing the perceptions of groups offering, and consumers presently receiving, coverage through payers and programs outside of the small group and individual market, including the self-insured sector and other government programs;
- Modeling the impacts of combining risk pools on qualified health plans and on existing health plans and on reducing administrative costs by maximizing the use of Exchange operations and functions by all payers, including those in separate risk pools;
- Exploring how the Exchange could help introduce and manage improvements in the quality of care, provider and delivery system payment reform, and cost containment;
- Developing a broader stakeholder process to determine which operational features of an Exchange are appealing to stakeholders and which would reduce administrative burdens and costs;
- Determining the staffing and sustainability of a Universal Exchange and the administrative savings that could accrue to the Exchange; and
- Developing a business operations plan for the Exchange to ensure that it can be expanded and transformed into a Universal Exchange.

This analysis would build on the work done under (A) described above in this section and would identify which Exchange functions could be leveraged for other payers and whether such integration would result in savings to the health care system generally. Because Vermont is a small state, sustainability is an issue for the Exchange. Providing services to self-insured employers and other payers may be a creative way of increasing the sustainability of the Exchange and reducing overall health care costs by reducing administrative costs throughout the system. This work also involves working collaboratively with multiple state agencies, insurers, employers, and other entities currently offering or involved with insurance business operations.

The Contractor will assist the State to:

- Develop a Universal Exchange design that encompasses all of the elements described above

## **2. ATTACHMENT B PROGRAM COSTS/PAYMENT PROVISIONS**

### **2.1. PROGRAM COSTS**

In this section, describe the bidder's proposed costs and rates for this program by submitting a completed budget.

Proposals will be evaluated on total costs, administrative versus direct service costs and the narrative describing your company's experience fiscally managing contracts of comparable scale, scope and complexity. Expenses proposed need to be all-inclusive and follow the guidelines as laid out in State of Vermont [Agency of Administration Bulletin No. 3.4](#).

Total points for this section – 25. (see Proposal Review and the criteria for scoring chart, Section

II-1 for additional detail)

## **2.2. INVOICES**

Contractor will bill the State on or about the first of each month for services authorized under the contract and provided during the previous month. Upon timely and accurate submission of invoices, the State will pay the Contractor for the services on a NET 30 days payment term.

**2.2.1.** Invoice will be in such form as may be required by the State and will contain the following:

**2.2.1.1.** Contract number (listed on the front page of the contract)

**2.2.1.2.** Deliverable name and cost

**2.2.1.3.** Amount and description of any other charges

**2.2.1.4.** Contractor's signature

**2.2.2.** The invoice requirements apply to all the programs covered under this RFP.

**2.2.3.** Invoices are to be sent to DVHA Business Office, 312 Hurricane Lane, Suite 201, Williston, VT 05495.



# **APPENDIX A**

## **REQUIRED GENERAL FORMS**

**REQUEST FOR PROPOSAL**  
**Health Benefits Exchange Planning and Evaluation**

This form must be completed and submitted as part of the response for the proposal to be considered valid.

The undersigned agrees to furnish the products or services listed at the prices quoted and, unless otherwise stated by the vendor, the Terms of Sales are Net 30 days from receipt of service or invoice, whichever is later. Percentage discounts may be offered for prompt payments of invoices; however, such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.

**VERMONT TAX CERTIFICATE AND INSURANCE CERTIFICATE**

To meet the requirements of Vermont Statute 32 V.S.A. subsection 3113, by law, no agency of the State may enter into extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies, under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes, 32 V.S.A. subsection 3113. In signing this bid, the bidder certifies under the pains and penalties of perjury that the company/individual is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due to the State of Vermont as of the date this statement is made.

Bidder further certifies that the company/individual is in compliance with the State's insurance requirements as detailed in section 21 of the Purchasing and Contract Administration Terms and Conditions. All necessary certificates must be received prior to contract issuance. If the certificate of insurance is not received by the identified single point of contact prior to contract issuance, the State of Vermont reserves the right to select another vendor. Please reference this RFP# when submitting the certificate of insurance.

Insurance Certificate: Attached \_\_\_\_\_ Will provide upon notification of award: \_\_\_\_ (within 5 days)

Delivery Offered \_\_\_\_\_ Days After Notice of Award      Terms of Sale \_\_\_\_\_

Quotation Valid for \_\_\_\_\_ Days \_\_\_\_\_      Date: \_\_\_\_\_

Name of Company: \_\_\_\_\_      Telephone Number: \_\_\_\_\_

Fed ID or SS Number: \_\_\_\_\_      Fax Number: \_\_\_\_\_

By: \_\_\_\_\_      Name: \_\_\_\_\_  
Signature (Bid Not Valid Unless Signed)      (Type or Print)

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**This is NOT AN ORDER**

All returned quotes and related documents must be identified with our request for quote number.

**CERTIFICATIONS AND ASSURANCES**

I/we make the following certificates and assurances as a required element of the bid or proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. The prices and/or cost data have been determined independently, without consultation, communication or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal or bid.
2. The attached proposal or bid is a firm offer for a period of 120 days following receipt, and it may be accepted by the DVHA without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period.
3. In preparing this proposal or bid, I/we have not been assisted by any current employee of the State of Vermont whose duties related (or did relate) to this proposal, bid or prospective contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal or bid. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document).
4. I/we understand that the DVHA will not reimburse me/us for any costs incurred in the preparation of this proposal or bid. All proposals or bids become the property of DVHA.
5. I/we understand that any contract(s) awarded as a result of this RFP will incorporate terms and conditions substantially similar to those attached to the RFP. I/we certify that I/we will comply with these or substantially similar terms and conditions if selected as a Contractor.
6. I hereby certify that I have examined the accompanying RFP forms prepared by: \_\_\_\_\_ for the funding period beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that to the best of my knowledge and belief, the contents are true, and correct, and complete statements prepared from the books and records of the provider in accordance with applicable instructions, except as noted.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

## **APPENDIX B**

# **REQUIRED COVER SHEET AND REPORTING FORMS**

**DEPARTMENT OF VERMONT HEALTH ACCESS****APPLICANT INFORMATION SHEET**

(To be included in the proposal packet)

**\*\*NOTE:** This information sheet must be included as the cover sheet of the application being submitted. Be sure to complete this form in its entirety. Please fill out and attach a fw-9 to this form signed by the duly appointed signing official for your company.

**Applicant Organization:** \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Town, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**Fiscal Agent (Organization Name):** \_\_\_\_\_

FY Starts: \_\_\_\_\_ FY Ends: \_\_\_\_\_

Financial Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Town, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

**Whom should we contact if we have questions about this application?**

Name \_\_\_\_\_ Phone Number \_\_\_\_\_

**SUMMARY OF FUNDS**

(to be included in the proposal packet)

Organization Name \_\_\_\_\_

Fed ID # \_\_\_\_\_

Summary of Funds received during your current fiscal year

\_\_\_\_\_ to \_\_\_\_\_

Source of Funds	Contract/grant total award	Briefly describe activities supported by these funds
Income total		

**SCHEDULE A - RATE CHART**

Indicate the sections on which you are bidding and the rate for each section.

**SCHEDULE B - DETAIL OF EXPENSES**

In narrative form explain how figures for salary, benefits, phone, mileage, buildings and facilities were determined.

**SCHEDULE C - ALLOCATION OF EXPENSES**

In narrative form, describe your method for allocating your administrative costs.

**SCHEDULE D - RELATED PARTY DISCLOSURE**

Please identify all related party relationships including cost purpose and approval process.