

South Carolina DHHS Replacement MMIS Vendor Day

July 12, 2011

Disclaimer

This meeting is being conducted as part of an informal, pre-solicitation information sharing process.

The State will endeavor to provide accurate and complete information during this session; however, the State does not warrant or represent that the information provided during the meeting, in the slide presentation, or in any written responses following the meeting are accurate or complete.

The RFI and draft RFP should not be construed as a commitment by the State to acquire any product or service or to enter into any contractual agreement.

No Recording

- To encourage a free exchange of ideas, the State will **not** record this session via audio, video, or other electronic means, and the attendees and participants shall be restricted likewise.

Purpose

- Improve the quality of the final RFP
- Improve the quality of the proposals by providing vendors early insight into the State's objectives
- Reduce the size and complexity of the amendments to the final RFP driven by the formal question and answer period that occurs post-solicitation

Agenda

- Meeting Logistics
- Introductions
- SCDHHS Director's comments
- SCDHHS CIO's comments
- Meeting Q&A
- General principles
- Strategic concepts
- Section-by section review
- What to submit in your responses

Meeting Logistics

- Restrooms
- 10-minute breaks each hour
- Lunch at noon
- Coffee available this morning

Introductions

SCDHHS Director's Comments

Tony Keck

SCDHHS CIO's Comments

John Supra

Meeting Q&A

- This is a pre-solicitation meeting → more informal
- This meeting is largely for you (we get benefit as well)
- Please ask questions (at any time)
- Feel free to challenge our assumptions or draft RFP content
- If you want a written response, you must submit a written question/comment with your RFI response
 - No minutes or answers will be published from this meeting
- You do not have to submit every question again as part of your written RFI submission (unless you want a written response)
- The State's answers—verbal and written—are not legally binding

General Principles

- We intend to improve the relationship between the State and the vendor
 - State
 - Prepare for DDI
 - Balanced contract
 - Vendor
 - Quality solution
 - Reasonable risk
 - Affordable costs

General Principles (cont)

- We challenge Vendors to develop a compelling solution for the State
- Consider the “Golden Rule”– propose solutions you’d like to receive if you were the customer

Strategic Concepts

- Objectives-based RFP
 - Not an itemized “challenge-response” RFP
 - Harder to write the RFP – likely harder to write the proposals!
- Note the differences between “shall,” “must,” “required to,” etc. and “should,” “may,” etc.
- Inquiries pushing for details of the requirements likely to receive “Offerors should propose what they believe will be the best overall solution to the State.”

Strategic Concepts (cont)

- Do not underestimate the importance of high quality bases of estimates
 - Are your prices reasonable?
 - Do you understand the costs that drive your prices?

Strategic Concepts (cont)

- Role of COTS
 - Read and understand the definition of COTS
 - Not equal to “We’re a commercial entity and it’s on our shelf”
 - General purpose COTS vs. domain-specific COTS
 - The State is not requiring a COTS solution...but in general, COTS is good
 - The State wants a DDI that is more configuration-driven than development-driven

Strategic Concepts (cont)

- A system that has not yet been deployed anywhere is still potentially acceptable however, you must clearly consider and/or describe:
 - What will be delivered and when
 - How you will meet the source selection system demonstration requirements
 - How you will control risk
 - Who's paying for what
 - Intellectual property rights
 - Your future support concepts and how you will commit to such support

Strategic Concepts (cont)

- Impact of the seven conditions and standards for receiving enhanced FFP
 - Seven conditions are not entirely system-based
 - Seven conditions are not entirely contractor-based
 - The State is not aware of any solution that currently meets 100% of the seven conditions as described in 42 CFR 433.112 and MITS 11-01-v1.0

Strategic Concepts (cont)

- The CFR is pretty black and white on certain aspects. Examples:
 - “...including the use of open interfaces and exposed application programming interfaces...”
 - “...the separation of business rules from core programming, available in both human and machine readable formats.”
 - “Promote sharing, leverage, and reuse of Medicaid technologies and systems within and among States.”

Strategic Concepts (cont)

- MITS 11-01-v1.0 guidance (emphasis added)
 - “In this document, we provide more detail about the seven conditions and standards and the kinds of information, activities and documentation the *federal government will examine over the course of a systems development lifecycle to allow for initial and ongoing approval of enhanced funding.*”

Strategic Concepts (cont)

- “There are trade-offs concerning schedules, costs, risks, business goals, and other factors that should be considered when making technology investments; *however, CMS must ensure that enhanced Federal Financial Participation (FFP) funding is approved only when Medicaid infrastructure and information systems projects meet statutory and regulatory requirements* to support efficient and effective operation of the program.”

Strategy Concepts (cont)

- Modularity: “A *critical element of compliance* with this condition is providing CMS with an understanding of *where services and code will be tightly coupled, and where the state will pursue a more aggressive decoupling strategy.*”

Section-by-Section Review

- Section I – Scope of Solicitation
- Section II (A & B) – Instructions to Offerors
- Section III – Scope of Work (Statement of Objectives)
- Section IV – Information for Offerors to Submit
- Section V – Qualifications
- Section VI – Award Criteria
- Section VII (A & B) – Terms and Conditions
- Section VIII – Bidding Schedule/Cost Proposal
- Section IX - Attachments

Section I – Scope of Solicitation

- Scope not just limited to “Medicaid”

Section II (A & B) – Instructions to Offerors

- Definitions – important to read and understand
 - If they are not clear and unambiguous – tell us!
 - If you don't agree with them – tell us!
- Questions and answers
 - Planning two rounds of questions
 - Q&A not part of contract
 - If changes need to be made to the RFP, they will be made via an amendment
 - (Note: don't confuse “formal” Q&A on the final solicitation with the “informal” suggestions/Q&A as part of RFI #4)

Section II (A & B) (cont)

- Restrictions on communications
- Submitting confidential, trade secret, and restricted information:
 - Read the RFP
 - Read the guide published by the State
 - http://procurement.sc.gov/webfiles/MMO_Legal/Documents/FOIA_page.pdf
 - Read the law
 - You must submit a redacted proposal
 - Do not over-redact material inappropriately – this can be considered a responsiveness issue

Section II (A & B) (cont)

- Clarifications, discussions, negotiations
 - Understand these!
 - **Clarifications** are an exchange of information conducted to facilitate the State's understanding of a proposal - **as originally submitted** - by resolving substantial **ambiguities** in the proposal.
 - **Discussions** may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to **assure full understanding of, and responsiveness to**, the solicitation requirements.
 - **Negotiation** is an exchange between the State and an offeror undertaken with the intent of allowing the offeror to **revise its proposal**.

Section II (A & B) (cont)

Guidance & Best Practices
for
Permissible Communications in a Competitive Sealed Proposal
After Opening but Prior to Award

State Procurement Office / Information Technology Management Office / State Engineer's Office

Version Date: November 26, 2007

Strongly recommend reading this document:

http://procurement.sc.gov/webfiles/MMO_POL_GD/Discussions_Web_Package.pdf

Section II (A & B) (cont)

- Negotiations
 - “...the procurement officer...may...negotiate with the **highest ranking offeror** on price, on matters affecting the scope of the contract, so long as the changes are within the general scope of the request for proposals, or on both. **If a satisfactory contract cannot be negotiated** with the highest ranking offeror, negotiations may be conducted, in the sole discretion of the procurement officer, with **the second, and then the third, and so on**, ranked offerors to the level of ranking determined by the procurement officer in his sole discretion”

Don't assume that you will have the opportunity to “sweeten your bid” at a later date

Section II (A & B) (cont)

- Procurement Library
 - Has been kept fairly light
 - Will likely have one more update
 - Please do not request the addition of lots of information not needed to form a responsive bid
 - Note that the use of volume-based pricing should substantially reduce the need for lots of statistical information
 - Not part of the contract
 - Not warranted

Section II (A & B) (cont)

- Site visits
 - May perform, but not guaranteed
 - Using referenced customer list
 - Offeror may be present, but State must have private access to customer, as well

Section III – Scope of Work (Statement of Objectives)

- SOW vs. SOO
 - Higher level of abstraction
 - Focuses more on “what” than “how”
 - Provides flexibility in solution space
 - Provides more rigid requirements where necessary
- Why?
 - Each Offeror can solve the problem in the way it believes is best
 - Doesn't assume a “one size fits all” solution

Lack of specificity does not mean that something is unimportant – *you* fill in the details

Section III (cont)

- Note the differences between “shall,” “must,” “required to,” etc. and “should,” “may,” etc. Examples:
 - “Offerors may propose a strategy for trading office space for select personnel on each team”
 - “The Replacement MMIS should incorporate a single sign-on capability to the greatest extent practical along with integrated session management for solutions incorporating multiple applications.”
 - “At no time shall the Contractor maintain, utilize, transmit or cause to be transmitted information governed by privacy laws and regulations outside the United States and its territories.”

Section III (cont)

- Project Goals
 - Cost
 - Quality of Care
 - Business Effectiveness
 - Technology
 - Design, Development, and Installation

We're managing this as a **business project** with lots of IT rather than as an IT project with some business process outsourcing

Section III (cont)

- Contract Objectives and Strategy
 - Scope
 - Existing contracts are not incorporated by reference, but must be used to help define the scope of the contract
 - Annotated MITA Business Process Matrix
 - Annotated MECT Checklists
 - Other as identified in RFP

General assumption:

Unless otherwise noted, if it's in scope of one of the eight existing contracts today, it's in scope for this Contract

Section III (cont)

Contract Objectives and Strategy

- Relationship to eligibility/Member Management
 - State will be running a parallel project for Member Management
 - Assume that interfaces of today must be supported until retired
 - Assume that future interfaces (services) must be built for future use
 - Some functions of MMIS may be migrated to Member Management
 - Some services of MMIS may need to be exposed to Member Management in order to avoid duplication of capabilities (e.g., finance)

Section III (cont)

Contract Objectives and Strategy

- Phases/contract structure
 - Discovery Phase
 - Replacement Phase
 - Operations Phase
 - Turnover Phase

Section III (cont)

Contract Objectives and Strategy

- Discovery Phase
 - Up to 90 days (Offeror-proposed)
 - Objectives (abridged)
 - Refine the State's enterprise strategy and enterprise IT strategy...
 - Improve the Contractor's understanding of the State's Medicaid enterprise...
 - Improve the State's understanding of the Contractor's baseline system...
 - Provide an opportunity for the Contractor to assemble its team...
 - Conduct team building efforts...
 - Build key planning documents...
 - Agree to the administrative details of Contract invoicing.

Section III (cont)

Contract Objectives and Strategy

- Discovery Phase deliverables
 - Contractor
 - Project Management Plan
 - Refined Integrated Master Schedule
 - Performance Measurement Baseline
 - Systems Engineering Management Plan
 - Joint
 - Joint Change Management Plan
 - Joint Communications Plan
 - Joint Disaster Recovery/Business Continuity Plan
 - Escrow Agreement

Section III (cont)

Contract Objectives and Strategy

- Replacement Phase
 - Offeror-proposed schedule
 - Objectives (abridged)
 - Replace the existing systems...
 - Replace existing operations contracts and improve business operations...
 - Achieve System Certification...
 - Adapt to changes in requirements that may occur during the Replacement Phase...

Section III (cont)

Contract Objectives and Strategy

- Replacement Phase (cont)
 - Service groups
 - Design, Development, and Installation
 - System Certification
 - Replacement Phase Modification Pool
 - Deliverables largely Offeror-proposed

Section III (cont)

Contract Objectives and Strategy

- Operations Phase
 - Objectives
 - Perform duties required to efficiently and effectively manage the State's Medicaid program and other applicable health benefit plans.
 - Adapt to changes in business needs that impact system functionality or business operations services in a timely manner to avoid the need for workarounds and to minimize impact to ongoing operations.
 - Deliverables largely Offeror-proposed

Section III (cont)

Contract Objectives and Strategy

- Operations Phase (cont)
 - Service Groups
 - Claims-Related Services
 - Prior Authorization Services
 - Provider Management Services
 - Third Party Liability Services
 - Member Premium Management Services
 - Training Services
 - Operations Phase Modification Pool
 - Base Work

Section III (cont)

Contract Objectives and Strategy

- Turnover Phase
 - Normal lead time \geq Turnover IMS
 - 90-day post-turnover support

Section III (cont)

Contract Objectives and Strategy

- Use of purchase orders vs. change orders
 - Purchase order
 - Initiate a service
 - Annual updates of service quantities
 - Use of Replacement/Operations Phase Mod Pools
 - Change order
 - Contract level scope changes
 - Other similar

Section III (cont)

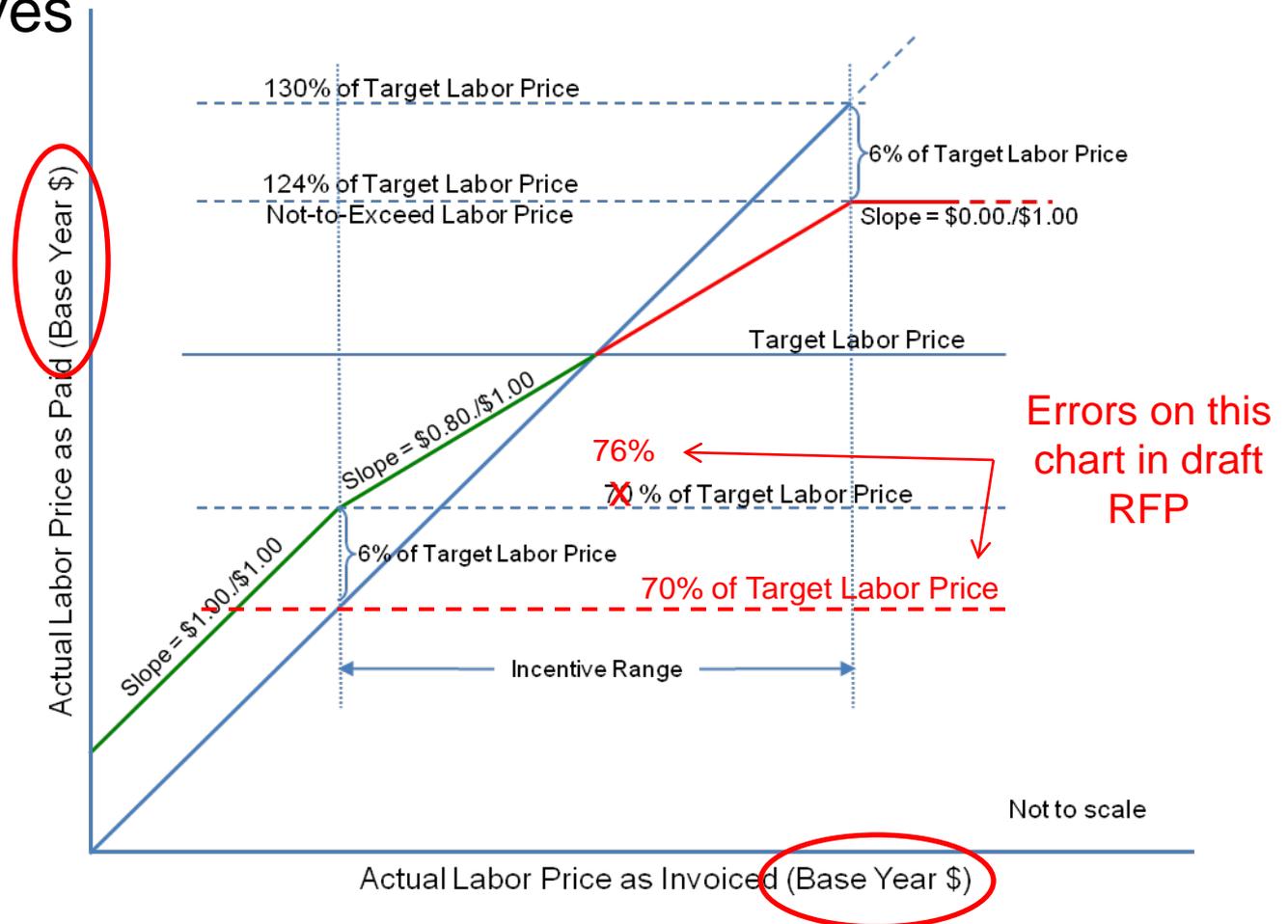
Contract Objectives and Strategy

- Contract incentives
 - Both positive and negative incentives
 - Incentives regarding
 - Cost
 - Schedule
 - Performance

Section III (cont)

Contract Objectives and Strategy

- Cost incentives



Section III (cont)

Contract Objectives and Strategy

- Schedule incentives
 - Fully Operational Start Date
 - 1/30th % for each calendar day (retain or pay)
 - Increment Operational Start Date
 - 1/100th % for each calendar day late (retain)
 - Milestones and deliverables
 - 1/300th % for each calendar day late (withhold)
 - Recoverable

Section III (cont)

Contract Objectives and Strategy

- Performance incentives
 - Replacement Phase
 - Contractor covers the costs of defect repairs after the beginning of UAT (including subsequent ops)
 - The State encourages including State participants in early testing....however, the State will not perform “dry run” UATs due to time/cost

Section III (cont)

Contract Objectives and Strategy

- Performance incentives (cont)
 - Operations Phase
 - Effective when applicable number of performance standards is 15 or greater

The Worse of:		Incentive
Number of Critical Standards Not Met	Number of Non-Critical Standards Not Met	
0	0-1	2% positive incentive on payable Operations Phase Services for the month
0	2-3	0% incentive for Operations Phase Services for the month
1	4-5	2% negative incentive retained on payable Operations Phase Services for the month
2	6-7	4% negative incentive retained on payable Operations Phase Services for the month
3+	8+	6% negative incentive retained on payable Operations Phase Services for the month

Section III (cont)

- Financial Management
 - Objectives
 - Manage project finances with fiscal prudence
 - Maintain transparent and accurate insight into the contract financial status at all times
 - Receive fair prices based on legitimate costs throughout the life of the Contract

Section III (cont)

Financial Management

- Bases of Estimates (BOEs)
 - Can you clearly explain how you derived your costs?
 - Can we understand that explanation?
 - We expect to have clear visibility into the cost buildup
 - We want to see what you see
 - Crosschecks are important (e.g., 3000 inputs to a bottom up estimate doesn't mean it's accurate)

Section III (cont)

Financial Management

- Inflation adjustments
 - State is largely bearing the risk of inflation
 - Prices proposed in base year (first contract year) dollars
 - Adjusted each year based on average of ECI and CPI-U
 - Note that incentives for Replacement Phase are calculated on values adjusted back to base year

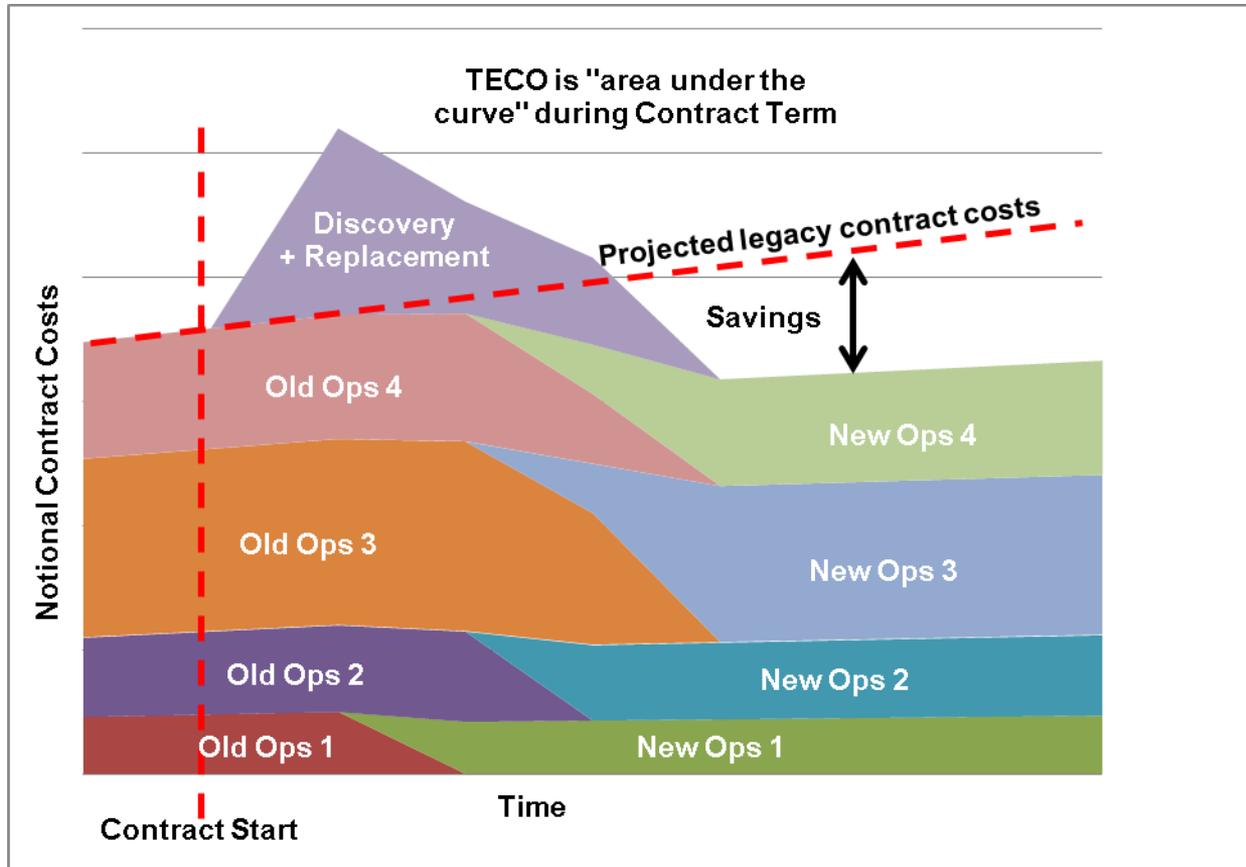
Section III (cont)

Financial Management

- Total Enterprise Cost of Ownership
 - Why are we using TECO?
 - Insight into what it costs to run the enterprise
 - Avoid unintended consequences of cost/schedule tradeoff

Section III (cont)

Financial Management



Section III (cont)

- Schedule strategy
 - Seven-year max Contract term
 - Offeror-proposed implementation schedule
 - Offeror-proposed order of implementation
 - Incremental strategy mandatory
 - Increment **is not** equal to a milestone along the way in a waterfall SDLC model
 - Desired early increments
 - EDMS/workflow/routing
 - Provider Management Services (note typo in draft RFP for this)
 - Consolidation of Prior Authorization functions

Section III (cont)

- Management Goals and Strategy
 - Goals (abridged)
 - Achieve program success by the proper application of the management functions...
 - Ensure the transparency of management actions and project results...
 - Foster collaboration between the State, the Contractor, and other project stakeholders...

Section III (cont)

Management Goals and Strategy

- Importance of management insight
- Integrated Master Schedule
 - Level of detail
- Earned Value Management
- Contractor staff location
 - Discovery – weighted towards Local Area
 - Replacement – mixture of locations
 - Operations – non-commodity services in Local Area
 - Turnover – similar to Operations Phase (mostly Local Area)

Section III (cont)

Management Goals and Strategy

- Information sharing/reporting/deliverables
 - Sharing – online repository
 - Contractor-provided (even if using States' SharePoint server)
 - Reporting
 - Mostly Offeror-identified
 - Must report on performance standards
 - Weekly status reviews
 - Monthly Contract Management Reviews

Section III (cont)

Management Goals and Strategy

- Information sharing/reporting/deliverables (cont)
 - Deliverables
 - This process must work
 - The process must serve both parties
 - Dates defined by acceptance, not delivery
 - Understand the principles in the RFP for this section
 - Review timelines
 - State has proposed some concepts (“long,” “short”)
 - Offerors may propose adjustments to these
 - No “pile-ons”

Section III (cont)

Management Goals and Strategy

- System certification
 - Approval from CMS to do “modular” certification
 - Will likely require “regression” of previously-certified increments
 - Untested approach – requires teamwork to succeed
 - Loss of FFP for certification failures not subject to limitations of liability

Section III (cont)

- Technical Objectives and Strategy
 - This section is particularly driven by objectives
 - Very MITA-driven
 - CMS' seven conditions are particularly challenging in the technical area
 - We've all seen the buzzwords before... ***don't propose what you can't deliver!***

Section III (cont)

Technical Objectives and Strategy

- Principles

Straight
from
MITA

- Business Enabling Services
- Access Channels
- Interoperability Channels
- Data Management and Data Sharing
- Performance Measurement
- Security and Privacy
- Adaptability and Extensibility

Section III (cont)

Technical Objectives and Strategy

- **Technical objectives**

Straight
from
MITA
(with
minor
mods)

- Adopt data and industry standards
- Promote modularity and component reuse
- Promote efficient and effective data sharing, management and stewardship
- Provide a user focused experience
- Support interoperability and integration
- Promote secure data exchange
- Utilize industry best practices
- Integrate clinical and administrative data
- Ensure broad availability

Section III (cont)

Technical Objectives and Strategy

- Technical processes
 - Incremental implementation
 - System + business operations capability
 - Need not be immediately deployed
 - Alignment issues with existing contracts
 - Managing multiple contract/system transitions

Section III (cont)

Technical Objectives and Strategy

- Technical processes (cont)
 - Data migration, conversion, and synchronization
 - State (abridged)
 - Provide access to and documentation of data sources...
 - Document the data elements and expected values in the existing MMIS
 - There are data in current contractor systems that are not transferred to the existing MMIS. The State does not plan to modify these data.
 - Assist the Contractor in its duties

Section III (cont)

Technical Objectives and Strategy

- Technical processes (cont)
 - Data migration, conversion, and synchronization
 - Contractor (abridged)
 - Migrate and convert all necessary data into the Replacement MMIS...
 - Design and perform a synchronization strategy...
 - Assist the State in its duties

Section III (cont)

Technical Objectives and Strategy

- Technical processes (cont)
 - Reporting/reports
 - State taking greater role in creating reports
 - Exceptions:
 - Necessary for the proper operation of the system
 - Necessary for the proper conduct of the Contractor's business operations duties on the Contract. Required by the State Plan, State law or regulation, or are Federally-required
 - Required to report on a Contract performance standard.
 - Are included in the baseline system
 - Are otherwise included in the Contractor's proposed system

Section III (cont)

Technical Objectives and Strategy

- Technical processes (cont)
 - Hosting
 - State will host (including providing backup site)
 - Vendor will operate
 - Offeror SOW should define “seams” to ensure common understanding of proposed duties
 - Preferred hardware/software
 - These are preferred, not mandatory
 - Choosing non-preferred items can have ramifications (principally to TECO)
 - Choosing legacy (e.g., mainframe) resources can have ramifications (TECO and “technical” evaluation)

Section III (cont)

- Testing and Quality Management Strategy
 - Most testing and quality processes are Offeror-proposed
 - (Again) Don't assume that lack of specificity means lack of importance
 - Take the review process principles to heart
 - Teamwork is essential
 - This is an area that is often win-win or lose-lose

Section III (cont)

Testing and Quality Management Strategy

- General testing approach
 - Testing should be comprehensive but not unnecessarily duplicative
 - Automated testing, particularly for regression testing, is crucial to program success. Automated testing must be extended to enable the pre-deployment evaluation of business and pricing rules changes during the Operations Phase
 - Early user testing can provide important opportunities to gain critical feedback and gain user support for the system

Section III (cont)

Testing and Quality Management Strategy

- User Acceptance Tests – part of the acceptance process for increments to be deployed immediately
 - By definition, there will be multiple UATs
- User Feedback Tests – part of the feedback process for increments not being deployed immediately
 - There may or may not be UFTs
- UATs and UFTs *are not* 100% scripted tests
 - Real users in an operationally-representative environment

Section III (cont)

- Life-Cycle Support Objectives and Strategy
 - Training
 - Largely Offeror-proposed
 - Training other than that specifically needed to conduct DDI is unit priced (discussed more later)
 - UATs evaluate training as well
 - Maintenance is maintenance - updated training driven by CSRs/change orders part of the change process (including \$\$), not part of maintenance

Section III (cont)

Life-Cycle Support Objectives and Strategy

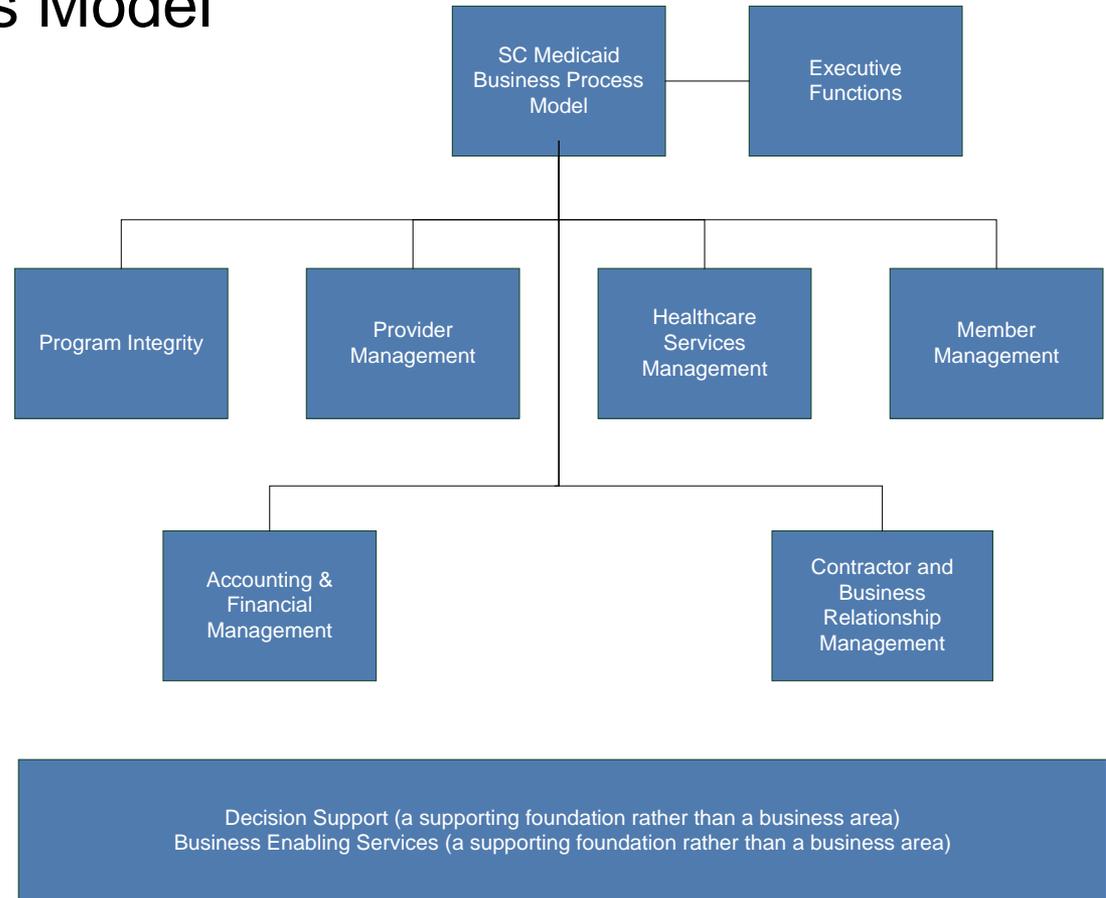
- Documentation
 - Contract Data Requirements List (CDRL)
 - Cannot emphasize enough—RFP does not identify all of the needed data items
 - Offerors must propose data package
 - For the purposes of the CDRL software = data
 - This is a big deal—you must demonstrate that you understand the data needs for the Contract

Section III (cont)

- Intellectual Property Strategy
 - Covered later during legal discussion

Section III (cont)

- Business Process Model



Section IV – Information for Offerors to Submit

- We've tried to control the page count
 - Costly to create
 - Costly to evaluate
 - Limit page count only to that necessary
 - Eliminate pages often filled with marketing pitches
- Did we hit a good balance?
- Reminder on submitting redacted offers

Section IV (cont)

- Proposal Section A – Transmittal Letter
 - Just follow the instructions...
- Proposal Section B – Executive Summary
 - Concise summary of proposed solution
 - ***Why*** this offers the greatest value to the State

Section IV (cont)

- Proposal Section C – Proposed Solution
 - Most complex section
 - Balance between “solution” subsections and SOWs

Section IV (cont)

Proposal Section C

Subsection	Title	Page Limits
Section C1	Discovery Phase Solution	15
Section C2	Replacement Phase Solution	100 + Increment Table
Section C3	Operations Phase Solution	100 + business process models + measurement processes
Section C4	Turnover Phase Solution	15
Section C5	Technical Solution	90 + User/Administrator Manuals + Developer documentation
Section C6	Security Solution	20
Section C7	List of Included System Reports	N/A
Section C8	Itemized List of Hardware and Software	N/A
Section C9	Testing and Quality Management Approach	30
Section C10	Statements of Work	N/A
Section C11	Offeror-Proposed Performance Standards	N/A
Section C12	Offeror-Proposed System Review Criteria	N/A
Section C13	Integrated Master Schedule	10 pages for overview plus MS Project plan (no page limit on plan)

Section IV (cont)

Proposal Section C

- Phase subsection common elements
 - Overview
 - Assumptions
 - Strategy
 - Expectations for State/Third Party participation
- CMS' Seven Conditions appears throughout this section

Section IV (cont)

Proposal Section C

- Subsection unique elements
 - Replacement Phase
 - Details of running the Replacement Phase
 - Details on increments
 - Operations Phase
 - Details of running the Operations Phase
 - Open question: should the breakout of details be by SC business area or by Service Group (e.g., Prior Authorization Services)?
 - Methods of measuring and adhering to performance standards
 - BPMN models for Contractor-led processes

Section IV (cont)

Proposal Section C

- Technical Solution includes:
 - Architecture
 - Interfaces
 - Product roadmap
 - Custom development
 - COTS upgrades and product obsolescence
 - Users/Admin manuals
 - Developer docs

Section IV (cont)

Proposal Section C

- Security Solution
 - Systems
 - Operational
 - Physical

Section IV (cont)

Proposal Section C

- List of Included System Reports
 - Important list since State is building “optional” reports internally
- Itemized List of Hardware and Software
 - Must be complete
 - Must be consistent with architecture
 - Software BOM two places
 - C8 – no dollars
 - Pricing Table C – includes dollars

Section IV (cont)

Proposal Section C

- Testing and Quality Management Approach
 - Includes:
 - Processes
 - Events
 - Measurements
 - Expectations for State/Third Party participation

Section IV (cont)

Proposal Section C

- Statements of Work
 - These are crucial
 - They are not the only description of the work to be performed, but they are the most discrete
 - Be direct and succinct (“The Contractor shall...”)
 - Do not use SOWs to discuss strategy or as “overflow” for page-limited sections
 - Zero “marketing” in the SOWs

Section IV (cont)

Proposal Section C

- Offeror-Proposed Performance Standards
 - From Attachment I – Annotated MITA Business Process Matrix
 - Open question: should more/all of the performance standards be Offeror-proposed

Section IV (cont)

Proposal Section C

- Offeror-Proposed System Review Criteria
 - From Attachment J – Annotated Medicaid Enterprise Certification Toolkit Checklist
 - Certification checklist supplemented by anything the State adds to an RFP
 - Supplements State-specific business objectives
 - These are important because they specify how you plan to meet the certification business objective

Section IV (cont)

Proposal Section C

- Integrated Master Schedule
 - Two IMS – Discovery/Replacement and Turnover
 - MS Project 2003 or 2007
 - Must include hours allocated to activities consistent with estimated effort and cost proposal BOEs
 - Must include schedule BOEs
 - Note: error in page limits – failed to include pages for BOEs – will correct (no limit for BOEs)

Section IV (cont)

- Proposal Section D – Contract Data Requirements List
 - Previously discussed

Section IV (cont)

- Proposal Section E – Licensing Terms and Conditions
 - Will discuss with Section VII

Section IV (cont)

- Proposal Section F – Initial Risk and Issue Assessment
 - Be sure to understand the difference between risks (potential to happen) and issues (has happened or is certain to happen)
 - Clear description ***with root cause***
 - Coherent, relevant mitigation steps
 - Introspection is important – you are a significant source of risk on the project

Section IV (cont)

- Proposal Section G – Organization and Staffing
 - Overview and Organization
 - Don't forget to answer the question “Why?”
 - Key Personnel
 - State has identified the minimum number
 - Offeror may identify others – commitment to stability
 - Position Descriptions – submit comprehensive list
 - Ability to add new positions later may be limited (particularly more senior positions with higher rates)

Section IV (cont)

- Proposal Section H – System Screenshots
 - Will be helpful to State in prep/conduct of system demos
 - Correlate to MITA and MECT tables

Section IV (cont)

- Proposal Section I – Oral Presentation and System Demonstration
 - Oral Presentation
 - Slides must be submitted with written proposal
 - Avoid overkill on slide count – this is a discussion
 - Prefer presentation by Key Personnel and other key staff – do they understand the RFP and the proposed solution?

Section IV (cont)

Proposal Section I

- System Demonstration
 - Purpose: greater insight into Offeror's technical solution
 - Three parts
 - Offeror-conducted demo
 - Offeror-led, State-conducted demo
 - State-conducted sandbox demo

Section IV (cont)

Proposal Section I

- System Demonstration (cont)
- Key points
 - Demo what you're going to provide in your solution
 - State understands that current production software may not exactly match proposed solution
 - Open question: Does the RFP inadvertently restrict demoing production software that needs mod/replacement due to this RFP? Ex: preferred COTS product changeout
 - Okay to demo non-production software that will be in production prior to or at our implementation
 - DO NOT DEMO VAPORWARE
 - DO NOT DEMO THROWAWAY SOFTWARE WRITTEN SOLELY FOR THE DEMOS

Section V - Qualifications

- Proposal Section J – Corporate Background and Financial Reports
 - Also applies to certain subcontractors with substantial portions of the work
 - Subsections
 - Corporate Background
 - Relevant Experience and References
 - Financial Information
 - Penalties and Damages Asserted

Section V (cont)

Proposal Section J

- Past performance is important
- What is your track record?

Section VI – Award Criteria

- Proposed Solution – 50 points
- Proposal Risk – 30 points
 - Open question: Should title be changed to just “Risk”?
- Total Enterprise Cost of Ownership – 20 points
 - Note: unit price governs

Section VII (A & B) – Terms and Conditions

- Lots of potential topics
 - We'll cover some likely to generate questions
 - Feel free to ask about any other topic
 - Topics
 - Order of precedence and collateral agreement structure
 - Ownership and intellectual property model
 - Confidential, trade secret, protected material and redaction
 - Warranties and limitation of liability
 - Organizational Conflict of Interest certification
 - Changes

Section VII (cont)

- Exhibit A – Invoicing and Payment
 - Application of inflation
- Exhibit B – Proprietary Third Party License Agreement
- Exhibit C – COTS Agreement

Section VIII – Bidding Schedule / Cost Proposal

- Why the large pricing tables?
 - Each Offeror can propose different implementation schedules
 - Trying to align prices with costs
 - Use of volume-based pricing

Section VIII (cont)

- Pricing table walkthrough

Table	Title
Pricing Table A	Discovery Phase
Pricing Table B	Replacement Phase
Pricing Table C	Software Prices
Pricing Table D	Labor Rates
Pricing Table E	Modification Pools and Software Maintenance
Pricing Table F	Operations Phase – Base Work
Pricing Table G	Operations Phase – Claims Related Services
Pricing Table H	Operations Phase – Prior Authorization Services
Pricing Table I	Operations Phase – Provider Management
Pricing Table J	Operations Phase – Third Party Liability/Recovery Services
Pricing Table K	Operations Phase – Member Premium Management Services
Pricing Table L	Operations Phase – Training Services
Pricing Table M	Turnover Phase
Pricing Table N	Total Enterprise Cost of Ownership

Section IX – Attachments

- Attachment A. Non-Resident Taxpayer Registration Affidavit Income Tax Withholding
- Attachment B. HIPAA Business Associate Agreement
- Attachment C. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions
- Attachment D. Certification for Contracts, Grants, Loans, and Cooperative Agreements
- Attachment E. Drug-Free Workplace Act Certification Statement
- Attachment F. Minority Business Certification Statement
- Attachment G. Disclosure and Control Interest Statement
- Attachment H. Nondisclosure Agreement

Section IX (cont)

- Attachment I. Annotated MITA Business Process Matrix
 - Principal duties is just that – it's not absolute, it's not definitive, it's not complete
 - Impact of MITA 3.0 unknown – open question in RFI
 - Executive Functions
 - Provider Management
 - Healthcare Services Management
 - Accounting & Financial Management
 - Member Management
 - Contractor and Business Relationship Management
 - Program Integrity
 - General and System
 - Receive Inbound Transaction
 - Send Outbound Transaction

Section IX (cont)

- Attachment J. Annotated Medicaid Enterprise Certification Toolkit Checklists
 - Beneficiary Management
 - Claims Adjudication
 - Claims Receipt
 - Decision Support/Data Warehouse
 - Federal Reporting
 - Financial Management
 - HCBS Waivers
 - Immunization Registry

Section IX (cont)

- Attachment J (cont)
 - Managed Care Organization
 - PIHP and PAHP Managed Care
 - Managed Care Enrollment
 - PCCM and Gatekeeper Managed Care
 - Pharmacy Point of Service
 - Program Integrity
 - Program Management Reporting
 - Provider Management
 - Reference Data Management
 - Security and Privacy
 - Third Party Liability

Section IX (cont)

- Attachment K. Contract Data Requirements List
- Attachment L. Increment Table
- Attachment M. System Screenshots
- Attachment N. Risk/Issue Template
- Attachment O. List of Included Reports
- Attachment P. Experience Table
- Attachment Q. Hardware BOM
- Attachment R. Software BOM
- Attachment S. Record of Negotiations
- Attachment T. Contract Order Form

Section IX (cont)

- Attachment U. Procurement Library Contents
- Attachment V. Performance Bond for Other Than Construction Contracts
- Attachment W. Organizational Conflict of Interest Disclosure

Replying to the RFI

- Responses due by July 26 – e-mail preferred (fbo@scdhhs.gov)
- Responses should not contain confidential information needing redaction
 - The State is likely to publish the responses
- Please answer the questions and provide other feedback in tabular format
 - Unlike Q&A for a formal solicitation, you can provide comments, suggestions, questions in any form—*we just want your feedback!*
- No minutes or answers published from this meeting
 - If you want a written response you have to submit written input

Schedule Going Forward

- Schedule prediction in procurements is always difficult
- General timeline
 - RFI submissions – July 26
 - Response to submissions – August
 - Update RFP – August → ?
 - Final approval by SCDHHS, State procurement officials, CMS – variable time
 - Range of likely dates for final RFP – late August to late October
 - Proposal prep – 90 days
 - Evaluation time – depends on number of offers
 - With three Offerors: time from proposals due till intent to award – roughly eight months
 - Scales somewhat linearly

SCDHHS at the MMIS Conference

- Monday, Aug 1, 6-8 PM Poster Session
 - John Supra
 - Business Enabling Technologies
- Tuesday, Aug 2, 10-11 AM Session
 - Gordie Neff
 - Organizational Alignment with MITA

Wrap Up

- We want to improve how a state interfaces with the vendor community during procurement and after contract award
- This is your chance to provide feedback
- Any final questions?

Thanks for participating!