

Amendment # 8  
 Issued on: December 14, 2007

For Requests for Proposals RFP-MQD-2008-006  
 QUEST Expanded Access (QExA) Managed Care Plans to Cover Eligible Individuals Who Are Aged, Blind or Disabled

| # | RFP Section #   | RFP Language  | Amendment   |
|---|---|---|---|
| 1 | 21.300 New paragraph at end of section<br><br>Submission of Proposals |   | Paragraph is added to read:<br><br>The DHS is requesting a final revised business proposal for submission on January 7, 2008 in the manner consistent with this section. The DHS will review the initial business proposal submission for completeness. If the applicant submits a final revised business proposal, the DHS will replace only the section(s) of each applicant's initial proposal that are amended. If an applicant does not submit a final revised business proposal, then the applicant's initial business proposal shall be deemed to be the applicant's final revised proposal. |
| 2 | 90.300, bullet #4<br><br>Bidding Rules and Requirements               | Bullet read:<br><br><ul style="list-style-type: none"> <li>• The total capitation rates in Bid Forms 2A – 2L must tie to the corresponding capitation rates on Bid Form 1.</li> </ul> | Bullets are amended to read:<br><br><ul style="list-style-type: none"> <li>• The <del>total</del> <b>pre-tax</b> capitation rates in Bid Forms 2A – 2L must tie to the corresponding capitation rates on Bid Form 1.</li> </ul>   |
| 3 | 100.500<br><br>Business Proposal                                      |   | Insert the following paragraph as the first paragraph:<br><br>For all applicants, the pre-tax capitation rate is the rate cell that will be used for scoring. The pre-tax   |

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|   | Evaluation    |              | <p>capitation rate is the capitation rate prior to adding general excise tax. The pre-tax rate does not exclude Federal, State, or Local taxes for applicants subject to additional taxes to include by not limited to: income premium tax or State or Federal income tax. Should the contract be awarded to an applicant subject to the general excise tax, the pre-tax bid rates will be increased to include the cost of the general excise tax.</p> |

**Clarifications**

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| 1 | Databook Bid Forms | <p>As a clarification to two Question and Answer's during the QExA RFP (question #347 in Q&amp;A Technical RFP-2008-006 and question #448 in Q&amp;A Business RFP-2008-006 both released on November 15, 2007), the Department of Human Services (DHS) will disregard the amount of general excise tax (GET) paid by for-profit applicants only for purposes of evaluating bid prices during the procurement process (i.e., using the pre-tax capitation rate for evaluation). This results in an apples-to-apples comparison of prices for the contracted services only. The pre-tax capitation rate only disregards GET, not other Federal, State, or Local taxes to include by not limited to: insurance premium tax or State or Federal income tax.</p> <p>Once contracts are awarded, applicants who are subject to the GET (for-profit) will get paid the quoted bid price plus any applicable GET, which is passed through to the Hawaii Department of Taxation. Applicants who are not subject to the GET (non-for-profit) would get paid the bid price. Ultimately, all applicants, whether for-profit or non-for-profit, get paid their quoted bid price. This mechanism for evaluating bid prices does not in any way waive an applicant's obligation to pay the GET, and is an accepted cost of doing business in Hawaii, which all State agencies absorb through their contracts for goods and services. The DHS been advised that there is no repeal or exemption of the GET resulting from the State's payment of this cost to this applicant.</p> |
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