

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII QUEST DIVISION
KAPOLEI, HAWAII

Legal Ad Date: January 11, 2008

REQUEST FOR PROPOSAL

No. RFP-MQD-2008-011

COMPETITIVE SEALED PROPOSAL

The Hawaii Infant and Children Health Care Programs

**Will be received up to 2:00 p.m., Hawaii Standard Time
(H.S.T.)
On February 8, 2008**

**In the Department of Human Services
Med-QUEST Division
601 Kamokila Boulevard, Suite 506A
Kapolei, Hawaii 96707**

Note: If this RFP was downloaded from the State Procurement Office RFP website each applicant must provide contact information, to the RFP Contact Person for this RFP, to be notified of any changes. For your convenience, an [RFP Interest Form](#) may be downloaded to your computer, completed and emailed or mailed to the RFP contact person. The State shall not be responsible for any missing addenda, attachments or other information regarding the RFP if a proposal is submitted from an incomplete RFP.

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SECTION 10 ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposal (RFP)

This Request for Proposal (RFP) solicits participation by one or more managed care plans or non-profit entities to provide health care coverage to eligible uninsured infants (from birth through 30 days) and one or more managed care plans to provide health care coverage to children (from 31 days through 18 years) who are living in Hawaii. Offerors responding to this RFP must be able to provide the required services on a statewide basis. Proposals that are limited to a specific island or county will not be accepted. The scope of services delineated in the RFP shall be reimbursed with State general funds.

Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be part of the contract with the successful offeror

DHS reserves the rights to modify, amend, change, add, or delete any requirements in this RFP and the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, the State will consider allowing prospective offerors additional time for the proposals to be submitted.

10.110 Approach

The RFP has two separate, but related, scope of services on which to bid: The Hawaii Infant Health Care Program (HIHCP) and the Hawaii Children Health Care Program (HCHCP). Qualified Offerors (Section 40.300) responding to this RFP will have the option to bid on one or both of these programs. An Offeror bidding on both the Infant and Children Health Care Programs may administer or subcontract the Infant portion to a separate entity. The preference of the State of Hawaii is to award a contract(s) to managed care plan(s) willing and able to administer both programs.

10.200 Authority for Issuance of RFP

This RFP is issued under the provisions of the Hawaii Revised Statutes (HRS) Chapter 103F, and its administrative rules. All

offerors are charged with presumptive knowledge of all requirements cited by these authorities, and submission of a valid executed proposal by any offeror shall constitute admission of such knowledge on the part of such offeror. Failure to comply with any requirement may result in the rejection of the proposal. DHS reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

10.300 Issuing Officer

This RFP is issued by the State of Hawaii, DHS. The issuing Officer within the DHS is the sole point of contact from the date of release of this RFP until the selection of a successful Offeror(s). The Issuing Officer is:

Mr. Alan Matsunami, HCMB Acting Administrator
Med-QUEST Division
Hawaii Department of Human Services
1001 Kamokila Boulevard, Suite 317
Kapolei, HI 96707
Telephone: (808) 692-8083
Fax: (808) 692-7989

10.400 Use of Subcontractors

In the event of a proposal submitted jointly by more than one organization, one organization shall be designated as the primary Offeror and shall have responsibility for not less than twenty percent (20%) of the work to be performed. All other participants shall be designated as Subcontractors. Subcontractors shall be identified by name and by a description of the services/functions they will be performing. The primary Offeror shall be wholly responsible for the entire performance whether or not subcontractors are used. The Primary Offeror shall sign the contract with DHS.

If a Subcontractor is used, the Offeror shall ensure the MQD that they, as the Primary Offeror, have the ultimate responsibility and that the Subcontractor(s) will provide health services that meet the criteria of this RFP. Subcontractors must be responsive and responsible to meet the expectations of the Primary Offeror and MQD.

10.500 Organization of the RFP

This RFP is composed of seven sections plus appendices:

- ❑ Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP, and the organization of the RFP.
- ❑ Section 20 – RFP Schedule and Procurement Requirements – Provides information on the rules and schedules for procurement of services of a managed care plan(s) to provide health care coverage for uninsured eligible infants and children living in Hawaii.
- ❑ Section 30 – Background - Describes the Hawaii Infant and Children Health Care Program and the roles of the Department of Human Services and managed care plan(s) in these Programs.
- ❑ Section 40 –Provision of Services - Provides information on the services to be provided under this RFP and contract(s).
- ❑ Section 50 – Terms and Conditions - Describes the terms and conditions under which the work will be performed
- ❑ Section 60 – Technical Proposal – Describes the required content and format required for submission of a proposal.
- ❑ Section 70 – Cost Proposal – Defines the required format of the business proposal.
- ❑ Section 80 – Evaluation and Selection – Defines the evaluation criteria and explains the evaluation process.

Various appendices are included to support the information presented in Sections 10 through 80.

SECTION 20 RFP SCHEDULE AND REQUIREMENTS

20.100 RFP Timeline

The delivery schedule set forth herein represents the best estimate by DHS of the schedule that will be followed. If a component of this schedule, such as Proposals Due Date is delayed, the rest of the schedule will likely be shifted by the same number of days. The proposed schedule is as follows:

Issue RFP	January 11, 2008
Orientation Conference	January 18, 2008
Submission of Written Questions	January 22, 2008
Written Responses to Questions	January 25, 2008
Notice of Intent to Propose	January 29, 2008
Receipt of Proposals	February 8, 2008
Contract Award	February 15, 2008
Implementation	March 1, 2008

20.200 Orientation Conference

An orientation for offerors in reference to this RFP will be held on for January 18, 2008 at 2:00 p.m. (H.S.T.) at the Med-QUEST Office, Kakuhihewa Building at 601 Kamokila Boulevard, #506A, Kapolei, Hawaii.

Offerors are encouraged to submit written questions prior to the orientation conference. Impromptu questions will be permitted at the orientation and spontaneous answers provided at the state purchasing agency's discretion. However, answers provided at the orientation conference are only intended as general direction and may not represent the state purchasing agency's position. Formal official responses will be provided in writing. To ensure a written response, any oral questions should be submitted in writing following the close of the orientation

conference, but no later than the submittal deadline for written questions indicated in Section 20.300, Written Questions

20.300 Submission of Written Questions

Offerors shall submit questions in writing, and/or on diskette in Word 2003 format or lower at the following address:

Mr. Alan Matsunami, HCMB Acting Administrator
c/o Dona Jean Watanabe
Department of Human Services/Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707
Fax: (808) 692-7989
Email address: dwatanabe@medicaid.dhs.state.hi.us

The written questions shall reference the RFP section, page and paragraph number in the format provided in Appendix F. Offerors must submit written questions by 2:00 pm, (H.S.T.) on January 22, 2008. DHS shall respond to the written questions no later than January 25, 2008. No verbal responses will be considered as official.

20.400 Notice of Intent

Potential offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than 4:30 p.m. H.S.T., January 29, 2008. Submission of a Notice of Intent to Propose is not a prerequisite for the submission of a proposal, however, it is necessary that the Issuing Officer receive the letter by the deadline to assure proper distribution of amendments, questions, answers and other communication regarding this RFP. A Notice of Intent to Propose may be sent on company letterhead by mail or faxed to:

Mr. Alan Matsunami, HCMB Acting Administrator
c/o Dona Jean Watanabe
Hawaii Department of Human Services/Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707
Fax: (808) 692-7989

20.500 Tax Clearance

A certified copy of a current valid tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) will be required upon notice of award.

Tax clearance certificates are valid for a six (6) month (not one hundred eighty (180) day) period beginning on the later dated DOTAX or IRS approval stamp.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX Tax Clearance Application Form A-6 (rev.2006) which is available at the DOTAX and IRS office in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information):

<http://www.state.hi.us/tax/tax.html>

DOTAX forms by mail: (808) 587-7572
1-800-222-7572

DOTAX forms by fax: (on Oahu) (808) 587-7272
(outside Oahu) (808) 678-0522

Contractor is also required to submit an original current tax clearance certificate for final payment on the contract.

20.600 Certificate of Good Standing

Upon award of a contract, the contractor will be required to obtain a Certificate of Good Standing from the Department of Commerce and Consumer Affairs (DCCA) Business Registration Division (BREG). A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. The Contractor shall submit a "Certificate of Good Standing" (COGS) issued by the DCCA, BREG.

DCCA Website (COGS)

<http://hbe.ehawaii.gov/cogs/search.html>

20.700 Documentation

Offerors may review information describing the Hawaii Infant and Infant and Children Health Care Programs by visiting the DHS Med-QUEST Division (MQD) website home page under Request for Proposals Documentation: <http://www.Med-QUEST.us/>

Offerors may also review the same information contained on the website at the MQD documentation library by contacting at 808-692-8085 between 9:00 a.m. and 3:00 p.m. (H.S.T.) for an appointment. The documentation library contains material designed to provide the Offerors with additional and supplemental information and shall have no effect on the requirements stated in this RFP.

The DHS MQD website and documentation library, maintained at the location of the Issuing Officer in Kapolei, includes the following:

- Organizational charts and functional statements
- Applicable standards of internal quality assurance
- QUEST Program Documentation and other QUEST information such as policies, manuals
- EPSDT Manual
- HEDIS
- Current QUEST formulary
- Encounter data submission requirements
- Other pertinent data

Offerors that request copies of documentation after visiting the documentation library shall be provided the documents at cost. Packaging and shipping of documentation shall be the responsibility of the Offerors.

All possible efforts shall be made to ensure that the information contained in the documentation library is complete and current. However, DHS does not warrant that the information in the library is indeed complete or correct and reserves the right to amend, delete and modify the information at any time without notice to the Offerors.

20.800 Oral Presentations

Offerors who submit a proposal in response to this RFP may be required to make an oral presentation of their proposal. If an oral presentation is requested, the Offeror shall send its key personnel. Such presentations provide an opportunity for an Offeror to clarify its proposal to ensure a thorough and mutual understanding. The issuing officer shall notify a selected Offeror if an oral presentation is required.

20.900 Rules of Procurement

To facilitate the procurement process, various rules have been established as described in the following subsections.

20.910 No Contingent Fees

No Offeror shall employ any company or person, other than a bona fide employee working solely for the Offeror or company regularly employed as its marketing agent, to solicit or secure this contract, nor shall it pay or agree to pay any company or person, other than a bona fide employee working solely for the Offeror or a company regularly employed by the Offeror as its marketing agent, any fee commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award of a contract to perform the specifications of the RFP.

20.920 Discussion with Applicants

A. Prior to Submittal Deadline:

Discussions may be conducted with potential offerors to promote understanding of the purchasing agency's requirements.

B. After Proposal Submittal Deadline:

Discussions may be conducted with offerors whose proposals are determined to be reasonably susceptible of being selected for award, but proposals may be accepted without discussions, in accordance with §3-143-403, Hawaii Administrative Rules.

20.930 RFP Amendments

DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal.

20.940 Cost of Preparing Proposal

Any costs incurred by the Offerors for the development and submittal of the proposal in response to this RFP are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii shall provide no reimbursement for such costs.

20.950 Provider Participation in Planning

Provider participation in a state purchasing agency's efforts to plan for or to purchase health and human services prior to the state purchasing agency's release of an RFP, including the sharing of information on community needs, best practices, and providers' resources, shall not disqualify providers from submitting proposals if conducted in accordance with §3-142-202, 3-142-203 of the Hawaii Administrative Rules for Chapter 103F, Hawaii Revised Statutes.

20.960 Disposition of Proposals

All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal(s) shall not affect this right. Written requests for an explanation of rejection shall be responded to in writing within five (5) working days of receipt.

Offerors who submit technical proposals that do not meet mandatory requirements, or that do not meet all the threshold requirements during the technical evaluation phase, shall have their technical proposals returned.

20.970 Rules for Withdrawal or Revision of Proposals

A proposal may be withdrawn or revised at any time prior to, but not after, the deadline for receipt of proposals February 15,

2008, provided that a request in writing is executed by an Offeror or its duly authorized representative for the withdrawal or revision of such proposal is filed with DHS before the deadline for receipt of proposals. The withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal.

After the submittal deadline, all proposals timely received shall be deemed to be firm offers that are binding on the Offerors for ninety days. During this period, Offerors may neither modify nor withdraw their proposals without written authorization or invitation from the DHS.

20.980 Independent Price Determination

State law requires that a bid shall not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.

The Offeror shall include a certified statement in the proposal certifying that the bid was arrived at without any conflict of interest, as described above. Should conflict of interest be detected at any time during the contract, the contract shall be null and void and the Offeror shall assume all costs of this project until such time that a new Offeror is selected.

21.100 Confidentiality of Information

The DHS will maintain the confidentiality of proposals only to the extent allowed or required by law, including but not limited to HRS §§ 3-143-604 and 3-143-616. If an offeror seeks to maintain the confidentiality of sections of the proposal, each page of the section(s) should be marked as "Proprietary" Or "Confidential." An explanation to the DHS of how substantial competitive harm would occur if the information were released is required. If the explanation is sufficient, then to the extent permitted by the exemptions in §92F-13, HRS, the affected section may be deemed confidential. Such information shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal to facilitate eventual public inspection of the non-confidential sections of the proposal. The DHS will maintain the confidentiality of the information to the extent allowed by law. **Note that price is not considered**

confidential and will not be withheld. Blanket labeling of the entire document as “proprietary”, however, will result in none of the document being considered proprietary.

21.200 Acceptance of Proposals

DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.

DHS also reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the State.

Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse an Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded a contract.

DHS also reserves the right to consider as acceptable only those proposals submitted in accordance with all technical requirements set forth in this RFP and which demonstrate an understanding of the requirements. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be disqualified without further notice.

An Offeror’s participation in efforts by DHS to plan for this RFP, prior to the release of this RFP including the sharing of information on community needs, best practices, and providers’ resources, shall not disqualify providers from submitting proposals if conducted in accordance with Hawaii Administrative Rules Chapters 3-142-203 or 3-143-618.

21.300 Submission of Proposals

Each qualified Offeror may submit only one (1) proposal. More than one proposal shall not be accepted from any Offeror. The Proposal Application Identification Form (Form SPO-H-200) shall be completed and submitted with the proposal (Appendix A).

Five (5) bound and sealed copies and one (1) unbound copy of the technical proposal shall be received by the DHS Issuing Officer no later than February 8, 2008 at **2:00 p.m.** (H.S.T.). If the proposal is mailed, it must be postmarked by the USPS no later than midnight on February 8, 2008 and received by the

Med-QUEST office no later than ten (10) days from the Submittal Deadline. Proposals shall be mailed or delivered to:

Mr. Alan Matsunami, HCMB Acting Administrator
c/o Dona Jean Watanabe
Department of Human Services/Med-QUEST Division
1001 Kamokila Blvd. Suite 317
Kapolei, Hi 96707

All mail-in proposals postmarked by the USPS after February 8, 2008 will be rejected. Hand deliveries will not be accepted after 2:00 p.m. H.S.T., February 8, 2008. Deliveries by private mail services, such as FedEx, shall be considered hand deliveries and shall be rejected if received after the Submittal Deadline. Dated USPS shipping labels are not considered postmarks.

The outside cover of the package containing the technical proposal copies shall be marked:

Hawaii DHS/RFP-MQD-2008-011
Hawaii Infant and Children Health Care Program Technical
Proposal
(Name of Offeror)

The outside cover of the package containing the business proposal copies shall be marked:

Hawaii DHS/RFP-MQD-2008-011
Hawaii Infant and Children Health Care Program Business
Proposal
(Name of Offeror)

21.400 Disqualification of Offerors

An Offeror shall be disqualified and the proposal automatically rejected for any one or more of the following reasons:

- Proof of collusion among Offerors, in which case all bids involved in the collusive action shall be rejected and any members to such collusion shall be barred from future bidding until reinstated as a qualified Offeror.
- An Offeror's lack of responsibility and cooperation as shown by past work of services.

- An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts.
- An Offeror's lack of proper provider network and/or sufficient experience to perform the work contemplated, if required.
- An Offeror shows any noncompliance with applicable laws.
- An Offeror's delivery of proposal after the proposal due date
- An Offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former contracts with the State at the time of issuance of this RFP.
- An Offeror's lack of financial stability and viability.
- An Offeror's consistently substandard performance related to meeting the MQD requirements from previous contracts.

21.500 Irregular Proposals

Proposals shall be considered irregular and rejected for the following reasons, including, but not limited to:

- If either the transmittal letter is unsigned by an Offeror or does not include notarized evidence of authority of the officer submitting the proposal to submit such proposal.
- If the proposal shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditional bids, incomplete bids, or irregularities of any kind, which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- If an Offeror adds any provisions reserving the right to accept or reject an award, or enters into a contract pursuant to an award, or adds provisions contrary to those in the solicitation.

21.600 Rejection of Proposals

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the

problems involved and comply with the service specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be automatically rejected for any one or more of the following reasons: (Relevant sections of the Hawaii Administrative Rules for Chapter 103F, HRS are parenthesized)

- (1) Rejection for failure to cooperate or deal in good faith (§ 3-141-201, HAR)
- (2) Rejection for inadequate accounting system (§3-141-202, HAR)
- (3) Late proposals (§3-143-603, HAR)
- (4) Inadequate response to request for proposals (§3-143-609, HAR)
- (5) Proposal not responsive (§3-143-610(a)(1), HAR)
- (6) Applicant not responsible (§3-143-610(a)(2), HAR)

21.700 Cancellation of RFP

The RFP may be canceled and any or all proposals may be rejected in whole or in part, when it is determined to be in the best interests of the State.

21.800 Opening of Proposals

Upon receipt of proposal by a state purchasing agency at a designated location, proposals, modifications to proposals, and withdrawals of proposals shall be date-stamped and, when possible, time stamped. All documents so received shall be held in a secure place by the state purchasing agency and not examined for evaluation purposes until the submittal deadline.

Procurement files shall be open for public inspection after a contract has been awarded and executed by all parties.

21.900 Additional Materials and Documentation

Upon request from the state purchasing agency, each offeror shall submit any additional materials and documentation reasonably required by the state purchasing agency in its evaluation of the proposal.

22.100 Final Revised Proposal

If requested, final revised proposals shall be submitted in the manner, and by the date and time specified by the state purchasing agency. If a final revised proposal is not submitted, the previous submittal shall be construed as the offerors best and final offer/proposal. After final revised proposals are received, final evaluations will be conducted for an award.

22.200 Notice of Award

A statement of findings and decision shall be provided to all applicants by mail upon completion of the evaluation of competitive purchase of service proposals.

Any agreement arising out of this solicitation is subject to the approval of the Department of Attorney General as to form, and to all further approvals, including the approval of the Governor as required by statute, regulations, rule, order, or other directive.

No work is to be undertaken by the awardee prior to the contract commencement date. The State of Hawaii is not liable for any costs incurred prior to the official starting date.

22.300 Protests

Any offeror may file a protest against the awarding of the contract. The Notice of Protest form, SPO-H-801, is available on the SPO website <http://www.spo.hawaii.gov/>. Only the following matters may be protested:

- (1) A state purchasing agency's failure to follow procedures established by Chapter 103F of the Hawaii Revised Statutes;
- (2) A state purchasing agency's failure to follow any rule established by Chapter 103F of the Hawaii Revised Statutes; and
- (3) A state purchasing agency's failure to follow any procedure, requirement, or evaluation criterion in a request for proposals issued by the state purchasing agency.

A Notice of Protest shall be postmarked by USPS or hand delivered to 1) the head of the state purchasing agency conducting the protested procurement, and 2) the procurement officer who is conducting the procurement (as indicated below) within five (5) working days of the postmark of the Notice of Findings and Decision sent to the protestor. Delivery services other than USPS shall be considered hand deliveries and considered submitted on the date of actual receipt by the state purchasing agency.

Head of State Purchasing Agency	Procurement Officer
Name: Lillian B. Koller, Esq.	Name: Ms. Lois Lee
Title: Director of Human Services	Title: Acting Administrator, , DHS DHS, Med-QUEST Division
Mailing Address: P.O. Box 339 Honolulu, HI 96809-0339	Mailing Address: P.O. Box 700190 Kapolei, HI 96709-0190
Business Address: 1390 Miller Street Honolulu, HI 96813	Business Address: 1001 Kamokila Blvd, Ste 317 Kapolei, HI 96707

SECTION 30 BACKGROUND

30.100 Uninsured Infants and Children in Hawaii

Infants and children without health care insurance may not receive an appropriate level of health care that can result in avoidable acute and chronic health conditions. While estimates of the number of uninsured infants and children living in Hawaii vary, it is acknowledged that there is a gap group that is ineligible for any state or federal health care coverage because of qualifying income criteria. Others may include infants of uninsured mothers and immigrants. In Hawaii, the total number who fall into the gap group may be as high as 3,500.

30.200 Act 236 of the 2007 Legislative Session

Act 236 (Appendix L) was passed by the 2007 Legislature and approved by the Governor to provide health care coverage for uninsured infants and children residing in Hawaii. Act 236 provides for two new programs, the Hawaii Infant Health Care Program and the Hawaii Children Health Care Program. These new programs will help children who are without private health insurance and are not eligible for Medicaid, QUEST, or any other of the Department's medical assistance or health programs.

The Hawaii Infant Health Care Program (HIHCP) will provide health care assistance for newborns through the first thirty days of their lives. The managed care plan or entity to be selected through this RFP will be contracted by the Department to implement and administer the Program which shall provide up to \$10,000 of medically necessary services per eligible infant, not to exceed State expenditure of \$125,000 for State Fiscal Year (SFY) 2008 and \$250,000 for SFY 2009. Currently, there is no appropriation for the third year of the pilot project; however, if funds are appropriated and released, available DHS will continue the HIHCP pilot project through SFY 2010.

The Hawaii Children Health Care Program (HCHCP) will be a partnership between the State and the selected managed care plan(s). The Department, acting on behalf of the State, will pay \$25.50 of the managed care plan(s) premium per member per month for members who will be provided health care coverage by the managed care plan(s). The DHS payment of \$25.50 per

member per month (PMPM) shall not exceed \$700,000 State expenditure for SFY 2009 and up to \$900,000 for SFY 2009.

Currently, there is no appropriation for year three of the pilot project. Please be advised that the DHS will limit the SFY 2010 contract to the extent of funds made available for the program.

30.300 The Hawaii Infant Health Care Program (HIHCP)

Act 236 establishes a three year pilot program to provide health care services to uninsured infants living in Hawaii.

To be eligible to participate in the HIHCP, an infant must be:

- Newborn and not more than thirty days old;
- Family income greater than or equal to 300% federal poverty level (fpl)
- Living in Hawaii; and
- Uninsured.

Services provided shall be limited to medically necessary services for infants the same as the services that are covered by the Med-QUEST program.

The Offeror will be provided the opportunity to establish administration of the pilot program and determine a reasonable budget for administrative costs to adequately establish, implement and monitor the pilot program. The administrative costs shall not exceed 15% of the annual State expenditure cap, (i.e. not to exceed \$12,500 for SFY2008 and \$25,000 for SFY2009). The coverage is limited to no more than \$10,000 per member up to a total State expenditure, including administrative fee costs, of \$125,000 SFY2008 and \$250,000 SFY2009.

30.400 The Hawaii Children Health Care Program (HCHCP)

To be eligible to participate in the HCHCP three year pilot program, a child must be:

- At least thirty-one days old, but less than nineteen years of age;
- Living in Hawaii;
- Uninsured for at least six consecutive months if the child is older than six months or uninsured since birth if the child is at least thirty one days of age but under six months old;
- Family income is greater than or equal to 300% fpl; and,

- Ineligible for any Federal or State medical assistance program during the required period of being uninsured for health care, unless enrolled in a managed care plan's children plan, enrolled in the Hawaii Infant Health Care Program, or have become ineligible for a medical assistance program administered by the Department due to increased income.

A child who is eligible and enrolled in the HCHCP, will be provided a health care benefit package by the contracted managed care plan(s) that shall minimally include benefits as outlined in Section 40.

The Offeror is encouraged to offer more services than what is outlined in Section 40. The State is limited to no more than \$25.50 pmpm for the term of the contract(s) and any extension thereof during this three year pilot program. The member cannot be charged any premium amount for the duration of this three year pilot program.

Deductibles and co-payments are permissible but cannot exceed the requirements outlined in Section 40.

30.500 Enrollment Responsibilities

The HIHCP managed care plan shall provide services to eligible infants with no waiting period. A newborn may be identified as eligible for services at any time during the first 30 days of his/her life to qualify for covered allowed services during the first 30 days of life.

The HCHCP managed care plan(s) shall begin providing coverage on the first of the following month for applications received on or before the 12th of the current month, e.g. for applications received on August 12th, the effective enrollment date would be September 1st. For applications received after the 12th of the month, coverage shall begin the 1st of the next following month, e.g. for applications received on August 20th, the effective enrollment date would begin on October 1st.

30.600 Department of Human Services (DHS)

Med-QUEST Division (MQD) is the organizational unit within DHS that is responsible for the operation and administration of the

health insurance programs including QUEST, QUEST-Net, QExA (as of November 2008), and Fee-For-Service (FFS).

For purposes related to this RFP, the basic functions or responsibilities of MQD for Hawaii Infant Health Care Plan include:

- Developing the rules, policies, regulations, and procedures for the Hawaii Infant Health Care Program.
- Providing the State's reimbursement to managed care plan(s) up to the amounts appropriated in Act 236.
- Receiving and accepting required reports from the managed care plan(s).
- Convening, at the DHS Director's discretion, quarterly meetings to review reports, systemic and/or programmatic barriers and pilot project implementation needs.
- Imposing civil or administrative monetary penalties and/or financial sanctions for violations of specific contract provisions.

For purposes related to this RFP, the basic functions or responsibilities of MQD for Hawaii Children Health Care Plan include:

- Developing the rules, policies, regulations, and procedures for the Hawaii Children Health Care Program.
- Providing the State's subsidy of \$25.50 pmpm to the managed care plan(s) up to the amounts appropriated in Act 236.
- Receiving and accepting required reports from the managed care plan.
- Imposing civil or administrative monetary penalties and/or financial sanctions for violations of specific contract provisions.

SECTION 40 PROVISION OF SERVICES

40.100 Offeror's Role in Hawaii Infant Health Care Program (HIHCP)

The managed care plan or entity acting as a third party administrator to operate this program on a Fee-For-Service basis or managed care plan subcontracting with a third party administrator selected as a partner with the State in the HIHCP shall:

- Provide health care coverage for each of its members statewide, limited to no more than \$10,000 per member and not to exceed the amounts outlined in Section 30.200;
- Maintain a statewide provider network capable of providing necessary services;
- Provide services in the child's community of residence or make arrangements to provide access to necessary medical services in a reasonable and timely manner;
- Be capable of billing and distributing provider service fees;
- Accept applications from potential members;
- Determine eligibility of applicants based upon self-declaratory information,, provide written notification of eligibility or ineligibility with appropriate explanation, and issue confirmation of enrollment;
- Provide a quarterly report to the Department identifying its members who have been disenrolled;
- Services provided shall be limited to medically necessary services for infants the same as the services that are covered by the Hawaii QUEST program; and
- Provide a quarterly report to the Department on pilot project effectiveness to include, but not be limited to:
 - Problems experienced with program crowding out eligible members
 - Evidence of persons cancelling previous coverage to receive this free coverage
 - The amount of funding used and for what purpose
 - Problems encountered in the administration of the program
 - Proposed legislation to strengthen access medical services
 - Total funding available for the HIHCP program may not exceed \$125,000, including administrative costs,

for the State Fiscal Year (SFY) 2007-2008 and \$250,000 for the SFY2008-2009.

40.200 Offeror's Role in Hawaii Children Health Care Program (HCHCP)

A managed care plan that is selected as a partner in the HCHCP shall:

- Provide health care coverage including, at a minimum, the benefits set forth in Section 40.720 for each of the members statewide;
- Be responsible for \$25.50 pmpm for each of the eligible managed care plan(s) members not to exceed the amounts outlined in Section 30.200;
- Accept applications from potential members to determine eligibility of those potential members based upon self-declaratory information, inform applicant that they are subject to prosecution if they submit false information to qualify (HRS710-1063), determine eligibility or ineligibility with appropriate explanation, and issue confirmation of enrollment;
- Accept, without any required uninsured wait-period, all members exiting the Hawaii Infant Health Care Program;
- Not charge any premium costs to eligible members;
- Provide a quarterly report to the Department identifying its members and children who have been disenrolled; and
- Provide a quarterly report to the Department on pilot project effectiveness to include, but not be limited to:
 - Problems experienced with program crowding out eligible members.
 - Evidence of persons canceling previous coverage to receive this free coverage
 - The amount of funding used and for what purpose
 - Problems encountered in the administration of the program
 - Proposed legislation to strengthen access medical services

Total funding available for the program is limited to \$700,000 including administrative costs, for the State Fiscal Year (SFY) 2007-2008 and \$900,000 including administrative costs, for the State Fiscal Year (SFY) 2008-2009.

40.300 Qualification of Offerors

For the HIHCP, the Offeror may be any managed care plan recognized by the Insurance Commissioner as a managed care plan operating in the State of Hawaii or an entity acting as a third party administrator to directly reimburse health care providers or managed care plan(s) providing services to eligible infants on a Fee-For-Service basis.

For the HCHCP at least one of the selected Offerors shall be a managed care plan operating in the State under Chapter 432 of the Hawaii Revised Statutes.

Additional HCHCP Offerors may be any managed care plan(s) and do not have to be operating under Chapter 432 provided that plan benefits to be provided shall be equal to or better than those offered through this RFP.

Managed care plans bidding on both the HCHCP and HIHCP may subcontract the HIHCP portion to an appropriate entity to provide these services.

40.400 Financial Participation by the Department of Human Services (DHS)

40.410 Financial Participation by the DHS for Hawaii Infant Health Care Program (HIHCP)

The Department will be responsible to reimburse the selected Offeror(s) for all appropriate and medically necessary medical services incurred by the third party administrator or managed care plan from birth up to thirty days for enrolled infants up to \$10,000 per infant not to exceed a total State expenditure of \$125,000, including administrative costs, for the State Fiscal Year 2007-2008 (SFY08) and \$250,000 for SFY09. Enrolled members shall not be charged any co-pays, deductibles or premium costs.

The Department will make monthly payments to the managed care plan(s) or non-profit entity based on invoices for services rendered to members for the number of enrollees in the preceding month.

The Offeror shall reimburse the providers at no less than the State Fee-For-Service (FFS) rates at the time of HIHCP program implementation.

40.420 Financial Participation by the DHS for Hawaii Children Health Care Program (HCHCP)

The Department will be responsible to make payments for enrollees being provided health care coverage by the HCHCP managed care plan(s).

The Department will pay \$25.50 (pmpm) per enrollee up to \$700,000, including administrative costs, for SFY08 and up to \$900,000, including administrative costs, for SFY09, to fund the Hawaii Children Health Care Program pursuant to Act 236, Section 30.200. Co-pays and deductibles are permissible. Enrolled members cannot be charged any premium costs by the plan.

The Department will make monthly payments to the managed care plan(s) for the number of HCHCP members enrolled in its plan for the preceding month.

40.500 Geographic Areas to be Served

The Offeror shall be able to provide health care coverage to Program members on a statewide basis.

40.600 Eligibility Determination

For both HIHCP and HCHCP, the Offeror shall describe the process to be used to determine applicant's eligibility for services. At a minimum, the description shall include:

- The eligibility determination process/mechanisms from application through enrollment, including any related automated data processing capabilities
- The expected turn-around time from receipt of a completed application to the determination of eligibility, enrollment, and service provision
- Site(s) and manner in which completed applications, supporting documents and eligibility determination forms will be stored

- How applicants will be informed about final disposition regarding their eligibility and enrollment
- Mechanisms for providing translation services, if needed
- Any mechanisms that will allow members and providers to verify eligibility and identify a member's primary care provider

Self-declaration of eligibility information is acceptable, without requiring applicant to provide supporting documentation, provided that the applicant (parent, legal guardian or other representative of the infant or child) must sign an application attesting as follows:

All applicants shall certify the information is true to the best of their knowledge. Applicants who intentionally make false statements to help get medical assistance coverage may be prosecuted under Hawaii Revised Statute §710.1063.

Once an infant or a child is identified as being eligible, that infant or child shall be accepted regardless of their health status.

40.700 Medical Services to be Provided

The benefits to be provided differ between the HIHCP and the HCHCP. The Offeror of the HIHCP shall offer the full range of Hawaii QUEST benefits to infants. The Offeror of the HCHCP shall minimally provide medical services specified in this Section.

For both HIHCP and HCHCP, access to primary health care services such as prenatal, perinatal, pediatric, family planning and adult primary care services are intended to reduce morbidity and mortality by providing timely, appropriate and less expensive care, thereby preventing the development and exacerbation of more serious health conditions.

Infants in the HIHCP are to receive health benefits the same as are provided in the Hawaii QUEST plan by a qualified health care provider.

Children in HCHCP shall select a health care center and participating primary care physician (PCP). Except for emergency services, gynecological exams, mental health and substance abuse services, dental services and prescription drugs, benefits are available only for care received from or

arranged by the PCP. In medical emergencies, effort must be made by members to contact the PCP in emergency, but it is not necessary to receive prior authorization.

40.710 HIHCP Medical Services to be Provided

The managed care plan or third party administrator shall provide medical care to infants up to 30 days of age to the extent of what is offered to newborns in the Hawaii Med-QUEST program. The managed care plan shall provide at least following services:

- Acute inpatient hospital services for medical, surgical, and newborn care including:
 - Room and board
 - Nursing care
 - Medical supplies, equipment and drugs
 - Diagnostic services
 - Other medically necessary services
- Outpatient hospital services including:
 - Twenty-four (24) hours, seven (7) days per week emergency room services
 - Ambulatory surgery center services
 - Urgent care services
 - Medical supplies, equipment and drugs
 - Diagnostic services
 - Therapeutic services
 - Other medically necessary services
- Prescribed drugs including blood and blood products medical necessary to optimize the infant's medical condition.
- Laboratory/radiology/other diagnostic services
 - Radiology and imaging
 - Screening laboratory tests
 - Diagnostic laboratory tests
 - Other medically necessary diagnostic services
- Physician services
- Other practitioner services including
 - Audiology
 - Optometry
 - APRN services that include family and pediatric specialties
 - Other medically necessary practitioner services provided by licensed or certified health care providers.

- Therapeutic services that are medically necessary to prevent institutionalization
- Durable medical equipment and medical supplies including:
 - Oxygen tanks and concentrators
 - Ventilators
 - Orthotic devices
 - Medical supplies such as dressing
 - Other medically necessary durable medical equipment covered by Hawaii QUEST
- Home health agency services including:
 - Skilled neonatal care
 - Newborn health aides
 - Medical supplies and durable medical equipment
 - Other therapies, services, and supplies and equipment to prevent institutionalization
- Hospice services
- Transportation services, both emergency and non-emergency, ground and air
- Emergency services (See Section 40.900)

40.720 HCHCP Medical Services to be Provided

The HCHCP is designed to provide affordable medical care to children 31 days through 18 years of age. The benefit package emphasizes standard childhood immunizations, physician visits, diagnostic tests, emergency care and mental health benefits. The managed care plan shall additionally offer limited coverage for prescription drugs. The services outlined in this Section are the minimum services and limits the Offeror shall provide for eligible children between 31 days through 18 years of age. The Offeror is encouraged to provide more health care services than outlined herein.

A. Physician Benefits

- Office Visit \$7 co-payment per visit
12 visits allowed per calendar year
- Well Child Care No co-payment, counted
toward 12 office visits per year.
- Well Child
 Immunization No co-payment for standard
 childhood immunizations

- Gynecology Exam No co-payment. Counts toward 12 office visits per calendar year
- Maternity 12 month waiting period. No co-payment for routine visits. Hospital stay counts toward 5-days allowed (see Section 41.200)

B. Emergency Services:

- Emergency Room: \$25 co-payment per visit for the emergency room use within the State of Hawaii.
- Physician Services: \$7 per emergency physician visit and counted toward the 12 allowed visits per year.

C. Hospital Inpatient Benefits:

Up to five (5) days per calendar year for hospital room and care costs regardless of reason for hospitalization. Maximum member costs allowed are as follows:

- Room and Care: \$100 per day for a semi-private room
- Intensive Care: \$100 per day
- Intermediate Care Unit: \$100 per day
- Ancillary Services (X-rays, lab, etc.) No charge for hospital stay related services
- Surgery: Inpatient surgery is covered as long as hospital days are covered. All surgeries must be medically necessary. No co-payment.

D. Mental Health and Substance Abuse:

An additional 12 visits per calendar year are allowed for mental health and substance abuse treatment services. However, inpatient services are counted against the 5-day annual maximum per calendar year.

- Outpatient: (12) outpatient sessions, \$7

for each individual or group session per calendar year with a psychiatrist, APRN Rx, psychologist, or clinical social worker.

- Inpatient Days: \$100 per day; counted against the 5-day maximum per calendar year.
- Inpatient Sessions: (5) inpatient sessions with a psychiatrist, psychiatric APRN Rx, psychologist, or clinical social worker. There is no co-payment allowed for mental health visit when visits happen during a covered hospital stay.

E. Dental Services:

All services must be with a participating provider. If services are received from a participating provider, no co-payment is allowed. No benefit will be paid to non-participating providers. Dental services to be provided shall include, but not be limited to:

- Examination: 2 per calendar year.
No co-payment
- X-rays 1 bitewing set per calendar year
- Cleaning/Polishing 2 per calendar year
- Fluoride Treatment 1 per calendar year
- Dental Sealants 1 per tooth per lifetime

F. Vision:

Vision care is limited to routine pediatric eye examinations. No vision services or eyeglasses.

G. Prescription Drug Benefits:

The Offeror is allowed to limit prescription drug coverage to generic antibiotics and oral contraceptives. The co-payment amounts can be \$5 for a maximum 30-day supply.

H. Services Not Covered

The Offeror shall provide a list of what will not be offered so long as no item listed interferes with the medical services to be provided in this Section.

The Offeror shall ensure that health care services covered in this RFP are provided in accordance with established standards of care and practice, including but not limited to the following:

- Provision of services in a timely manner with reasonable waiting times for office visits and the scheduling of appointments.
- Provision of services in a manner that is sensitive to the cultural diversity of members as well as the particular needs of persons with disabilities.
- Provision of the option to select their primary care provider as well as the opportunity for members to participate in decisions regarding their care.
- An emphasis on health promotion and prevention as well as early diagnosis and treatment, health maintenance and continuity of care.
- Appropriate use of services in the provision of care by providers.
- Appropriate use of technology in the provision of care by providers.
- Appropriate documentation of the assessment and treatment of members, in accordance with defined standards.

- Compliance with federal and state confidentiality statutes and standards.

40.800 Excluded Services for HIHCP and HCHCP

The managed care plans shall not provide the following services:

- Experimental, investigational services, or services of generally unproven benefit, supplies, equipment, devices and drugs of unproven benefit;
- Treatment of pulmonary tuberculosis when treatment is available at no charge to the general public;
- Treatment of Hansen's Disease after a definite diagnosis has been made except for surgical or rehabilitative procedures to restore useful function; and
- Drugs not approved by the U.S. Food and Drug Administration or deemed "less than effective" (DESI 5 and 6 by CMS).

Other specific exclusions are listed in Appendix K.

The managed care plan(s) may provide additional services to its members, so long as these services are not on the Med- QUEST exclusions list or prohibited by federal or state law.

40.900 Emergency Services

HIHCP and HCHCP managed care plan (s) or third party administrator are responsible for providing emergency services twenty-four (24) hours a day, seven (7) days a week to treat a medical emergency condition. The managed care plan(s) shall provide education to its members on the appropriate use of emergency services.

An emergency medical condition is a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in the following:

- Placing the physical or mental health of the child (or with respect to a pregnant teenager, the health of the teenage girl or her unborn child) in serious jeopardy;
- Serious impairment to bodily functions;
- Serious dysfunction of any body organ or part;
- Serious harm to self or others due to an alcohol or substance abuse emergency; or
- Injury to self or others.

An emergency medical condition shall not be defined or limited based on a list of diagnosis or symptoms. Emergency services include inpatient and outpatient services that are needed to evaluate or stabilize an emergency medical condition that is found to exist using a prudent layperson's standard. The services must be furnished by a provider that is qualified to furnish such services in the State of Hawaii. Preauthorization is not necessary.

An emergency service benefits shall not be allowed for any of the following reason:

- For patient convenience
- During normal office hours for medical conditions that are treatable in a physician's office

The HCHCP Offerors are allowed to restrict emergency services to only within the State of Hawaii.

41.100 Urgent Care Services

The HIHCP shall provide urgent care services as necessary.

The HCHCP Offerors are allowed to restrict urgent care services to only those services provided by the PCP.

41.200 HCHCP Services for Pregnant Women and Expectant Parents

The HCHCP managed care plan may have a 12-month waiting period for maternity care, pregnancy, childbirth, and related conditions including ambulance, x-rays, and hospital room and care, unless nurse mid-wife services are used for which there can be a 9-month waiting period for maternity services. Offerors are allowed to omit this restriction.

A. Maternity Services:

The maternity length of stay shall be forty-eight (48) hours from delivery for normal labor and delivery or ninety-six (96) hours from time of delivery for a cesarean birth, unless the attending provider, in consultation with the mother, makes the decision to discharge the mother or newborn child before that time. The managed care plan is not permitted to require that a provider obtain authorization from the managed care plan before prescribing a length of stay up to forty-eight (48) or ninety-six (96) hours.

The managed care plan shall comply with the 1996 Newborns' and Mothers' Health Protection Act (NMHPA).

The HCHCP managed care plan shall ensure that appropriate perinatal care is provided to women to include access to appropriate levels of care to include emergency services.

The newborn services offered by HCHCP shall be routine physician care and routine newborn nursery care only. Newborns of mothers covered by the HCHCP will automatically be accepted to the HIHCP unless otherwise eligible for coverage through a private, state or federal program and provided HIHCP funding is available.

41.300 Family Planning, Hysterectomy and ITOP

The HCHCP is not required to offer any family planning services or fertilization consultations.

Hysterectomies shall be covered only if medically necessary for the survival of the mother.

The maternity 12-month waiting period does not apply to services related to the following conditions if the waiting period would have been met had the pregnancy gone the full term:

- Miscarriage
- Abortion
- Premature birth
-

41.400 Prescription Drugs

The HIHCP shall be permitted to develop its own formulary of prescribed and over the counter medications, provided members have access to drugs not specifically listed on the formulary if the drugs are medically necessary for the treatment of a newborn's medical condition.

The HCHCP managed care plan may restrict coverage to specific generic antibiotics and oral contraceptives and only when obtained by a prescription and dispensed by a licensed participating pharmacy or physician.

41.500 Behavioral Health

The HCHCP shall provide behavioral health services to children. These services include:

- 12 Outpatient Sessions: Benefits for outpatient mental health and/or substance abuse services can be limited to twelve (12) sessions per calendar year by a child psychiatrist, psychologists, clinical social worker, or APRN
- 5 Inpatient Sessions: Benefits for inpatient mental health and/or substance abuse services can be limited to five (5) sessions per year with a child psychiatrist, psychologist, clinical social workers, or APRN.
- 5 Inpatient Days: Benefits for inpatient mental health and/or substance abuse services can be limited to five (5) days per calendar year. These (5) days can count toward the 5 inpatient days per calendar year maximum.
- Psychological Testing: Benefits for psychological testing can be limited to one series of tests per calendar year and count as one of the five inpatient session maximum.

The managed care plan may utilize the full array of mental health professionals to include licensed physician, psychiatrist, psychologist, clinical social workers, marriage and family therapist, or advanced practice registered nurse.

41.600 Dental

The HIHCP offers medically necessary services to the extent of what is available to infants receiving Med-QUEST benefits.

The HCHCP benefits are limited to diagnostic and preventive services provided by a participating provider. Minimally, services shall include what is outlined in Section 40.720.

41.700 Miscellaneous Services for Both HIHCP and HCHCP

Injections: Covered for outpatient services and supplies received in conjunction with a covered office visit.

Medical Foods: Covered for the treatment of inborn errors of metabolism in accordance with Hawaii law.

41.800 Provider Network

1. The Offeror shall develop and maintain a sufficient provider network capable of providing the services covered under this RFP to eligible infants and children statewide. Providers should be knowledgeable about and sensitive toward the health care needs of the infants and children HIHCP and HCHCP coverage. It is expected that the Offeror will provide qualified providers to meet the health care services delineated in this RFP. All providers of service must meet applicable State and Federal regulations such as licensing, certification, and recertification requirements appropriate for each provider type.
2. The Offeror of both the HIHCP and HCHCP shall also be required to develop and provide informational and/or educational material about the services to be provided, including: the type of and availability of services, the eligibility requirements, the Offeror's provider network, the hours of service, how to access urgent, routine and preventive care as well as information about the Offeror's grievance procedure.
3. In terms of service accessibility, the HIHCP Offeror shall ensure that the eligible infants and children can obtain the services covered under this RFP within the following acceptable wait times:

- Appointments within 24 hours for urgent care; and,
 - Appointments within six (6) weeks for routine and preventive care.
- 4 In terms of service accessibility, the HCHCP Offerors shall define, within the proposal, acceptable wait times for urgent care and routine care visits.

41.900 Complaints, Grievances and Appeals Process

Grievance procedures are an integral component of a quality improvement process, helping to ensure quality of care and effective delivery system. The Offeror shall therefore, have an internal mechanism in place to accept, document, process, adjudicate, and track expressions of dissatisfaction by applicants/members or their designated representative(s). The Offeror shall ensure that applicants/members are informed about the grievance process as well as how the process can be accessed.

At a minimum, the following shall be grounds for invoking the internal grievance procedure:

1. Dissatisfaction with the quality of care or services
2. Excessive waiting for services in spite of a scheduled appointment
3. Allegation of inappropriate behavior by any service provider
4. Failure to answer the telephone within regular business hours
5. Misinformation or lack of information or both of any of the services covered under this RFP.

Additionally, the Offeror's internal procedures shall be in accord with the following requirements:

1. Written response to the expression of dissatisfaction of the grievance within thirty (30) calendar days of receipt.
2. An internal grievance committee with the authority to take corrective action as needed.
3. Written notification to the enrollee of any adverse decision and information about the next level of the Offeror's grievance process.

4. Written notifications and decisions sent to the member shall be copied to the Hawaii QUEST.

42.100 Data Processing Capabilities

The Offeror shall have an information system with the capacity to collect, process and maintain data/information as well as generate required reports. At a minimum, the Offeror shall have a data processing system that is capable of:

- Tracking eligibility, enrollment/disenrollment of members into/from the program
- Processing payments to providers accurately and in a timely manner
- Billing the State accurately and in a timely manner
- Tracking and monitoring its expenditures to ensure it does not exceed its allocation
- Providing encounter data specified in this section
- Maintaining a registry of qualified providers, and
- Generating required reports.

42.200 Reporting Requirements

The Offeror shall submit the following reports:

1. Quarterly eligibility/enrollment report that shall include:
 - Recipient's name
 - Social security number
 - Date of enrollment
 - Date of birth
 - Gender ethnicity
2. Quarterly encounter data report that shall include for each billable visit:
 - Recipient's identifier (name or number)
 - Provider identifier
 - Date of service
 - Diagnosis (ICD-9 diagnosis codes)
 - CPT codes and/or HCPCS procedure codes.
3. Quarterly complaints, grievances and appeals report.
4. The Offeror shall also report the following:
 - Written notification of changes in the Offeror's provider network that impacts its ability to ensure the availability

and accessibility to services on a statewide basis, and how the Offeror intends to address any resultant voids.

5. Provide a quarterly report to the Department on pilot project effectiveness to include, but not be limited to:
 - Problems experienced with program crowding out eligible members
 - Evidence of persons cancelling previous coverage to receive this free coverage
 - The amount of funding used and for what purpose
 - Problems encountered in the administration of the program
 - Proposed legislation to strengthen access medical services.
6. Provide a monthly invoice of number of enrollees. MQD shall monitor the number of enrollees to assure the programs do not exceed the overall expenditure caps.
7. Provide quarterly:
 - The number of children who were provided services through the HIHC and HCHC program;
 - A list of health care providers or managed care plans participating in the program;

During the term of the pilot projects, the DHS Director may convene quarterly meetings to review reports, barriers and/or recommendations for an improved project implementation

42.300 Administrative Requirements

The Offeror, including any Subcontractor, shall have the skills, abilities, knowledge of, and a minimum of three (3) years of experience in provision of health care services to infant and child populations, particularly gap group populations that this RFP is attempting to address.

The Offeror shall have in place adequate organizational and administrative systems that are capable of implementing contractual requirements on a statewide basis.

The Offeror shall provide the following infrastructure for the implementation of business in Hawaii:

- Office location, in-state;
- Office hours during Hawaii business hours of 8:00 am – 4:30 pm or 5:00 pm; and,
- Office telephone number that is staffed and staff made available to speak directly with applicants and/or members.

Staff shall be designated within the organization to perform the following functions:

- Serve as the Offeror's key contact for the contract
- Perform eligibility determination functions
- Ensure appropriate implementation of the complaints, grievances, and appeals process for members as well as providers
- Oversee the business systems, including the budget and accounting system to ensure receipt, timely processing and payment of all claims for covered encounters, and submission of financial reports and invoices
- Information system staff capable of ensuring timely and accurate submission of encounter data and other required information and reports
- Training of staff/providers to ensure consistent applications/implementation of program requirements (i.e. eligibility determinations/enrollment; primary care services provision; complaints, grievances, appeals process; data processing requirements; generation of required reports)
- Enrollee and Provider relations
- Confidentiality/Privacy Compliance

SECTION 50 TERMS AND CONDITIONS

50.100 General

This RFP, appendices, any amendments to the RFP and/or appendices, and the Offeror's proposal submitted in response to this RFP form an integral part of the contract between the Offeror and DHS. DHS will make payments up to a limit of \$10,000 per infant for medically necessary services provided to members of the HIHCP in the preceding quarter not to exceed total funding available for the HIHCP program which is limited to \$125,000 including administrative costs, for the State Fiscal Year (SFY) 2007-2008 and \$250,000 (SFY) 2008-2009; and DHS will make payments of \$25.50 pmpm not to exceed total funding available for the HCHCP program which is limited to \$700,000 including administrative costs, for the State Fiscal Year (SFY) 2007-2008 and \$900,000 for SFY 2008-2009 for Hawaii Children Health Care Program members enrolled with the managed care Plan in the preceding quarter. The offeror shall perform all of the services and shall develop, produce, and deliver to DHS all of the data reports described in the RFP.

The HIHCP administrative expenses may not exceed 15% of the total contract. The HCHCP expenses are inclusive in its premium amount.

In the event of a conflict between the language of the contract, and applicable statutes and regulations, the latter shall prevail. In the event of a conflict among the contract documents, the order of precedence shall be as follows: (1) Agreement (form AG Form 103F-Comp (9/06)) including all general conditions, special conditions, attachments, and addenda; (2) the RFP, including all attachments and addenda; and (3) applicant's proposal. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. The sections of the rules and regulations cited in this RFP may change as the rules and regulations are amended for MQD. No changes shall be made to this RFP due to changes in the section numbers. The documents in the documentation library shall be changed as needed. The availability and extent of the materials in the documentation library shall have no effect on the requirements stated in this RFP.

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of the federal, state and local governments that in any way affect its performance under this contract. The standard State general terms and conditions found in Appendix C will become part of the contract between the Contractor and DHS.

The Offeror shall pay all taxes lawfully imposed upon it with respect to the contract or any product delivered in accordance herewith. DHS makes no representations whatsoever as to the liability or exemption from liability of an Offeror to any tax imposed by any governmental entity.

The contract shall be executed by the Hawaii Department of Human Services in accordance with Chapter 103F, HRS.

50.110 Compliance with all Applicable State Business and Employment Laws

All providers shall comply with all laws governing entities doing business in the State. Prior to contracting, owners of all forms of business doing business in the state except sole proprietorships, charitable organizations unincorporated associations and foreign insurance companies be register and in good standing with the Department of Commerce and Consumer Affairs (DCCA), Business Registration Division. Foreign insurance companies must register with DCCA, Insurance Division. More information is on the DCCA website.

50.200 Term of the Contract

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of DHS. The initial term shall begin on March 1, 2008 and shall continue until June 30, 2009. Act 236 establishes a three year pilot project; however, funding is only made available through SFY2009. If the Act 236 third year pilot project funding is appropriated and released, the pilot project contract(s) may be continued for the full term through June 30, 2010, of the three year pilot project to reflect the amount of funds appropriated and released.

The contractor acknowledges that other unanticipated uncertainties may arise that may require an increase or decrease

in the original scope of services to be performed, in which event the contractor agrees to enter into a supplemental agreement upon request by the State. The supplemental agreement may also include an extension of the period of performance and a respective modification of the compensation

50.210 Availability of Funds

The award of a contract and any allowed renewal or extension thereof, is subject to allotments made by the Director of Finance, State of Hawaii, pursuant to Chapter 37, HRS, and subject to the availability of State and/or Federal funds.

50.300 Contract Changes

Any modification, alteration, amendment, change or extension of any term, provision, or condition of the contract shall be made by written amendment signed by the contractor and the State. No oral modification, alteration, amendment, change or extension of any term, provision or condition shall be permitted, except as otherwise provided within this RFP.

The State may, at its discretion, require the contractor to submit to the State, prior to the State's approval of any modification, alteration, amendment, change or extension of any term, provision, or condition of the contract, a tax clearance from the Director of DOTAX, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the contractor have been paid.

50.400 General and Special Conditions of Contract

The general conditions found in Appendix C will become part of the contract between the contractor and the State. Special conditions may also be imposed contractually by the state purchasing agency, as deemed necessary.

50.500 Inspection of Work Performed

DHS, CMS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), Medicaid Fraud Control Unit of the Attorney General or their authorized representatives

shall, during normal business hours, have the right to enter into the premises of the offeror and/or all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. The offeror and/or all subcontractors and providers shall provide information and data, upon demand, to the DHS, any of the above named agencies, and their authorized representatives. The requested information or data shall be provided to the requesting agency(s) within a reasonable timeframe that will be determined by the DHS, but which shall be no less than five (5) calendar days. All inspections and evaluations shall be performed in such a manner to not unduly delay work.

50.600 Subcontracts/Provider Agreements

The contractor is allowed to negotiate and contract or enter into contracts or agreements with providers and other subcontractors (with prior written consent of the State) to the benefit of the offeror as long as the providers and subcontractors meet all established criteria and provide the services in a manner consistent with the minimum standards specified. All such agreements shall be in writing and shall specify the activities and responsibilities delegated to the subcontractor. The contracts must also include provisions for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate. Certain subcontracts, including but not limited to Quality Assurance activities, must be approved by DHS prior to implementation. DHS reserves the right to inspect all subcontract and provider agreements at any time during the contract period. Any subcontract may be subject to the DHS's prior review and approval. The contractor's subcontractor shall submit to the contractor a tax clearance certificate from the Director of the Department of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the subcontractor/provider have been paid.

No subcontract or agreement that an offeror enters into with respect to the performance under this contract shall in any way relieve an offeror of any responsibility for any performance required of it by this contract. The contractor shall provide DHS immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor or provider, and prompt notice of any claim made against an offeror by any

subcontractor or provider which in the opinion of the offeror may result in litigation related in any way to the contract with the State of Hawaii. The contractor shall designate itself as the sole point of recovery for any subcontractor or provider.

The contractor shall notify DHS at least fifteen days prior to adding or deleting provider or subcontractor agreements or making any change to any provider or subcontractor agreements which may materially affect the offeror's ability to fulfill the terms of this contract.

All agreements or contracts with the subcontractors or providers shall be finalized and fully executed within 30 days of the contract award. DHS reserves the right to review any subcontractor or provider contracts or agreements prior to the notification of award of the contract.

All subcontracts shall require that the subcontractors/providers agree to comply with the confidentiality requirements imposed by this RFP, to the extent subcontractors or providers render services or perform functions that make such provisions applicable to such agreements

50.700 Applicability of Hawaii Revised Statutes

50.710 Wages and Labor Law Compliance

Before an offeror enters into a contract in excess of \$25,000, the offeror shall certify that it complies with section 103-55, HRS, Wages, hours and working conditions of employees of contractors performing services. The contractor shall complete and submit the Wage Certification as provided in Appendix H pursuant to Section 103-55, HRS.

50.720 Standards of Conduct

The contractor shall execute the Provider's Standards of Conduct Declaration, a copy of which is found in Appendix E, and which shall become part of the contract between the contractor and the State.

50.730 Campaign Contributions by State and County Contractors

Contractors are hereby notified of the applicability of HRS § 11-205.5,, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. For more information, Act 203/2005 FAQs are available at the Campaign Spending Commission webpage. See www.hawaii.gov/campaign

50.800 Provider Directory

The managed care plan(s) shall produce a provider directory for the DHS to provide assistance to members selecting a PCP or other provider. For the purposes of this RFP this can be a Letter of Intent of Provider List when the RFP is due. The managed care plan shall include in the provider directory information on providers by island, including the names, location, telephone numbers and non-English languages spoken by current contracted providers (including specialists, PCPs, pharmacists, FQHCs and RHCs and mental health and substance abuse providers, and hospitals).

Annually, at the time prescribed by the DHS Med-QUEST Division (MQD), the managed care plan(s) shall produce and supply to the MQD updated provider directories.

50.900 Confidentiality of Information

An Offeror agrees that all information, records and data collected in connection with this contract shall be protected from unauthorized disclosures. In addition, an Offeror agrees to guard the confidentiality of applicant and recipient information. The contractor shall not disclose confidential information to any individual or entity except in compliance with:

- CFR Part 431, Subpart F;
- the Administrative Simplification provisions of Title II of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (HIPAA) and the regulations promulgated thereunder, including but not limited to the Security and Privacy requirements set forth in 45 C.F.R. Parts 160 and 164, and the Administrative Requirements set forth in 45 C.F.R. Part 162 (if applicable);

- HRS §346-10; and,
- All other applicable Hawaii statutes and administrative rules.

The Contractor is cautioned that federal and state Medicaid rules, and some other Federal and State statutes and rules, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to Contractor to the same extent as they apply to MQD.

Any other party shall be granted access to confidential information only after complying with the requirements of State and Federal laws and regulations pertaining to such access. The DHS shall determine if and when any other party has properly obtained the right to have access to this confidential information. Nothing herein shall prohibit the disclosure of information in summary, statistical or other form which does not identify particular individuals, provided that deidentification of protected health information must be in compliance with the HIPAA Privacy Rule.

Contractor is a business associate of the DHS as that term is defined in 45 C.F.R. §160.103, and agrees to the terms of the Business Associate agreement provisions attached as Appendix D, which shall become part of the contract between the Contractor and the State.

51.100 Use of Funds

The contractor shall not use any public funds for purposes of entertainment perquisites and shall comply with any and all conditions applicable to the public funds to be paid under this contract, including those provisions of appropriate acts of the Legislature or by administrative rules adopted pursuant to law.

51.200 Financial Sanctions

DHS may impose civil or administrative monetary penalties not to exceed the maximum amount established by Federal statutes and regulations, if the Offeror:

- (1) fails to provide services that are required under contract;

- (2) imposes upon beneficiaries excess premiums and charges not authorized by this RFP;
- (3) acts to discriminate among members;
- (4) misrepresents or falsifies information; or
- (5) violates other contract provisions and requirements.

51.300 Payments

51.310 Payments to Offeror

A. HIHCP Payments

Regarding the HIHCP, the Department shall make payments to a managed care plan or third party administrator up to \$10,000 per infant not to exceed total funding available for the HIHCP program which is limited to \$125,000 including administrative costs, for the State Fiscal Year (SFY) 2007-2008 and \$250,000 including administrative costs, for the State Fiscal Year (SFY) 2008-2009.

The Offeror shall receive payment for Administrative costs based upon the level of claims processed for medically necessary services provided. Reimbursement shall be as follows:

CLAIM VOLUME	ADMINISTRATIVE COSTS FY 08
1 to 100	\$2,000.00
101 to 300	\$5,000.00
301 to 500	\$10,000.00
Over 500	\$18,750.00 Maximum

B. HCHCP Payments

Regarding the HCHCP, the Department shall make payments to the managed care plan(s) in the amount of \$25.50 pmpm for every enrolled child in its children health care plan not to exceed total funding available for the program which is limited to \$700,000 including administrative costs, for the State Fiscal Year (SFY) 2007-2008 and \$900,000 including administrative costs, for the State Fiscal Year (SFY) 2008-2009.

51.320 Invoice for HIHCP

- Administrative Payments:

To invoice the State for administrative payments, the contractor shall submit a monthly invoice detailing the claims processed via hard copy, electronic or any other types of claims payments. The contractor should also include any payments not included in the per claim costs.

- Benefit Payments:

Invoicing of the benefit payments, the contractor shall submit a weekly invoice by the close of business each Monday (unless designated holiday, invoice will be due the following business day) to DHS for claims that have been adjudicated for the preceding week. A detailed hard copy listing of each invoice which should include at minimum, claim reference numbers, client identification numbers, procedure codes, amounts paid shall be made available to the state upon request.

51.330 Invoice for HCHCP

The contractor shall submit a monthly capitation invoice to the State based on payments for that specific month. In addition, the contractor shall submit detailed capitation with information which includes at minimum:

- first name
- last name
- date of birth
- age
- begin enrollment date
- end enrollment date
- monthly capitation amount
- island
- address

51.340 Payments to Providers and Subcontractor

The Offeror shall be responsible for paying its subcontractors and providers in a timely and accurate manner for benefits provided to members. Payments to providers shall be consistent with the claims payment procedures described in §1902(a)(37)(A) of the Social Security Act unless a health care provider and the

organization agree to an alternative payment schedule. This section requires that "90% of claims for payment (for which no further written information or substantiation is required in order to make payment) are paid within 30 days of the date or receipt of such claims and that 99% of claims are paid within 90 days of the date of receipt of such claims." The Offeror shall be financially responsible for any interest payments incurred as a result of non-compliance with the Hawaii Clean Claims Act, Section 431: 13-108, Hawaii Revised Statutes (HRS). In no event shall the Subcontractor and providers look directly to the State for payment. The State and plan members shall bear no liability for the Offeror's failure or refusal to pay valid claims of Subcontractors or providers. The Offeror shall indemnify and hold the State and the plan members harmless from any and all liability arising from such claims and shall bear all costs in defense of any action over such liability, including attorney's fees.

51.400 Acceptance

The Offeror shall comply with all of the requirements of this RFP.

51.500 Disputes

Any dispute concerning a question of fact arising under the contract, which is not disposed of by an agreement, shall be decided by the Director of DHS or his/her duly authorized representative who shall reduce his/her decision in writing and mail or otherwise furnish a copy to the contractor within ninety (90) days after written request for a final decision by certified mail, return receipt requested. The decision shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessary to imply bad faith. In connection with any dispute proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of his/her dispute. The contractor shall proceed diligently with the performance of the contract in accordance with the disputed decision pending final resolution by a circuit court of this State.

Any legal proceedings against the State of Hawaii regarding this RFP or any resultant contract shall be brought in a court of

competent jurisdiction in the City and County of Honolulu, State of Hawaii.

51.600 Warranty of Fiscal Integrity

The Offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. The Offeror shall provide sufficient financial data and information to prove its financial solvency and shall comply with the solvency standards established by the State Insurance Commissioner for private health maintenance organizations.

51.700 Full Disclosure

The Offeror warrants that it has fully disclosed all business relationships, joint ventures, subsidiaries, holding companies, or any other related entity in its proposal and that any new relationships shall be brought to the attention of DHS as soon as such a relationship is consummated. The terms and conditions of CMS require full disclosure on the part of all contracting Offerors and providers.

The Offeror shall not knowingly have a director, officer, partner, or person with more than 5% of the entity's equity, or have an employment, consulting, or other agreement with such a person for the provision of items and services that are significant and material to the entity's contractual obligation with the State, who has been debarred or suspended by the Federal government, and shall not, without DHS' prior approval, lend money or extend credit to any related party. The Offeror shall fully disclose such proposed transactions and submit a formal written request for review and approval.

The Offeror shall include such provisions in any contract or agreement made with Subcontractors or providers.

The Offeror shall complete and provide all information required in the Disclosure Statement in Appendix H and include the forms in the Technical Proposal. The Offeror shall ensure that each form is completed and that full disclosure is made.

51.710 Litigation

The offeror shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

Notification of lawsuits against the Offeror, license suspensions or other actions brought against the Offeror or a provider within seven (7) working days after the Offeror is aware of any such actions.

51.800 Termination of the Contract

This contract may terminate or may be terminated by DHS for any or all of the following reasons:

- For expiration or repeal of the Hawaii Infant Health Care Program and/or the Hawaii Children Health Care Program
- In the event of the insolvency of or declaration of bankruptcy by the Offeror
- In the event sufficient appropriated; otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder

Prior to termination of a contract, DHS must provide a hearing for the Offeror. DHS may notify members of the hearing and allow them to disenroll without cause.

51.810 Expiration of the Program

The State may terminate performance of work under the contract in whole or in part whenever, for any reason. In the event that the State elects to terminate its agreement, the State shall so notify the contractor by certified or registered mail, return receipt requested. The termination shall be effective as of the date specified in the notice.

51.820 Termination for Bankruptcy or Insolvency

In the event that the Offeror shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the

Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate the contract under this provision it shall do so by sending notice of termination to the Offeror by registered or certified mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to the Offeror, unless otherwise specified.

In the event of insolvency of the Offeror, the Offeror's members shall not be liable for the debts of the Offeror.

51.830 Termination for Unavailability of Funds

Notwithstanding any other provision of this contract, the parties hereto agree that the charges hereunder are payable by the DHS solely from appropriations received by DHS from the Legislature of the State of Hawaii. In the event such appropriations are determined, at the sole discretion of the Director of DHS, no longer to exist, or to be insufficient with respect to the charges payable hereunder, this contract shall terminate without further obligation of DHS as of that moment. In such event, the Director of DHS shall certify to the Offeror the occurrence thereof, and such certification shall be conclusive.

51.900 Procedure for Termination

The Offeror shall:

- Stop work under the contract on the date and to the extent specified in the notice of termination.
- Notify the members of the termination and arrange for the orderly transition to a new contractor.
- Place no further orders or subcontracts for services, except as may be necessary for completion of the work under the portion of the contract that is not terminated.
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination.

- ❑ Assign to DHS in the manner and to the extent directed by the MQD Administrator of the right, title, and interest of the Offeror under the orders or subcontracts so terminated, in which case DHS shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- ❑ With the approval of the MQD Administrator, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of the contract.
- ❑ Complete the performance of such part of work not in the scope of services covered by the notice of termination.
- ❑ Take such action as may be necessary, or as the MQD Administrator may direct, for the protection and preservation of any and all property or information related to the contract which is in the possession of the Offeror and in which DHS has or may acquire an interest.
- ❑ Within 10 working days from the effective date of the termination, deliver to DHS copies of all current data files, program documentation, and other documentation and procedures used in the performance of the contract at no cost to DHS. The Offeror agrees that DHS or its agent shall have a non-exclusive, royalty-free right to the use of any such documentation.

52.100 Termination Claims

After receipt of a notice of termination, the Offeror shall submit to the MQD Administrator any termination claim in the form and with the certification prescribed by the MQD Administrator. Such claim shall be submitted promptly but in no event later than six months from the effective date of termination. Upon failure of the Offeror to submit its termination claims within the time allowed, the MQD Administrator may, subject to any review required by the State procedures in effect as of the date of execution of the contract, determine, on the basis of information available to him/her, the amount, if any, due to the Offeror by reason of the termination and shall thereupon cause to be paid to the Offeror the amount to be determined.

Upon receipt of notice of termination, the Offeror shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this or any other contract. The Offeror shall be paid only the following upon termination:

- At the contract price(s) for the number of members enrolled in the plan at the time of termination; and/or
- At a price mutually agreed by the Offeror and DHS.

In the event of the failure of the Offeror and DHS to agree in whole or in part as to the amounts with respect to costs to be paid to the Offeror in connection with the total or partial termination of work pursuant to this article, DHS shall determine on the basis of information available the amount, if any, due to the Offeror by reason of termination and shall pay to the Offeror the amount so determined.

The Offeror shall have the right to appeal, any such determination made by the DHS.

52.200 Force Majeure

If the contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of major epidemic, act of God, war, civil disturbance, court order or any other cause beyond its control, the contractor shall make a good faith effort to perform such obligations through its then-existing facilities and personnel; and such non-performance shall not be grounds for termination for default.

Neither party to this contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party.

Nothing in this section shall be construed to prevent DHS from terminating this contract for reasons other than default during the period of events set forth above, or for default if such default occurred prior to such event.

52.300 Prohibition of Gratuities

Neither the Offeror nor any person, firm or corporation employed by the Offeror in the performance of this contract shall offer or give, directly or indirectly to any employee or agent of the State of Hawaii, any gift, money or anything of value, or any promise, obligation, or contract for future reward or compensation at any time during the term of this contract.

52.400 Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each party certifies that such person has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this contract, understands it, and agrees to be bound by it.

SECTION 60 TECHNICAL PROPOSAL

60.100 Introduction

This section describes the required content and format for the technical proposal. It is mandatory that the Offeror provide the information in the following order:

- Proposal Application Form (Appendix A)
- Proposal Letter (Appendix G)
- Transmittal letter
- Standards of Conduct (Appendix E)
- Company background and experience
 - Background of the company
 - Company experience
- Organization and staffing
 - Organization charts
 - Personnel resumes
- Financial statements
 - Balance sheets, Statements of Income
 - Statements of Cash flow
 - Auditor's reports
 - Amounts associated with related party transactions
 - Management letters, Federal income tax returns
 - Per member financial data
- Eligibility determination (section 40.600)
- Service Delivery System
- Provider Network
- Data Processing and Reporting Capabilities
- Referral process and other requested policies and procedures
- Disclosure statement (Appendix H)
- Federal and State tax clearance certificates

There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

60.200 Proposal Letter

The proposal letter (refer to Appendix G) shall be signed by an individual authorized to legally bind an Offeror and be affixed with the corporate seal.

60.300 Transmittal Letter

The transmittal letter shall be on official business letterhead and shall be signed by an individual authorized to legally bind the Offeror. It shall include:

- A statement indicating that the Offeror is a corporation or other legal entity. All Subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the Primary Offeror and each Subcontractor, as measured by percentage of total contract price.
- A statement that the Offeror is/will be registered to do business in Hawaii and has/will obtain a State of Hawaii General Excise Tax License by the start of work. Provide the Hawaii Excise Tax Number (if applicable).
- A statement identifying all amendments and addenda to this RFP issued by the issuing office and received by the Offeror. If no amendments or addenda have been received, a statement to that effect should be included.
- A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, creed, age, sex, national origin or mental or physical handicap, except as provided by law.
- A statement that neither cost nor pricing is included in this letter or the technical proposal.
- A statement that no attempt has been made or will be made by the Offeror to induce any other party to submit or refrain from submitting a proposal.
- A statement that the person signing this proposal certifies that he/she is the person in the Offeror's organization responsible for, or authorized to make, decisions as to the prices quoted, that the offer is firm and binding, and that he/she has not participated and will not participate in any action contrary to the above conditions.

- A statement that the Offeror has read, understands, and agrees to all provisions of this RFP.
- A statement that it is understood that if awarded the contract, the Offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and amendments.

60.400 Company Background and Experience

The company background and experience section shall include for the Offeror and each Subcontractor (if any): the background of the company, its size and resources (gross revenues, number of employees, type of businesses), and details of company experience relevant to the operation of managed care plans (type of plan, number of members, etc.). The key required information is provided below.

60.410 Background of the Company

- Provide a general description of the primary business of your organization and its client base
- Provide a brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile, and date company began operations. An out-of-state contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed
- Ownership of the company (names and percent ownership), including the officers of the corporation
- The home office location and all other offices (by city and state)
- The location of office from which any contract would be administered
- The name, address and telephone number of the contractor's point of contact for a contract resulting from this RFP
- The number of employees both locally and nationally

- The size of organization in assets, revenue and people
- The areas of specialization

If the company operates a variety of businesses, the offer shall identify for each operations, the type of business, the date the business was established and began operations, the related gross revenues and total number of employees.

60.420 Company Experience

The details of company experience including Subcontractor experience, relevant to the proposal shall include but not limited to the following:

- Length and quality of previous experience in providing comprehensive health care benefits for members, especially for children.
- Length and quality of previous experience with managed care.
- Outline of existing or planned healthcare package for the Hawaii Infant Health Care Program and the Hawaii Children Health Care Program as well as premiums charged/proposed.
- Number of current members in the Offeror's existing children health care plan, if any.

60.500 **Organization and Staffing**

The organization and staffing section shall include organization charts of current personnel and resumes of selected management, supervisory and key personnel. The offeror shall describe its ability to supervise, train and provide administrative direction relative to the proposed services.

The administrative structure of the organization should be described and organizational charts of current personnel and positions provided. Include résumés of key management and supervisory personnel. The major functions of key organizational

units should be described to establish an understanding of the relationship between these units.

60.510 Organization Charts

The organization charts shall show:

- Relationships of the Offeror to related entities
- Organizational structure, lines of authority, functions and staffing of the managed care plan or proposed entity
- Relationships of the offeror to affiliated or subcontracted entities
- Geographic location of the managed care plan personnel

The proposal shall include a brief discussion of the development of Full Time Equivalent (FTE) estimates for the following positions:

- Member Services
- Provider Services, including monitoring of Subcontractor services
- Case Management Services
- Information Systems
- Administrative support

Current or proposed key personnel, including an indication of their major areas of responsibility and position within the organization. At a minimum the following positions should be detailed.

- Medical Director
- Executive Director
- Financial Officer
- Pharmacist
- Plan contact
- QA/UR coordinator
- Grievance Coordinator
- Compliance Coordinator

60.520 Personnel Resumes

Resumes should be provided for at least the Administrator or Executive Director, Financial Officer, Medical Director, Pharmacist, CC/CM Supervisor and QA/UR Director. The Offeror shall identify an individual within the organization who will be the key contact person for the Offeror. If this individual is not one of the positions for which resumes are required, the resume for this individual shall be included. Otherwise, the resume should identify which individual would be serving as the key contact person for the Offeror.

The resumes of key personnel shall include, where applicable:

- Experience in the health care insurance
- Experience in managed care systems
- Length of time with the Offeror or related organization
- Length of time in the healthcare industry
- Previous relevant experiences
- Relevant education and training
- Names, positions titles and telephone numbers of at least two references who can provide information on the individuals' experience and competence.

60.600 Financial Statements

Financial statements for the applicable legal entity or each partner if a joint venture shall be provided for each of the last three years, including at a minimum:

- Balance Sheets
- Statements of Income
- Statements of Cash flow
- Auditor's reports

- Amounts associated with related party transactions
- Management letters
- Federal Income Tax returns

60.700 Approach in Service Delivery

Provide a narrative describing implementation of the Infant and Child Health Care Programs which shall include:

- Description of service delivery by geographic areas and available resources.
- Outreach to identify and engage uninsured infants and/or children.
- How providers or clinics will be recruited and retained in rural and other historically under-served areas to ensure access to care and services in these areas.

60.800 Provider Network

The Offeror shall provide a narrative describing:

- Provider network, including an island specific list of providers. At a minimum, all primary care providers shall be listed. The information on the provider list shall include:
 - Provider's name
 - Identification of each provider's specialty or type of practice/service and
 - Provider's address, including city and zip code
- Outline how services will be delivered in areas where there are no or too few providers accepting new patients.
- The procedures it will have in place to monitor network adequacy
- PCP policy and procedures that include information on choosing and selecting a PCP including a PCP assignment process, if necessary.

60.900 Data Processing and Reporting

The processing/tracking, maintenance and reporting of data are an important part of this RFP. Therefore, this section shall explain the adequacy of the Offeror's system to collect, process,

maintain, and report the information required in the RFP by provider, island and on a statewide basis.

1. The Offeror shall provide an overview of its information system and how it intends to meet the data processing and reporting requirement of this RFP.
2. At a minimum, the Offeror shall provide the following information:
 - Hardware to be used and availability on a statewide basis
 - Software to be used on a statewide basis
 - A description of the human resources assigned to establish and/or maintain the computer system and produce the required reports specified in the RFP
 - A general listing of the data and information which will be maintained within the Offeror's information system for this RFP
 - A description of what data and information will be collected and compiled, and how it will be transmitted between the Offeror and providers in a manner that assures confidentiality of in the information

61.100 Complaint, Grievance, and Appeals Process

1. The Offeror shall describe the process and mechanisms it has in place to accept, document, process and adjudicate expressions of dissatisfaction from members and providers.
2. The Offeror shall describe how it intends to inform applicants/members about the grievance process as well as how to access the process.
3. The Offeror shall submit a report to the DHS on a quarterly basis that shall include the following information:
 - Date complaint received
 - Enrollee name or identifier
 - Provider name or identifier and city and island
 - Brief description of the situation
 - Action taken to investigate/resolve the expression of dissatisfaction
 - Disposition
 - Date of resolution, or if unresolved, date forwarded to the next grievance process level

4. The Offeror shall also describe the mechanisms to track and trend the expressions of dissatisfaction and how the information/findings are integrated into improving the quality of service provision.

SECTION 70 OFFEROR'S BUSINESS PROPOSAL SUMMARY STATEMENT

70.100 Cost Proposal HIHCP

The Offeror shall describe the rate structure which can be no less than the Hawaii Medicaid Fee-For-Service schedule. Fees shall not exceed the current Medicaid fee schedule by more than 30%. Outline administrative costs for no more than 15%. The offer submitted will be the Offeror's best and final offer. See Appendix I.

70.200 Cost Proposal HCHCP

The Offeror(s) shall describe a premium cost per member per month for the scope of work specified in the RFP. The State's contribution shall not exceed \$25.50 pmpm. The offer submitted will be the Offeror's best and final offer.

The Offeror shall submit a premium proposal to include the provision of all of the required services and conditions described in this RFP. Any proposal which differs in any way from the co-payments/costs described in Section 40.720 shall produce a chart showing, by service, where the differences are. All other proposals will be assumed to match the services/costs shown in 40.720 for the proposed premium price. See Appendix I.

SECTION 80 EVALUATION AND SELECTION

80.100 Introduction

DHS shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. DHS shall be the sole judge in the selection of the Offeror(s). The evaluation of the proposals shall be conducted as follows:

- Review of the proposals to ensure that all mandatory requirements are met
- Review of the technical proposals to determine whether the Offeror meets the minimum criteria and requirements

Once the technical proposals have been evaluated and the qualifying Offeror(s) identified, the process shall continue with the following steps:

- Review of the business proposal
- Award of the contract to the selected Offeror
- Readiness Assessment

80.200 Evaluation Committees

DHS shall establish evaluation committees that will evaluate designated sections of the proposal. The committees shall consist of members who are familiar with the minimum standards or criteria for health services and managed care. Additionally, DHS may, at its discretion, designate additional representatives to assist in the evaluation process. The committees shall evaluate the assigned section of each qualifying proposal and document their comments, concerns and questions.

80.300 Mandatory Requirements

Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met. The proposal will first be evaluated against the following criteria:

- Proposal was submitted within the closing date and time for proposals.
- Technical and business proposals are in separate envelopes (refer to section 21.300)

- ❑ The proper number of separately bound copies are in sealed envelopes (refer to section 21.300)
- ❑ Proposal contains the necessary information in the proper order (refer to Section 60.100)

Failure of the Offeror to comply with the instructions of this RFP or failure to submit a complete proposal, shall be grounds for deeming the proposal nonresponsive to the RFP. However, DHS reserves the right to waive minor irregularities in proposals provided such action is in the best interest of the State. Where DHS may waive minor irregularities such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

Proposals deemed by the evaluation team to be incomplete or not in accordance with the specified requirements shall be disqualified and the proposal returned to the Offeror with a letter of explanation.

80.400 Proposal Evaluation and Scoring

The technical proposals shall be evaluated first in order to identify those Offerors that meet the minimum requirements. Each Offeror must obtain a minimum of seventy five percent (75%) of the total points.

- Merits of the Offeror and the Offeror's Proposal
- Cost Proposal

80.410 Step I – Merits of the Offeror and the Offeror's Technical Proposal (130 possible points)

The Offeror shall submit its proposal in response to Section 60 of this RFP. The proposal shall address the specified topics and provide the requested information in the order in which it is prescribed. The Offeror should address each topic as fully as possible yet be concise and succinct.

The Offeror shall be assigned a score based on the Offeror's experience, the personnel assigned to the project, service delivery system, provider network, referral process, processing capabilities and willingness to perform both programs offered by

this RFP. DHS reserves the right to add, change or delete any of the criteria.

The scoring criteria will be based on the following points:

- Bid on both the HCHCP and the HIHCP (15 points)
- Transmittal Letter (5 points)
- Company background and experience (20 points)
- Adequacy of the Offeror's organization and staffing (10 points)
- Financial viability and stability (10 points)
- Adequacy of the service delivery system (20 points)
- Adequacy of the provider network (15 points)
- Adequacy of the Offeror's information system capabilities (10 points)
- Adequacy of referral process and other requested policies and procedures (10 points)

80.420 Step II-Cost Proposal

The Offeror with the lowest cost proposal shall be awarded 20 points. The next lowest bidder shall be awarded 15 points. And the next lowest bidder shall be awarded 10 points.

80.500 Step I – Merits of the Offeror and Offeror's Proposal

The listing of the criteria is not all-inclusive and DHS reserves the right to add, delete or modify any criteria.

- Bid on both HIHCP and HCHCP in Proposal letter –Appendix G (15 points possible)

Did the Offeror bid on both Programs?

- Transmittal Letter (5 points possible)
Transmittal letter must be on official letterhead and signed by an individual authorized to legally bind the Offeror. Letter shall include all statements as specified in Section 60.300. If transmittal letter is incomplete, no points will be awarded.
- Company Background and Experience (20 points possible)
Does the proposal describe the company background and experience? Has the company demonstrated that the scope of services under this RFP can be completed by the Offeror?

- Project Organization and Staffing (10 points possible)
Proposals will be evaluated on the basis of relevant experience and client references. DHS reserves the right to contact previous and current clients. The experience of the Subcontractors, if applicable, will be evaluated as well. Included in this evaluation will be an assessment of past and current management experience for similar services of like projects in scope.

Proposals must demonstrate that Offeror has sufficient relevant program experience and has been successful in performing projects of similar scope to that describe herein. The Offeror's provider network will be reviewed. The competence of proposed key professionals and other employees in the project will account for all of the points. Qualifications of personnel will be evaluated according to education and Medicaid experience.

- Financial (10 points possible)
All required documents (Section 60.600) have been submitted. The Offeror's information demonstrates that it has the necessary financial means to support the extent of services and administrative support as stated in the RFP.
- Service Delivery System (20 points possible)
Has the Offeror described how it intends to provide health care services to enrolled infants and/or health care services enrolled children on a statewide basis? (5 points) Does the provider attempt to offer a health benefits package that has more benefits than what is minimally required? (15 points)
- Provider Network (15 points possible)
Is the Offeror's network capable of providing the services set forth in the RFP in all areas statewide? Is the network of sufficient depth to meet the basic health care needs of its targeted population?
- Data Processing Capabilities (10 points possible)
Does the Offeror have a data processing system and capabilities of processing and maintaining claims data? Does it explain the adequacy of the Offeror's system to collect, maintain and process the required information? If there are modifications or expansions to the pilot program, will the system be able to continue to process and maintain the data?

- Referral process and other requested policies and procedures (10 points possible)
 Did the Offeror describe the process and mechanisms it has in place to accept, document, process and adjudicate expressions of dissatisfaction from members and providers?
 Did the Offeror describe how it intends to inform potential applicants/members about the pilot program and how to access the process? Did the Offeror describe the mechanism to assess the pilot effectiveness or barriers and how to integrate that information to improving the quality of the overall program?

80.600 Step II Cost Proposal Review

Each proposal will be examined to ensure that all required pricing schedules have been included by the Offeror. Proposals will be evaluated to ensure that reasonable reimbursement fee and administrative costs have been assigned. The points shall be given by the chart below:

	Lowest Proposal	2 nd Lowest Proposal	3 rd Lowest Proposal	4 th Lowest or More
Two Offerors	20	15		
Three Offerors	20	15	10	
Four Offerors	20	15	10	0

Proposals shall be evaluated on the "Administrative Cost" only and not the reimbursement fees.

80.700 Contract Award

The technical and business proposal scores will be combined to determine the winning proposal.

Upon receipt and acceptance of the winning bids, DHS shall initiate the contracting process. This RFP and the Offeror's technical proposal shall become part of the contract.

The Offeror shall be notified in writing that DHS intends to contract with the Offeror. This letter shall serve as notification that the Offeror should begin to develop its program, materials, policies and procedures.

Each notice of award shall contain a statement of findings and decisions for the award or non-award of the contract to each offeror.

APPENDIX A - PROPOSAL APPLICATION FORM (SPO-H-200)

APPENDIX B - GLOSSARY

APPENDIX C - GENERAL CONDITIONS

APPENDIX D - BUSINESS ASSOCIATE LANGUAGE

APPENDIX E – STANDARDS OF CONDUCT

APPENDIX F - WRITTEN QUESTIONS FORMAT

APPENDIX G – PRPOSAL LETTER

APPENDIX H - DISCLOSURE STATEMENT

APPENDIX I – COST PROPOSAL

APPENDIX J – HAWAII'S HEALTH PLANS FOR CHILDREN COMPARISON CHART

**APPENDIX K - HAWAII CHILD HEALTH CARE PLAN
SERVICES NOT COVERED**

APPENDIX L – ACT 236