



**Solicitation Information
March 8, 2016**

RFP# 7550389

TITLE: Administration of the Rhode Island Children's Health Account

Submission Deadline: April 5, 2016 at 11:00 AM (Eastern Time)

**PRE-BID/ PROPOSAL CONFERENCE: NO
MANDATORY:**

If YES, any Vendor who intends to submit a bid proposal in response to this solicitation must have its designated representative attend the mandatory Pre-Bid/ Proposal Conference. The representative must register at the Pre-Bid/ Proposal Conference and disclose the identity of the vendor whom he/she represents. A vendor's failure to attend and register at the mandatory Pre-Bid/ Proposal Conference shall result in disqualification of the vendor's bid proposals as non-responsive to the solicitation.

DATE:

LOCATION:

Questions concerning this solicitation must be received by the Division of Purchases at david.francis@purchasing.ri.gov no later than **March 18, 2016 at 10:00 am (ET)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

**David J. Francis
Interdepartmental Project Manager**

Applicants must register on-line at the State Purchasing Website at www.purchasing.ri.gov

Note to Applicants:

Offers received without the entire completed three-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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SECTION 1: INTRODUCTION

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Executive Office of Health and Human Services (EOHHS) is soliciting proposals from a vendor known for their operational excellence to provide executive, administrative, and technical services for The Rhode Island Children's Health Account, RIGL 42-12-29, based on The Healthcare Services Funding Plan Act, RIGL 42-7.4.

In accordance with the terms of this Request for Proposals and the State's General Conditions of Purchase, information regarding this proposal may be obtained at the Rhode Island Division of Purchases Home Page by Internet at www.purchasing.ri.us.

The initial contract period will approximately begin in June 2016 for three years. Contracts may be renewed for up to three additional 12-month periods based on vendor performance and the availability of funds.

This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal in addition to price. There will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request other than to name those offerors who have submitted proposals.

Instructions and Notification to Offerors:

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.
4. Proposals are considered to be irrevocable for a period of not less than 60 days following the opening date and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause, will be determined to be late

- and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.
7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
 8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov.
 9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
 10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2, of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.
 11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
 12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent in employment, public services, grants and financial assistance, and in state licensing and regulation.
 13. In accordance with Title 7, Chapter 1.2, of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
 14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information visit the website www.mbe.ri.gov

15. Under HIPAA, a “business associate” is a person or entity, other than a member of the workforce of a HIPAA covered entity, who performs functions or activities on behalf of, or provides certain services to, a HIPAA covered entity that involves access by the business associate to HIPAA protected health information. A “business associate” also is a subcontractor that creates, receives, maintains, or transmits HIPAA protected health information on behalf of another business associate. The HIPAA rules generally require that HIPAA covered entities and business associates enter into contracts with their business associates to ensure that the business associates will appropriately safeguard HIPAA protected health information. Therefore, if a Contractor qualifies as a business associate, it will be required to sign a HIPAA business associate agreement
16. In order to perform the contemplated services related to the Rhode Island Health Benefits Exchange (HealthSourceRI) , the vendor hereby certifies that it is an “eligible entity,” as defined by 45 C.F.R. § 155.110, in order to carry out one or more of the responsibilities of a health insurance exchange. The vendor agrees to indemnify and hold the State of Rhode Island harmless for all expenses that are deemed to be unallowable by the Federal government because it is determined that the vendor is not an “eligible entity,” as defined by 45 C.F.R. § 155.110.

SECTION 2: BACKGROUND

The Rhode Island Executive Office of Health and Human Services is directed to apply an assessment on commercial health plans to fund the Children’s Health Account. Each insurer shall receive an assessment based on the service costs for this account. The Children’s Health Account is used to effectuate coverage for the following service categories: (1) home health services, which include pediatric private duty nursing and certified nursing assistant services; (2) comprehensive, evaluation, diagnosis, assessment, referral and evaluation (CEDARR) services, which include CEDARR family center services, home based therapeutic service, personal assistance services and supports (PASS), and kids connect services and (3) child and adolescent treatment services (CAITS).

Per this regulation, the total assessment on all insurers shall be equivalent to the amount paid by the Executive Office of Health and Human Services for all services listed above, but is not to exceed seven thousand five hundred (\$7,500) dollars per child per service per year. The total assessment dollars to be billed out for the RI Children’s Health Account is estimated to be between \$10.5 and \$11 million dollars annually.

Specific Requirements

Title 42 of the Rhode Island General Laws, entitled “State Affairs and Government”, has been amended, effective January 1, 2016, by adding Chapter 7.4, The Healthcare Services Funding Plan Act. Section 42-7.4-3, Imposition of healthcare services funding contribution, states that each insurer is required to pay the healthcare services funding contribution for each contribution enrollee of the insurer at the time the contribution is calculated and paid.

This law imposes a “surcharge” on insurers. “Insurer is defined as “... all persons offering, administering, and/or insuring healthcare services, including, but, not limited to: Policies of

accident and sickness insurance ...; Nonprofit hospital or medical service plans ...; Any person whose primary function is to provide diagnostic, therapeutic, or preventative services to a define population on the basis of a periodic premium; All domestic, foreign, or alien insurance companies, mutual associations and organization; Health maintenance organization ...; All persons providing health benefits coverage on a self-insurance basis; All third party administrators; and All persons providing health benefit coverage under Title XIX of the Social Security Act (Medicaid) as a Medicaid managed care organization offering managed Medicaid.”

The funds are to be deposited into a restricted receipts account to be known as the “children’s health account”.

SECTION 3: SCOPE OF WORK

The selected vendor must develop and manage the process of expanding the funding base for the children’s health account assessment. The vendor must reach out and identify all insurers, as defined in 42-7.4-1 Healthcare Services Funding Plan Act, including employers providing coverage on a self-insurance basis, third party administrators, etc., who do business in the state and who are required to report the number of contribution enrollees.

The vendor must be able to properly administer this healthcare services funding plan act and to carry out the provisions, policies, and purposes of this act. These services include, but are not limited to, collecting enrollment data from insurers for the computation of the healthcare services funding contribution. These services also include collaboration with other state agencies for collecting necessary information, along with the system and the form of the return data from the insurers that the vendor must obtain for the correct computation of the healthcare services funding contribution.

The vendor must be able to create an on-line reporting system for Rhode Island for insurers to submit data, review quarterly costs, and view transactions. On the basis of total contribution enrollees, the vendor must be able to calculate the proportional share of annual enrollees per insurer and then apply this percentage to the total dollar assessment, as provided by EOHHS, to determine the assessment for each insurer.

In addition to the vendor being able to manage the data assembly of the insurers’ data and providing the insurers’ assessment calculations, the vendor must be able to invoice the insurers, provide customer-related services to the insurers, such as answering questions and issuing communications, perform the Program’s accounting and collections functions, and transfer the funds collected to the State of Rhode Island’s Children’s Health Account.

The vendor must have substantial experience and expertise with similar contracts and services. The vendor must be known to produce high quality work, is fiscally responsible, and conducts routine audit checks both from a systems and financial perspective. Monthly financial and audit reports are to be produced from the contractor’s system and provided to EOHHS.

Specifically, the vendor must:

1. Reach out and collaborate with state agencies to identify all insurers, as defined under the Section, Specific Requirements, as an “insurer” who is subject to the State of Rhode Island’s Children’s Health Account assessment.
2. Reach out to each insurer providing them with a description of the Rhode Island law that imposes the insurer to pay the healthcare services funding contribution for each of the insurer’s members.
3. Work collaboratively to build a good relationship with each insurer to facilitate participation and membership collection.
4. Provide an on-line web-based system for the insurers to submit company information specific to the insurer’s name, address, type of insurer, and demographics.
5. Provide an on-line web-based system to collect quarterly, based on the preceding three month period, the total membership counts from the insurers for the computation of the healthcare services assessment.
6. Provide an on-line web-based system that allows the vendor to determine the assessment to be invoiced to each insurer by calculating the dollar amounts by using an annual working, per member per month (PMPM), payment rate as set annually by the State’s Secretary of Health and Human Services.
7. Provide an on-line web-based system that calculates the bill for the insurer based on the quarterly membership count reported by the insurer times the annual working PMPM payment rate.
8. Provide an on-line web-based system that invoices the insurer either electronically or by a paper bill.
9. Provide an on-line web-based system that allows the insurer to make payment for the bill to the vendor either electronically or through a lock-box.
10. Provide an on-line web-based system that allows the insurer to view historical cost transactions including all billings and payments from/to the vendor.
11. Provide an on-line web-based communication system that allows the vendor to provide customer-service- focused communications with the insurer.
12. Provide an on-line web-based communication system that allows the vendor to issue communications and specific status updates to the insurer, e.g. a dunning notice for payment to the insurer.
13. Provide electronically accounting services and financial reports to the State detailing the amount of the assessment dollars invoiced to the insurers, the amount of the assessment dollar collected by the vendor, and the amount of the assessment dollars transferred to the State of Rhode Island’s Children’s Health Account.
14. Provide other additional accounting reports that the State may require based upon the activities that the vendor conducts on their behalf.

15. Provide audit reports produced from the on-line system that supports the financial details as provided to the State.
16. Provide the State with information on a systems/ Information Technology (IT) disaster recovery plan.
17. Provide the State with information on how the vendor will complete the above activities in the historical period, starting January 1, 2016 and on the current period. Provide detailed information on the systems/ IT plan for gathering this data in the historical period.
18. Provide the State with a comprehensive plan and description for compliance with industry IT standard safety and security measures. Please indicate all audits (e.g. SSAE 16, SOC 1 or 2) performed at your business related to the requirements discussed herein. The State may require a review of any audits performed.
19. All processes above will be audited by the State. The State will require that all processes used to calculate payments be reviewed yearly by an independent third party or the State for calculation accuracy and reliability. The results of that review will be shared with the State. This will give the State reasonable assurance that financial calculations are accurate and complete.
20. Provide copies of all applicable Federal and State IT safety and security certificates, including Fedramp.
21. Provide a detailed plan to the State detailing the payment mechanism back to the State for all assessment collections by the vendor, less the administrative costs to the vendor.

SECTION 4: TECHNICAL PROPOSAL

Narrative and format: The separate technical proposal should address specifically each of the required elements:

1. Staff Qualifications – Please provide staff resumes and describe qualifications and experience of key staff who will be involved in carrying out the provisions, policies, and purposes of this Act. This description should include the staff’s experience in reaching out and identifying all insurers, as defined in 42-7.4 of the Healthcare Service Funding Plan Act, including employers providing coverage on a self-insurance basis, third party administrators, and others who do business in the state and who are required to report the number of contribution enrollees.
2. Capability, Capacity, and Qualifications of the Offeror – The vendor must have experience and expertise with similar contracts and services. Please provide a detailed description of the vendor’s experience to provide executive, administrative and technical services for applying an assessment on insurers as described in Rhode Island’s The Healthcare Services Funding Plan Act, RIGL 42-7.4.

Two relevant client references must be provided, to include client names, addresses, phone numbers, dates of service and type(s) of service(s) provided.

3. Work Plan - Please provide a detailed description of the vendor's on-line reporting system for insurers to submit data, review quarterly costs, and view transactions including a description of how the vendor's operating system, based on total contribution enrollees, calculates the proportional share of enrollees per insurer and then applies this percentage to the total dollar assessment to determine the assessment for each insurer.
- 4 Approach/Methodology – Please provide a description of how the vendor manages the invoicing, customer service questions and communications, accounting, and cash collections including the procedures that will be used to ensure accurate and timely collection of fees. Please also describe how routine system and financial reporting audit checks will be conducted.

SECTION 5: COST PROPOSAL

Please must provide a proposal for fees charged for the services outlined in this proposal specific to the costs associated with developing and establishing the State of Rhode Island's on-line system website; the technology costs to maintain the site; the vendor's overall costs to administer the healthcare services funding plan and to carry out provisions and policies of the program using **Attachment 1: Cost Proposal Response**. The fee structure is to include a set amount to be charged on an annual basis. Please explain the basis and rationale of your fee structure.

Additionally, the vendor must complete Attachment 1 to describe all tasks included in the annual fee. Alternative fee schedule proposals will be considered; however, the vendor must provide an understandable fee structure and explain the benefits of the alternative approach.

SECTION 6: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

The Executive Office of Health and Human Services reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Staff Qualifications	15 Points
Capability, Capacity, and Qualifications of the Offeror	25 Points
Quality of the Work plan	15 Points
Suitability of Approach/Methodology	15 Points
Total Possible Technical Points	70 Points
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 30 points *	30 Points
Total Possible Points	100 Points

*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

$$(\text{Low bid} / \text{venders bid}) * \text{Available points}$$

For example: If the low bidder (Vendor A) bids \$65,000 and Vendor B bids \$100,000 for monthly cost and service fee and the total points available are Thirty (30), vendor B's cost points are calculated as follows:

$$\$65,000 / \$100,000 * 30 = 19.5$$

All cost calculations will be based on the sum of the projected costs of Year 1, Year 2, and Year 3. Year 1 costs should include startup/initial costs.

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects. Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal.

SECTION 7: PROPOSAL SUBMISSION

Questions concerning this solicitation may be e-mailed to the Division of Purchases at david.francis@purchasing.ri.gov no later than the date and time indicated on page one of this solicitation. Please reference **RFP # 7550389** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-8100.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (**an original plus four (4) copies**) should be mailed or hand-delivered in a sealed envelope marked "**RFP# 7550389 Administration of the Rhode Island's Children's Health Account**" to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

RESPONSE CONTENTS

Responses shall include the following:

1. One completed and signed three-page R.I.V.I.P generated bidder certification cover sheet (included in the original copy only) downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
2. One completed and signed W-9 (included in the original copy only) downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
3. **A separate Technical Proposal** describing the qualifications and background of the applicant and experience with and for similar projects, and all information described earlier in this solicitation. The Technical Proposal is limited to six (6) pages (this excludes any appendices). As appropriate, resumes of key staff that will provide services covered by this request.
4. **A separate, signed and sealed Cost Proposal** reflecting the hourly rate, or other fee structure, proposed to complete all of the requirements of this project.

5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in **electronic format (CD-ROM, disc, or flash drive)**. Microsoft Word / Excel OR PDF format is preferable. Only 2 electronic copies are requested and it should be placed in the proposal marked “original”.

CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The State’s General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State’s General Conditions of Purchases/General Terms and Conditions can be found at the following URL: <https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf> .

RI'S CHILDRENS HEALTH ACCOUNT RFP

ATTACHMENT 1 – Cost Proposal Response

Table 1

Vendors must complete the following table as part of Section 5.

Firm, fixed, fully loaded costs for the initial term and subsequent potential option years, to develop and maintain all activities outlined in Section 3 and 4 of the RFP.	
<p>Initial Term Year 1 Vendor should complete <i>Table # 2A to describe all tasks planned for Year 1.</i></p> <p>At the minimum, tasks should include:</p> <ul style="list-style-type: none"> a. All application related costs and expenses the Vendor anticipates it will incur; b. Development Web-based System; c. Business Consultation Services; d. Technology Maintenance Costs (including all modifications and updates); e. Licensing Fees; f. All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified; g. All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs; and h. All staff costs (including salary, fringe, and administrative costs separated by task) 	Subtotal cost: \$_____
<p>Initial Term Year 2 At the minimum, tasks should include: Vendor should complete <i>Table # 2B to describe all tasks planned for Year 2.</i></p> <p>At the minimum, tasks should include-</p> <ul style="list-style-type: none"> a. All application related costs and expenses the Vendor anticipates it will incur; b. Development Web-based System; c. Business Consultation Services; d. Technology Maintenance Costs (including all modifications and updates); e. Licensing Fees; f. All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified; g. All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs; and h. All staff costs (including salary, fringe, and administrative costs separated by task) 	Subtotal cost: \$_____

<p>Initial Term Year 3 At the minimum, tasks should include: Vendor should complete <i>Table # 2C to describe all tasks planned for Year 3.</i></p> <p>At the minimum, tasks should include-</p> <ul style="list-style-type: none"> a. All application related costs and expenses the Vendor anticipates it will incur; b. Development Web-based System; c. Business Consultation Services; d. Technology Maintenance Costs (including all modifications and updates); e. Licensing Fees; f. All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified; g. All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs; and h. All staff costs (including salary, fringe, and administrative costs separated by task) 	Subtotal cost: \$ _____
TOTAL	\$ _____

Table #2A – Initial Term Year 1

<i>Task Description</i>	<i>Annual Cost</i>
	\$
	\$
	\$

Table #2B - Initial Term Year 2

<i>Task Description</i>	<i>Annual Cost</i>
	\$
	\$
	\$

Table #2C - Initial Term Year 3

<i>Task Description</i>	<i>Annual Cost</i>
	\$
	\$
	\$

Directions: Under “Task Description” please provide the breakdown of fees associated with specific activities on page 1. For example, development of web-based systems, and licensing fees. All staffing costs should include a breakdown of salary and fringe benefits. Please attach additional pages if needed.