



State of West Virginia
Public Employees Insurance Agency

Provider Reimbursement Consultant Services
Request for Proposal

PEI 170002

July 10, 2017

Provider Reimbursement Consultant Services

Table of Contents

- Part 1: General Information - Contains general informational sections
- Part 2: Operating Environment - describes the background and working environment of this project,
- Part 3: Procure Specifications - is a statement of the specifications for the services requested pursuant to this RFP, contractual requirements, and general terms/conditions
- Part 4: Proposal Format - explains the required format of the Vendor's response to the RFP, the evaluation criteria the State will use in evaluating the proposals received, and how the evaluation will be conducted.
- Part 5: Cost Proposal

Attachments

- A: Purchasing Affidavit
- B: Litigation Wavier
- C: Vendor Preference Certificate
- D. Agreement Addendum

REQUEST FOR PROPOSAL

Public Employees Insurance Agency

Part 1 GENERAL INFORMATION

1.1 Purpose:

The Public Employees Insurance Agency (PEIA) is soliciting proposals to provide updates to the Inpatient Hospital Prospective Payment System (PPS) that ensure efficiency and equitability among the payers and providers. The vendor will also be responsible for devising methodology to review the efficiency and equity of payment under the Resource Based Relative Value Scale (RBRVS), Inpatient Prospective Payment (PPS) System and the Outpatient Prospective Payment System (OPPS). Other optional services are also included in this RFP.

1.2 Project:

The purpose of the project is to produce annual updates to the Inpatient Hospital PPS and RBRVS for the West Virginia Bureau for Medical Services (BMS) and Public Employees Insurance Agency (PEIA). PEIA also requires annual updates to OPPS. The PEIA rates include the West Virginia Children Health Insurance Program (WVCHIP). The vendor must provide update that ensure efficiency and equitability to both payers and providers. The review should identify any deficiencies in these systems and focus on areas of potential improvement. The vendor will provide updates to the payment parameters for these systems and provide support to the payers, their claims processors, and to providers, as necessary.

1.3 RFP Format:

This RFP has four parts.

1. Part 1 contains general informational sections,
2. Part 2 describes the background and working environment of this project,
3. Part 3 is a statement of the specifications for the services requested pursuant to this RFP, contractual requirements, and general terms/conditions and
4. Part 4 explains the required format of the Vendor's response to the RFP, the evaluation criteria the State will use in evaluating the proposals received, and how the evaluation will be conducted.

1.4 Inquiries:

Additional information inquiries regarding specifications of this RFP must be submitted in writing to the PEIA Deputy Director of Insurance Programs & Services, with the exception of questions raised during the pre-bid conference which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.16. All inquiries must be addressed to:

Charlotte K. Stover
Director of Operations
West Virginia Public Employees Insurance Agency
601 57th St., SE, Suite 2
Charleston, West Virginia 25304-2345
Phone: 304-558-7850, Ext 52661
Fax: (877) 233-4295
Email: charlotte.k.stover@wv.gov

Absolutely NO contact related to this RFP shall be made by the vendor with any member of the PEIA, Medicaid, or WVCHIP. Violation may result in rejection of the bid. The individual named above is the sole contact for any and all inquiries after this RFP has been released.

1.5 Vendor Registration:

Vendors participating in this process may complete and file a *Vendor Registration and Disclosure Statement* (Form WV-1) and remit the registration fee. Vendor is not required to be a registered vendor in order to submit a proposal, but the successful vendor must register and pay the fee prior to the award of an actual purchase order/contract.

1.6 Oral Statements and Commitments:

Vendors must clearly understand that any verbal representations made or assumed to be made during any oral discussions held between Vendor=s representatives and any State personnel is not binding. Only information issued in writing and added to the Request for Proposal by an official written addendum is binding.

1.7 Economy of Preparation:

Proposals should be prepared simply and economically, providing a concise description of the Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

1.8 Labeling of RFP Sections:

The sections within this RFP contain instructions governing how the Vendor's proposal is to be arranged and submitted and how the material is to be identified and included therein.

1.8.1 *Mandatory Requirements.*

The mandatory sections included in parts 3 and 4 require a response, and they describe the minimum requirements requested in this RFP. Any specification or statement containing the word must, shall, or will is mandatory. The vendor is required to meet the intent of the mandatory specifications in order to be eligible for consideration and to continue in the evaluation process. A simple yes or no response to these

sections is not adequate. Failure to meet mandatory items shall result in disqualification of the vendor's proposal and the evaluation process terminated for that vendor. Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the State.

1.82 *Contract Terms and Conditions:*

Section A3" details the contractual terms and conditions under which the State of West Virginia will enter into a contract.

1.83 *Informational Sections:*

Information specifications do not require a response from the vendor. They are intended to aid the vendor in structuring an effective proposal capable of meeting the needs of the issuing agency.

1.9 **Proposal Format and Submission:**

1.91 Vendors must complete a response to all mandatory specifications in order to be considered. Each proposal must be formatted as per the outline in Part 4 of this RFP. No other arrangement or distribution of the proposal information may be made by the vendor. Failure on the part of the vendor to respond to specific requirements detailed in the RFP may be basis for disqualification of the proposal. The State reserves the right to waive any informalities in the proposal format and minor irregularities.

1.92 Proposing vendors will submit one (1) original technical and one (1) original cost proposal along with an electronic copy of each. All copies must be submitted prior to the date and time stipulated in the RFP. All bids will be date and time stamped to verify official time and date of receipt. The original technical and cost proposal will be delivered under separate cover which clearly identifies each of them as "original technical proposal" and "original cost proposal". The exact technical proposal electronic copies will be sent separately with cover to clearly identify each as "technical proposal copy" and "cost proposal copy". The mailing address is:

Public Employees Insurance Agency (PEIA)
Attn: Charlotte K. Stover, Director of Operations
601 57th St, SE, Suite 2
Charleston, West Virginia 25304-2345
Fax: (877) 233-4295
Email: charlotte.k.stover@wv.gov

1.93 Vendors who mail proposals must allow sufficient time for mail delivery to ensure timely arrival. All proposals must be received at PEIA by 4:00 p.m., August 10, 2017. Any proposal received after the bid opening date and time will be disqualified in accordance with State law and the administrative rules and regulations.

1.10 Rejection of Proposals:

The State shall select the best value solution according to the evaluation criteria. However, the State reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The State reserves the right to withdraw this RFP at any time and for any reason. Submission of, or receipt by the State of proposals confers no rights upon the vendor nor obligates the State in any manner.

A contract based on this RFP and the Vendor's proposal, may or may not be awarded. Any contract resulting in an award from this RFP is not valid until properly approved and executed.

1.11 Incurring Costs:

The State and its employees or officers shall not be held liable for any expenses incurred by any vendor responding to this RFP for expenses to prepare, deliver the proposal, or to attend any mandatory pre-bid meetings or oral presentations.

1.12 Addenda:

If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by the PEIA to all vendors of record.

1.13 Independent Price Determination:

A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.

1.14 Price Quotations:

The price(s) quoted in the vendor's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

1.15 Public Record:

1.15.1 *Submissions are Public Record.*

All documents submitted in response to this RFP are considered public records. All bids, proposals, or offers submitted by vendors shall become public information and are available for inspection during normal business hours of the PEIA.

1.15.2 *Written Release of Information.*

All public information may be released with or without a Freedom of Information request, however, only a written request will be acted upon with duplications fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently the fees are \$0.75/page, or a minimum of \$10.00 per request whichever is greater.

1.15.3 *Risk of Disclosure.*

The only exemptions to disclosure of information are listed in West Virginia Code '29B-1-4. Primarily, trade secrets as submitted by a vendor are the only exemption to public disclosure. The submission of any information to the State by a vendor puts the risk of disclosure on the vendor. The State will make a reasonable effort not to disclose information that is within the guidelines of '29B-1-4 and is properly labeled "proprietary information, not for public disclosure". The State does not guarantee non-disclosure of any information to the public.

In the event the WV PEIA receives a Freedom of Information Act request for materials the vendor has labeled as "proprietary information, not for public disclosure," the WV PEIA will notify the vendor of such request. The vendor must bear all responsibility for defending the confidentiality and, absent a ruling by an appropriate court, the vendor's designation of materials as proprietary is not binding on the WV PEIA.

1.16 Schedule of Events:

Release of the RFP.....	July 10, 2017
Prebid Conference.....	July 21, 2107
Letter of Intent to Bid	July 21, 2107
Vendors Written Questions Submission Deadline	July 26, 2017
RFP Responses Received by PEIA.....4:00 pm.	August 10, 2017
Bid Opening Date.....	August 10, 2017
Contract Award.....	October 1, 2017
Contract Begins.....	January 1, 2018

1.17 Pre-bid Conference

A pre-bid conference shall be conducted on the date specified above at 2:00 pm at 601 57th St, SE, Suite 2, Charleston, West Virginia. Interested vendors may be present at this meeting or may attend via conference call. No one person can represent more than one vendor. **Participants: Phone No. (866) 206-0240 Pin 367013#.**

1.18 Letter of Intent to Bid

A letter of intent to bid must be submitted to PEIA by 4:00 pm on July 21, 2017. Paper of electronic format is acceptable. To email the letter of intent, send it to charlotte.k.stover@wv.gov

1.19 Inspection and Site Visits

The WV PEIA and/or Evaluation Committee reserve the right to inspect and conduct site visits to the vendor's corporate office and any of the reference locations stated in the proposal. The inspection and site visits, if performed, may affect the technical scores.

1.20 Reference Checks

The WV PEIA reserves the right to obtain reference information concerning a vendor from listed sources, as well as any and all sources and to consider such information in evaluating the vendors. References will be taken into consideration and may affect the technical scores.

1.21 Bond Requirements
Section 3.3

1.22 Purchasing Affidavit - Attachment A:

All vendors will submit an affidavit (Attachment A) regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.

1.23 HIPAA

The prospective vendor will be performing an administrative service on behalf of the covered entity, PEIA, and, as such, will be considered a Business Associate as defined by 45 CFR Part 160.103 and will be expected to comply with any and/or all applicable provisions of the Privacy and Security Rule(s) of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) including, but not limited to provisions of the Omnibus Security Rule(s) and the Health Information Technology for Economic and Clinical Health (HITECH) Act enacted as part of the American Recovery and Reinvestment Act of 2009, that was signed into law on February 17, 2009.

PART 2 OPERATING ENVIRONMENT

2.1 Location:

Bureau for Medical Services is located at 350 Capitol Street, Room 251, Charleston, WV 25301-3706.

Public Employees Insurance Agency is located, at 601 57th St., SE, Suite 2 Charleston, WV 25304-2345

2.2 Background:

In January 1996, West Virginia's public payers, the Bureau for Medical Services, and the Public Employees Insurance Agency, implemented the Prospective Payment System (PPS) for inpatient care in an effort to curtail increasing expenditures. The system is a modified version of Medicare's PPS system. The system reimburses each acute inpatient hospital stay, subject to PPS, by assigning the stay to a diagnosis related group (DRG) and paying a set rate. The system

recognizes outliers in regards to cost.

In November 1994, the public payers implemented the Resource Based Relative Value Scale (RBRVS) as the common payment system for physicians and other professional services. The payers adopted a modified version of Medicare's RBRVS. The system is updated annually using CMS's National Fee Schedule Relative Value File, very minor modifications.

In January 2005, the WV Public Employees Insurance Agency implemented the Outpatient PPS. This system assigns each outpatient encounter to an ambulatory payment classification (APC) and pays a set amount for the encounter. The system is updated annually with respect to the conversion factor and is based on Medicare's OPSS. In 2018 PEIA and WVCHIP would like to include Critical Access Hospital (CAH) facilities in the PPS and OPSS process.

PART 3 PROCUREMENT SPECIFICATIONS

3.1 General Requirements:

This part sets forth the nature and scope of services for the tasks required under this contract, and also discusses the optional services. Optional services may or may not be implemented by the payers. Vendors must respond to optional service requirements and submit costs in the cost proposal. Vendors must have the ability to implement those services listed as optional. However, optional services are strictly used at the agency's discretion. Vendors may propose different methodologies for rendering tasks as long as all tasks are completed. A vendor proposing alternate methodology must demonstrate that all tasks/deliverables will be completed. The vendor must produce:

1. Updates to the Inpatient Hospital Prospective Payment System (PPS), for the rate years 2019, 2020, and 2021, for PEIA and Medicaid;
2. Updates to the Resource Based Relative Value Scale (RBRVS) system for PEIA and Medicaid for rates years 2019, 2020 and 2021. The review should identify any deficiencies in the system and focus on areas of improvement. The vendor should also provide consulting to the payers by designing and recommending plans for improvements that may be made to the system. The vendor Will be responsible for the assessment and analysis of federal healthcare reform provisions as well as any future federal or state regulations to ensure State compliance.

The vendor will be responsible for providing reimbursement levels, rates or assignment of RYU weights for procedures in which the RBRVS schedule does not provide relative value units (Such as Immunizations).

3. Updates to the Outpatient Prospective Payment System (OPPS) for PEIA for rates years 2019, 2020 and 2021.

3.2 Scope of Work:

Task 1: Updating the PPS System

Updating the PPS system will consist of developing DRG weights for the new rate year, updating other payment parameters, and monitoring implementation of the new rates. Determine at which amount to set the outlier threshold in order for the payers to average no more than 4.5% of total payments to be made to outlier cases. The first update will be effective July 1, 2018. Specifically, the tasks are as follows:

Task 1.1A: Update DRG Weights

Weights should be based on the most current DRG grouper, which Medicare implements each year, and submitted hospital charges or costs. Adjustments to weights are currently based on each DRG's percentage of outlier payments and any change required by state or federal laws. It is possible that the payers may change from the current charge based system to a cost based system for future updates.

Task 1.1B: Update Low Volume DRGs

Develop methodology to identify those DRG's that are low volume and a method of payment.

Task 1.1C: Update Operating and Capital Standardized Amounts

Develop a methodology to update standardized operating and capital amounts for inflation and other factors. Identify those hospitals that have been designated as a Sole Community Hospital (SCH), as this designation will change the facility's standardized amount.

Task 1.1D: Update Outlier Threshold

Determine at which amount to set the outlier threshold in order for the payers to average no more than 4.5% of total payments to be made to outlier cases.

Task 1.1E: Update Direct and Indirect Medical Education

Recalibrate each hospital's Indirect Medical Education adjustment to the standard DRG payment. This adjustment should accurately reimburse hospitals for the indirect costs of medical education. Direct Medical Education costs are reimbursed through a lump sum quarterly payment. These payments are based on full time employee (FTE) counts and each payer's share of inpatient hospital days. Provide updates for the allowable payment per resident.

Task 1.1F: Review Per Diem Rates for Transfers

Review and update methodology used to reimburse hospitals for transfer cases. The methodology should ensure proper reimbursement of costs and intensity of services associated with length of stay before the transfer.

Task 1.1G: Update Uncompensated Care

PEIA reimburses hospitals for their share of uncompensated care through an adjustment to the standard PPS rate. This update should ensure fair payment. Medicaid reimburses for uncompensated care with payments that fall outside the PPS system.

Task 1.1H: Other Updates

Other updates include developing operating and total cost to charge ratios for each hospital within the PPS system; updating the list of Critical Access Hospitals, as these are exempt from the PPS system; developing updates to adjust payment rates for any up coding that is identifiable within the system. Updates should also conform to any laws enacted by the legislature and any policy changes enacted by the payers.

Task 1.1I: Documentation

The vendor shall develop and submit a written document with each rate update outlining all changes made from the previous update that includes the actual updates under each category outlined above, any changes to methodology for the updates, and any underlying rationale for changes to the methodology. This document should also outline any outside environmental factors, i.e., healthcare reform, legislation, market dynamics, etc., that affect the updates and clarify any changes in classification of hospital under the PPS.

Task 1.2: Other Tasks

The payers may request other tasks involving reviewing and implementing new rates and/or payment systems. These tasks may include, but are not limited to:

- 1) Meeting with payers to review payment policies, and with Medicaid to review any changes and proposed changes to the state plan,
- 2) Meeting with payers and affected providers to review proposed rates,
- 3) Delivering the new rates and payment parameters to the payers and their claims processors in agreed upon formats, and to claims processors, along with an implementation memo, and
- 4) Providing technical assistance to claims processors during the implementation phase. The final transmission of the updated rates and payment parameters

must be completed one full month prior to the beginning of the rate year. The vendor will also provide each hospital their rates and an instruction memo participating in West Virginia.

Task 2: Review RBRVS System

The vendor shall devise methodology and implement a plan to review the current RBRVS system and its payment policies. The review should consider each payer's unique program and focus on identifying areas of inefficiency and inequity within the payment system relative to each program. The vendor should provide feedback to the payers identifying these areas with recommendations for policy changes that will correct the underlying problems. The vendor will be responsible for incorporating in their review, an analysis of federal healthcare reform provisions or any other federal or state regulation that may impact payers. The vendor will be responsible for providing reimbursement levels or assigned RYU weights to procedures in which the RBRVS schedule does not provide relative value units (RYU) for services. Determination of a budget neutral conversion factor is required.

Task 3: Outpatient PPS System

The vendor shall develop and implement a plan to review the current Outpatient Hospital Prospective Payment System using the Ambulatory Payment Classification (APC) system and provide annual updates to this system. Vendor shall perform and transmit annual updates to the OPSS system rates. Updates shall reflect changes in case mix and productivity of the hospitals. Adjustments for inflation and other factors shall also be included in the annual updates. The vendor will deliver parameters for the update to the claim processors as well as a notification to the hospitals of the update factors.

Task 4: Optional Tasks

Develop fee methodologies with respect to Medicaid, PEIA, and WVCHIP as requested. The payers may or may not call upon the vendor to complete these tasks.

Task 4.1A: Develop fee methodologies for other services such as Home Health Services, Nursing Facilities, Outpatient Hospital services, Anesthesia, Rehabilitation Services, Multi-Disciplinary Pain Management Services, Ambulance Services. The vendor will be required to submit an implementation plan detailing approach and methodology that meets the agency's objectives and provide an estimated cost associated for each request,

Task 4.1B: Develop fee methodology and fees for Other Medical Services as the need is identified. Additional methodologies may be needed from time to time to respond to new and emerging services.

Task 4.1C: Prepare Upper Payment Limit (UPL) analysis to ensure State compliance with 42 CFR 447.271; 447.272 inpatient facilities; 447.304 non-

institutional & 447.321 outpatient hospital & clinic provisions.

Under this optional task, the vendor also will provide services and advice on other fee schedule matters as they arise, including, but not limited to, change in federal or state regulations and will be subject to the limitations of the Division budget. These additional services may include appearances by the vendor's personnel before judicial, legislative, and executive bodies, employer and claimant groups, or others, to respond to questions related or to give reports. These services also will include the preparation of written reports concerning fee schedule development, as deemed necessary by the Division. Preparation of testimony and testimony before administrative hearings, tribunals, and state and federal courts may be required.

All work under the proposed contract additions will be under the direction of the Director of the Public Employees Insurance Agency, or his/her designated officers. Written reports must be submitted initially in draft form, in order that any necessary changes may be discussed and agreed upon before final acceptance. Any public statements that may be required must be discussed with the Director prior to the statements being made or released.

3.3 Special Terms and Conditions:

3.3.1 *Bid and Performance Bonds:*

A Bid Bond and a Performance Bond are required prior to issuance of a Purchase Order. The Bid Bond shall be in the amount of 5% of the total Vendor bid and shall be submitted with the bid. The Performance Bond shall be in the amount of 100% of the Vendor bid submitted.

3.3.2 *Insurance Requirements:*

The Vendor as an independent Vendor is solely liable for the acts and omissions of its employees and agents. Proof of insurance shall be provided by the Vendor at the time the contract is awarded. The Vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of the Vendor, its agents and employees in the following amounts:

1. For bodily injury (including death): \$500,000.00 per person, up to \$1,000,000.00 per occurrence.
2. For property damage and professional liability: Up to \$1,000,000.00 per occurrence;

3.3.3 *License Requirements:*

Provide evidence that the vendor is in good standing with the State Agency of Employment Programs as to Unemployment Compensation coverage and

Workers's Compensation coverage or exempt from such coverage.

3.3.4 Litigation Wavier – Attachment B:

Each vendor responding to this request for proposal required to submit a litigation bond in the amount of 5% of submitted bid, made payable to the State of West Virginia Purchasing Division. This bond must be issued by a surety company licensed to do business in the State of West Virginia with the West Virginia Insurance Commission, on a form acceptable to the State, and countersigned by a West Virginia Resident Agent. The only acceptable alternate forms of the bond are (1) a company certified check (not an individual) or; (2) a cashier check or; (3) the bidder's completion and submission of Attachment B.

The purpose of the litigation bond is to discourage unwarranted or frivolous law suits pertaining to the award of a contract from this request for proposal. Secondly, the bond provides a mechanism for the State of West Virginia, the Agency, it's officers, employees, or agents thereof to recover damages, including (but not limited to) attorney fees, loss of revenue, loss of grants or portions thereof, penalties imposed by the federal government and travel expenses which may result from any such litigation. A claim against the bond will be made if the vendor contests the award in a court of competent jurisdiction and the grounds are found to be unwarranted or frivolous based on the facts of the award or applicable law as determined by the court.

The bond or alternate form must remain in effect for two years from the proposal submission date. After six (6) months, each vendor may request, and the State anticipates granting, a release of the litigation bond. However, the vendor will be required to provide a release (signed and notarized in a form that is acceptable to the State) prior to release of the bond which states that the vendor will not sue.

Failure to submit an appropriate bond or alternate bond with the proposal at the time of bid opening will result in automatic disqualification of the vendor's proposal and the proposal will be considered non-responsive.

3.3.5 *Purchasing Affidavit - Attachment A:*

All vendors must submit an affidavit of debt which certifies that there are no outstanding obligations or debts, including delinquent tax liability, owed to the State of West Virginia.

The Debt Affidavit is attached (Attachment A) to this request for proposal which *must* be completed, signed and returned *with* the vendor's proposal. If bidding a joint proposal, a Debt Affidavit must be completed for both vendors.

3.3.6 Proposing vendors must provide a copy of their financial statements for the most recent three (3) years which have been audited by a certified public accountant.

3.4 General Terms and Conditions:

By signing and submitting their proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

3.4.1 *Conflict of Interest:*

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the PEIA.

3.4.2 Prohibition Against Gratuities:

Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty; the State shall have the right to annul this contract without liability at its discretion, and/or to pursue any other remedies available under this contract or by law.

3.4.3 *Certifications Related to Lobbying:*

Vendor certifies that no State appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any State entity, in connection with the awarding of any State contract, the making of any State grant, the making of any State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any State contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. **This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.**

3.4.4 Vendor Relationship:

The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Proposing vendors must disclose relationships (consulting or otherwise) they have or will have during the course of this contract, with any West Virginia providers. PEIA reserves the right to consider these relationships in the evaluation process and may disqualify a vendor if it is determined that a relationship exists that could affect a task(s) proposed by the vendor.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor nor any employees or contractors of the vendor shall be deemed to be employees of the State for any purposes whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and PEIA with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the PEIA.

3.4.5 Ownership of Material:

All written materials, including reports, data, educational materials, and other documentation (whether in printed or electronic form), collected or produced for the WV PEIA under this agreement shall become the property of the State of West Virginia.

The vendor may not use any of the material produced or developed for the WV PEIA as a result of this proposal without the written consent of the PEIA.

3.4.6 *Indemnification:*

The Vendor agrees to indemnify, defend and hold harmless the State and the PEIA, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to

any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws. Any clause requiring the PEIA, WV CHIP, or any other state entity to indemnify or hold harmless any party is unacceptable.

3.4.7 *Contract Provisions:*

After the successful Vendor is selected, a formal contract document will be executed between the State and the Vendor. In addition, the RFP and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFP and the Vendor's proposal in response to the RFP.

3.4.8 *Governing Law:*

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws (Federal, State or Local Government) regulations.

3.4.9 *Compliance with Laws and Regulations:*

The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use, or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

3.4.10 *Subcontracts/Joint Ventures:*

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the

sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract, however, the vendor is totally responsible for payment of all subcontractors.

3.4.11 Term of Contract & Renewals:

This contract will be effective January 1, 2018, and shall extend for the period of three (3) years, at which time the contract may, upon mutual consent, be renewed annually each year thereafter. Such renewals are for a period of up to two (2) years, or until such reasonable time thereafter as is necessary to obtain a new contract. During the reasonable time period the vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the Vendor by the PEIA and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

3.4.12 Non-Appropriation of Funds:

If the PEIA is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the PEIA may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The PEIA shall give the vendor written notice of such non-allocation of funds as soon as possible after the PEIA receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

3.4.13 Contract Termination:

The State may terminate any contract resulting from this RFP with 30 days. The State will provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the State shall issue the Vendor an order to cease all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may also be terminated upon mutual agreement of the parties with thirty (30) days written prior notice.

3.4.14 Changes:

If changes to the original contract become necessary, then appropriate language will be amended to the contract as a written addendum to address changes to the terms and conditions, and costs of work included under the contract. An approved contract amendment is required whenever the change affects the payment provision and/or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements. (No changes are to be implemented except as described above and shall be limited to 10% of the original contract award amount.)

As soon as possible after receipt of a written change request from the PEIA, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide the PEIA a written statement to identifying any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the Vendor shall, provide a description of the price increase or decrease involved in implementing the requested change.

NO CHANGES SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN

AMENDMENT OR ADDENDUM. To proceed on verbal approval only is to do so at the VENDOR'S own risk.

3.4.15 Invoices, Progress Payments & Retainage:

The Vendor shall submit invoices, in arrears, to the PEIA at the address on the face of the purchase order labeled invoice pursuant to the terms of the contract.

Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services. Backup documentation for all indirect costs is required with each invoice submission.

3.4.16 Liquidated Damages:

Vendor agrees that liquidated damages may be imposed for failure to provide deliverables. This clause shall in no way be considered exclusive and shall not limit the State or PEIA's right to pursue to any other additional remedy to which the State or Agency may have legal cause for action including further damages and penalties against the Vendor.

3.4.17 Record Retention (Access & Confidentiality):

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to PEIA or its designee's personnel at Vendor's location during normal business hours upon written request by PEIA within 10 days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the State to the extent required for Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and PEIA against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by Vendor.

PART 4 PROPOSAL FORMAT

4.1 Vendor's Proposal Format:

The proposal must be formatted in the same order, providing the information listed below:

Title page - Should state the RFP Subject, the name of the Vendor, Vendor's business address, telephone number, name of authorized contact person to speak on behalf of the Vendor, dated and signed.

Table of Contents - Clearly identify the material by section and page number.

Section I. Understanding of the Project Objectives and Time-line

Vendors shall discuss their understanding of the overall project; list current projects with which they are now engaged; and, list their workload scheduled through December 31, 2017. Vendors shall provide a time line showing how they will be able to commence providing services upon award of contract and continue to provide those services. A statement that the firm will meet the desired deadlines shall be included.

Section II. Vendor Experience

Vendors must provide credible, detailed evidence of their related experience and capabilities in developing rate setting methodologies. Vendors must provide details of: the background of the company/organization; the size and location of the company/organization; the resources related to the required services that are available to the company/organization; and, the experience and capabilities of the company/organization which qualify and enable them to provide the service. At least three (3) Vendor references from work within the previous five (5) years must be included, along with a detailed description of the work performed for each reference.

Section ID. Qualifications of Project Staff

Vendors must provide resumes of qualified staff to be assigned to the project and a staff organizational chart. If proposed staff are not employed by the Vendor, the Vendor must provide a signed letter of intent from the individual indicating that they will accept employment if the Vendor is awarded the contract. Vendors must identify key personnel assigned to the project. Vendors must indicate percentage of time key personnel will be dedicated to this project for the first contract year. The Public Employees Insurance Agency (PEIA) reserves the right to reject any staff proposed or later assigned to the project and require the successful Vendor to remove them from the project. Vendors must provide resumes of qualified staff to be assigned to the project, including their licenses, credentials and experience in Medicaid and the field of behavioral health as well as with utilization review.

Section IV. Project Work Plan

The work plan must demonstrate a clear grasp of the overall project and services to be provided, with specific action steps that will guarantee the successful provision and completion of services. This work plan must detail how the Vendor will perform and complete the services required in Part 3 of this RFP (Scope of Work to be Performed).

Section V. Cost Proposal The cost proposal shall contain:

- A. The total "not to exceed" cost of the contract together with a detailed cost breakdown and the method used to arrive at the costs. The total "not to exceed" cost is to contain all direct and indirect costs including travel and out of pocket expenses.
- B. The factors involved in calculating that amount, including any hourly rates of staff, together with a breakdown of all costs and estimated hours of work associated with the proposal.
- C. Any anticipated travel must be incorporated into the Vendor's hourly rate. No travel will be reimbursed by the State and is the sole responsibility of the Vendor.
- D. Vendor is to submit costs on the cost proposal sheets attached and labeled as Cost Proposal.

Each task of the RFP must be priced separately, so that those costs may be excluded from consideration in the event that a particular component is deemed not cost effective upon review of proposals. Vendors will be evaluated only on the mandatory sections, but must include costs for all optional sections.

If applicable, sign and submit the attached Vendor Preference Certificate with the cost proposal – Attachment C.

4.2 Evaluation Process:

Proposals will be evaluated by a committee of three (3) or more individuals in accordance with the criteria stated. The selection of the successful vendor will be made by a consensus of the evaluation committee. The criteria and the assigned weight factors are as follows:

Evaluation Criteria: The following are the factors and point values:

A. Understanding of Project Objectives and Time Lines Possible	25 Points
B. Vendor Experience Possible	10 Points
C. Qualifications of Project Staff Possible	10 Points
D. Project Work Plan	25 Points Possible
E. Cost	30 Points Possible
Total	<hr/> 100 Points Possible

Each cost proposal cost will be evaluated by use of the following formula:

Lowest price of all proposals

$$\times 30 = \text{Price Score}$$

Price of Proposal being evaluated

Minimum Acceptable Score:

Vendors must score a minimum of 70% of the total technical points possible. The minimum qualifying score would be 70% of 70 points or a technical score of 49 points or greater to be eligible for further consideration and to continue in the evaluation process. All vendors not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.

The State will select the successful vendor's proposal based on best value purchasing which is not necessarily the low bidder. Cost is considered but is not the sole determining factor for award. The State does reserve the right to accept or reject any or all of the proposals, in whole or in part, without prejudice if to do

so is felt to be in the best interests of the State.

Vendor=s failure to provide complete and accurate information may be considered grounds for disqualification. The State reserves the right if necessary to ask vendors for additional information to clarify their proposals. Nothing may be added to alter the written solution or method contained in the original proposal after the bid opening.

COST PROPOSAL

Total all inclusive fee for (project) \$ _____

Grand total breakdown by task:

Task #1 PPS: Cost Breakdown

Staff Level	Rate	Estimated Hours	Total

Total Labor Cost \$ _____
 Total Indirect Cost \$ _____
 Total Not to Exceed Cost \$ _____

Task #2 RBRVS: Cost Breakdown

Staff Level	Rate	Estimated Hours	Total

Total Labor Cost \$ _____
 Total Indirect Cost \$ _____
 Total Not to Exceed Cost \$ _____

Task #3 OPSS: Cost Breakdown

Staff Level	Rate	Estimated Hours	Total

Total Labor Cost \$ _____
 Total Indirect Cost \$ _____
 Total Not to Exceed Cost \$ _____

Task #4 Optional Tasks: Cost Breakdown

Staff Level	Rate	Estimated Hours	Total
-------------	------	-----------------	-------

Total Labor Cost \$ _____
Total Indirect Cost \$ _____
Total Not to Exceed Cost \$ _____

Attachment A

Purchasing Affidavit

W.Va. Code §5A-3-10a states:

No contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor as defined in this section and the debt owed is an amount greater than five thousand dollars in the aggregate.

Definitions:

"Debt" means any assessment, penalty, fine, tax, or other amount of money owed to the state because of a judgment, fine, permit violation, license assessment, penalty or other assessment presently due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon;

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or its political subdivisions;

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever related to any vendor by blood, marriage, ownership or contract through which the party has a relationship or ownership or other interest with the vendor, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving the amount that meets or exceeds five percent of the total contract amount.

Exception:

The prohibition does not apply where a vendor has contested any tax administered pursuant to chapter eleven of W.Va. Code, workers' compensation premium, permit fee or environmental fee or assessment, and the matter has not become final, or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (W.Va. Code § 61,5J), it is hereby certified that the bidder and all related parties do not owe any debts or, if a debt is owed, that the provisions of the exception clause (above) apply.

Vendor's Name:

Authorized Signature:

Date:

Attachment B

Litigation Waiver

Proposer's Total Waiver of Legal Challenge

_____ hereinafter "Proposer," wishes to submit a Proposal in response to the Request for Proposal for the Provider Reimbursement Consultant Services issued July 10, 2017 by the Public Employees Insurance Agency (PEIA) for the state of West Virginia.

The Proposer acknowledges that a mandatory requirement of the RFP is that the Proposer submit a litigation bond with its proposal.

In consideration of the waiver of said litigation bond requirement by the PEIA, and in lieu of such bond, the Proposer agrees:

The Proposer completely waives and foregoes any and all legal right or ability it may now have, or in the future acquire, to initiate any sort of challenge to or against the selection of a proposer and/or the ultimate award of a contract or contracts pursuant to the RFP. This Waiver is entered voluntarily by a representative authorized to legally bind the Proposer and shall be binding on the Proposer, its successors, assigns, heirs and any others claiming under the legal rights of the Proposer. This Waiver shall apply to any, and all types of action, in challenge to or seeking to attack, in any way, the RFP selection process, or the subsequent award of contract(s) to the successful proposer, including but limited to, administrative, judicial, or collateral actions.

Legal Name of the Proposer

By: _____
Authorized Signature

Title: _____
Title of Authorized Signature

Approved:
Public Employees Insurance Agency for the State of West Virginia

By: _____
Authorized Signature

Attachment C
State of West Virginia
VENDOR PREFERENCE CERTIFICATE

Form can be found on The State of West Virginia's web-site under Forms #8

<http://www.state.us/admin/purchase>

Attachment D
AGREEMENT ADDENDUM

Form can be found on The State of West Virginia's web-site under Forms #3

<http://www.state.us/admin/purchase>