STATE OF HAWAII
Department of Human Services

REQUEST FOR PROPOSAL
NO. RFP-MQD-2005-002

TO PROVIDE EDUCATIONAL AND OUTREACH SERVICES TARGETING FAMILIES WITH CHILDREN

Med-QUEST Division

Med-QUEST Division
Finance Office
Issued May 12, 2004

STATE OF HAWAII

DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
KAPOLEI, HAWAII

Legal Ad Date: May 12, 2004

REQUEST FOR PROPOSALS

No. RFP-MQD-2005-002

Competitive Sealed Proposals:

To Provide Educational and Outreach Services
Targeting Families with Children

will be received up to 2:00 p.m. Hawaii Standard Time (H.S.T.)
on June 4, 2004
in the Department of Human Services
Med-QUEST Division
1001 Kamokila Boulevard, Room 317
Kapolei, Hawaii 96707

Questions relating to this solicitation may be directed to:
Dona Jean Watanabe
Telephone: (808) 692-7973
Fax: (808) 692-7989

for Steven Kawada, Assistant Administrator
Department of Human Services/Med-QUEST Division

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SECTION 10 ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposal

As a part of welfare reform, Congress repealed the Aid to Families with Dependent Children (AFDC) program and replaced it with a time limited welfare program entitled Temporary Assistance to Needy Families (TANF). When TANF was created under section 1931, the cash assistance program was "delinked" from Medicaid.

For many years, the cash program was the vehicle for obtaining medical coverage for many families. As the number of TANF cases declined nationwide, Congress became concerned that many low-income families were losing medical coverage as they transitioned from welfare to self-sufficiency. To assist the states in addressing this challenge, Congress established a $500 million 1931 fund to help states improve Medicaid program enrollment and eligibility determination processes as they relate to the "delinking" of cash and medical assistance.

For a variety of reasons, even though the TANF rolls have decreased, Hawaii has not experienced a corollary significant drop in the Medicaid coverage (QUEST) program. The state continues to provide medical coverage for TANF recipients and has implemented procedures and system modifications to enable families to retain medical coverage even as TANF benefits have been terminated. Still, the state seeks to fully utilize the available 1931 delinking funding opportunity and is seeking qualified organizations to provide educational, outreach and local community activities targeting families with dependent children who are potentially or currently eligible for medical coverage.

The purpose of this Request for Proposal (RFP), is to solicit proposals for a qualified Contractor to:

- Identify persons who are not eligible for or not interested in applying for TANF, but eligible for medical coverage under the section 1931 eligibility category.
- Educate families that Medicaid eligibility is not tied to the receipt of TANF.

- Educate families losing TANF benefits that they may qualify for transitional medical coverage.

The organizations responding to this RFP must be able to provide the required services on a statewide basis. Proposals limited to a specific island or county will not be accepted.

The successful Contractor shall provide all staffing, office space, office equipment, travel expenses, computer hardware and software procedures required to perform the services described herein. The Contractor shall be responsible for all costs of providing the required services as described in this RFP.

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

The Department of Human Services (DHS) reserves the right to modify, amend, change, add or delete any requirements in this RFP and in the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, the State will consider allowing Offerors additional time to submit their proposals.

Offerors are encouraged to read each section of the RFP thoroughly. While sections may appear similar among RFP's state purchasing agencies may add additional information as applicable. It is the responsibility of the Offeror to understand the requirements of each RFP.

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 prospective Offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any Offerors 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, Department of Human Services. 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. The Issuing Officer is:

Mr. Steven Kawada, Assistant Administrator
Department of Human Services/Med-QUEST Division
601 Kamokila Boulevard, Suite 518
Kapolei, HI 96707
Telephone: (808) 692-8050

10.400 Organization of the RFP

This RFP is composed of eight 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 Requirements– Provides information on the rules and schedules for procurement of the educational and outreach services.

- Section 30 – Background – Describes the current medical assistance program, Medicaid fee-for-service, QUEST, QUEST-Net, and the role of DHS.

- Section 40 – Scope of Services- Provides information on the educational and outreach services to be provided under the contract.

- Section 50 – Terms and Conditions – Describes the terms and conditions under which the work will be performed.

- Section 60 – Technical Proposal – Defines the required format of the technical proposal and the minimum information to be provided in the proposal.

- Section 70 – Business Proposal – Defines the required format of the business proposal and the minimum information to be provided in the proposal.

- Section 80 – Evaluation – Defines the evaluation criteria and explains the evaluation process.

Various appendices are included to support the information presented in Sections 10 through 80. Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be a part of the contracts with the successful Offerors.

SECTION 20 RFP SCHEDULE AND REQUIREMENTS

20.100 RFP Timeline

The delivery schedule set forth herein represents the DHS's best estimate 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	May 12, 2004
Submission of written questions and Notice of Intent to Propose	May 20, 2004
Written responses to questions	May 24, 2004
Receipt of proposals	June 4, 2004
Contract Award	June 14, 2004
Implementation	July 1, 2004

20.200 Written Questions

Offerors shall submit questions in writing and/or on diskette in Word 97 format, or lower to the following address:

Mr. Steven Kawada
c/o Dona Jean Watanabe
Med-QUEST Division-Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707-2005
Fax: (808) 692-7989

The written questions shall reference the RFP section, page and paragraph number. Offerors must submit written questions by 2:00 p.m. (H.S.T.) on May 20, 2004. DHS shall respond to the written questions no later than May 24, 2004. Only correspondence issued by the issuing officer shall be considered valid. No verbal responses shall be considered as official.

20.300 Notice of Intent

Potential Offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than 2:00 p.m. (H.S.T.) May 20, 2004. Submission of a Notice of Intent to Propose is not a prerequisite for the submission of a proposal, but it is necessary that the Issuing Officer receive the letter by this deadline to assure proper distribution of amendments, questions and answers and other communication regarding this RFP.

Notice of Intent can be mailed of faxed to:

Steven Kawada
c/o Dona Jean Watanabe
Med-QUEST Division-Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707-2005

Fax Number: (808) 692-7989

20.400 Tax Clearance

Each Offeror shall provide the State and Federal Tax Clearance, as assurance that all state and federal liabilities have been paid and there are no outstanding balances owed. These tax clearances must be provided at the time the proposals are submitted and prior to the final payment made for this contract period.

An original or certified copy of a tax clearance certificate issued by the Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with the Contractor's proposal by the due date and time.

Effective 12/1/97, tax clearance certificates are valid for a six-month (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, an 8/1/98 certificate is valid through 2/1/99.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX Tax Clearance Application Form A-6 (rev. 2002) 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 and 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

Out-of-state Offerors should mail their applications to DOTAX's Oahu District Office.

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

20.500 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. Contractor shall submit a "Certificate of Good Standing" issued by the DCCA, BREG.

A business entity referred to as a "compliant non-Hawaii business" is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. Contractor shall submit a "Certificate of Good Standing" and may be obtained from www.BusinessRegistrations.com. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency.

Contractors are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA. Any costs are the responsibility of the Contractor.

20.600 References

Contractor will list, on Appendix B, three (3) companies, non-profit organizations, or government agencies for which services similar to those requested herein were, or are currently being performed. The State reserves the right to contact the references provided.

20.700 Documentation

Offerors may review information describing Hawaii's Medicaid program and QUEST program by contacting the RFP Coordinator by telephone between 7:45 A.M. and 4:30 P.M. 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 documentation library maintained at the location of the issuing officer in Kapolei, Hawaii includes the following:

- QUEST application
- Definition of medical services
- Minimum QAP standards
- Organization charts and functional statements
- Rules and regulations
- Definition of aged, blind and disabled
- Financial sanctions
- Financial reporting requirements
- Complaint, grievance and appeal requirements
- Outstationed Workers Guide
- 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 Proposal Bond

Each transmittal letter with the proposal shall be accompanied by a proposal bond in the form of:

- Legal tender (cash)
- Certificate of deposit issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Certified check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Cashier's check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii

The proposal bond shall be in the amount of $500.00 (Five Hundred Dollars). The proposal bond shall be forfeited to DHS if a successful Offeror fails to execute a contract within 14 days after notification of award of contract. DHS will extend the 14 days for circumstances beyond the control of the Offeror. The proposal bond shall be returned to the successful Offeror upon execution of a legal contract and submittal of a performance bond, and to the unsuccessful Offerors after the contract has been signed by all appropriate parties.

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 this RFP.

20.920 Restriction on Communication with State Staff

From the issue date of this RFP until an Offeror is selected and the selection is announced, communications with State staff may be made pursuant to Section 3-143-401, Hawaii Administrative Rules (HAR).

21.100 RFP Amendments

DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal. Amendments shall be sent to all potential Offerors who requested copies of the RFP.

21.200 Costs of Preparing Proposal

Any costs incurred by the Offerors for the development and submittal of a 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.

21.300 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 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 which do not meet mandatory requirements or which do not meet all the threshold requirements during the technical evaluation phase, shall have their technical and business proposals returned. The business proposal shall be returned unopened.

21.400 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 June 4, 2004 provided that a request in writing 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.

21.500 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.

An 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 a conflict of interest be detected at any time during the term of 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.

21.600 Confidentiality of Information

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." Proprietary or confidential information includes, but is not limited to, business, financial information, medical records, and patient information. An explanation to DHS of how substantial competitive harm would occur if the information were released is required. DHS will maintain the confidentiality of the information to the extent allowed by law.

21.700 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 the 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.

21.800 Submission of Proposals

Each qualified Offeror may submit only one proposal. More than one proposal shall not be accepted from any Offeror.

Proposals shall be submitted in two parts: technical and business proposals. The format and content of each are specified in Sections 60 and 70 respectively.

Four (4) bound and one (1) unbound copy of the technical proposal and (1) bound and one (1) unbound copy of the

business proposal shall be received by the Issuing Officer no later than 2:00 p.m. (H.S.T.) on June 4, 2004. Any proposals received after June 4, 2004, 2004, 2:00 p.m. HST will be rejected and returned to the Offeror. Proposals shall be mailed or delivered to:

Mr. Steven Kawada
c/o Dona Jean Watanabe
Department of Human Services
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707

Any proposal received after this date and time shall be rejected.

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

Hawaii DHS/RFP-MQD-2005-002
Educational and Outreach Services
Technical Proposal
(Name of Offeror)

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

Hawaii DHS/RFP-MQD-2005-002
Educational and Outreach Services
Business Proposal
(Name of Offeror)

Any amendments to proposals shall be submitted in a manner consistent with this Section.

21.900 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 participant 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 or services.

- An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts.

- An Offeror's lack of sufficient experience to perform the work contemplated.

- An Offeror's lack of a proper license to cover the type of work contemplated if required to perform the required services.

- An Offeror shows any noncompliance with applicable laws.

- An Offeror's delivery of proposal after the deadline specified in the advertisement calling for bids.

- 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 lack of a proposal bond.

- An Offeror's consistently substandard performance related to meeting the MQD requirements from previous contracts.

22.100 Irregular Proposals

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

- If either the proposal letter or 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 required proposal bond is not included in the envelope with the transmittal letter.

- If the proposal bond is not in accordance with the form or substance required by this RFP.

- If an Offeror or surety fails to sign the surety bond submitted as proposal guaranty.

- 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.

22.200 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 or more of the following reasons: (Relevant sections of the HAR for Chapter 103F, HRS are parenthesized)

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

22.300 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 to the public inspection after a contract has been awarded and executed by all parties.

22.400 Award Notice

A notice of intended contract award, if any, shall be sent to the selected Offeror on or about June 14, 2004.

The contract award is subject to available funding. Any agreement arising out of an offer 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 state, regulation, rule, order, or other directive.

22.500 Disputes on Award of Contract

Offerors may file a protest against the awarding of the contract as long as an original and two copies of the protest is served upon the head of the state purchasing agency that conducted the protested procurement, and the procurement officer who handled the protested procurement, by United States mail, or by hand-delivery. A Notice of Protest regarding an award of contract and related matters that arise in connection with a procurement made under a competitive purchase of services shall by served within five working days of the postmark of the notice of findings and decision sent to the protester. The Notice of Protest form, SPO-H-801, is available on the SPO website www2.hawaii.gov/spoh. Only the following 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 RFP issued by the state purchasing agency.

Head of State Purchasing Agency	**Procurement Officer**
Name: Lillian B. Koller, Esq.	Name: Steve Kawada
Title: Director	Title: Procurement Officer
Mailing Address: P.O. Box 339 Honolulu, Hawaii 96809-0339	Mailing Address: P.O Box 700190 Kapolei, Hawaii 96709-0190
Business Address: 1390 Miller St. Honolulu, Hawaii 96813	Business Address: 601 Kamokila Boulevard, Room 518 Kapolei, Hawaii 96707

SECTION 30 BACKGROUND

30.100 Medical Assistance in Hawaii

In Hawaii, the majority of the working population and their families receive health care coverage through employer based plans, a result of the Prepaid Health Care Act of 1974. The Act mandates that employers provide medical benefits to their employees whom work 20 or more hours a week. The Act is limited to medical and psychiatric benefits and does not mandate employers to provide prescription drugs, vision or dental coverage.

Medical assistance to qualified indigent, uninsured and underinsured individuals is provided through the State administered Medicaid Fee-For-Service, QUEST and QUEST-Net programs.

30.200 Aged, Blind and Disabled (ABD)

The State's Medicaid Fee-For-Service program provides medical assistance to eligible individuals under Title XIX of the Social Security Act. The Medicaid Fee-For-Service program is a state administered program, which receives federal funding for approximately 50% of its expenditures. The Medicaid Fee-For-Service program is administered by the Med-QUEST Division (MQD) of DHS.

Hawaii's Medicaid Fee-For-Service program covers all mandatory Medicaid groups as well as several optional eligibility groups. Under the current Medicaid program for the aged, blind and disabled, payments are made to providers based on the service (s) rendered (fee-for-service).

As of the end of the 2003 calendar year there were approximately 39,400 recipients under the Fee-For-Service Program statewide.

30.300 Hawaii QUEST (QUEST)

In its efforts to increase access to health care and control the rate of annual increases in health care expenditures, the State of Hawaii developed Hawaii QUEST. QUEST is a statewide Medicaid

demonstration project (Section 1115 waiver) that provides medical, dental, and behavioral health services through competitive managed care delivery systems. Beginning October 1, 2001, all QUEST, QUEST Net, and Medicaid Fee-For-Service recipients access dental services through a fee-for-service program which includes coordination of travel for dental-related care. Certain services are not the responsibility of the QUEST plans, and are specified in Appendix I.

QUEST includes individuals in the:

- Temporary Assistance For Needy Families (TANF) and TANF related programs
- Foster Care
- General Assistance (GA) Program
- Former State Health Insurance Program (SHIP)

At the end of calendar year 2003, there were approximately 142,600 recipients in QUEST.

(Refer to the QUEST document in the documentation library for additional information on the program.)

30.400 QUEST-Net

QUEST-Net is a program implemented on April 1, 1996, providing limited medical, dental and behavioral health services to eligible members. This program was developed primarily to serve as a safety net for persons who become ineligible for QUEST or ABD because their assets exceed the allowable retention limitations. This program also provides a safety net for current QUEST members and ABD members who qualify for QUEST or ABD but may voluntarily enroll in QUEST-Net to obtain lower out-of-pocket costs. Applicants with any type of medical coverage including Medicare, VA, or Tricare, are not eligible for QUEST-Net.

Effective January 1, 1997, certain individuals and families whose AFDC/TANF financial assistance are terminated due to increased earned income or work hours, will be allowed to enroll into the QUEST-Net program for a maximum of 12 months. Participants must meet basic eligibility criteria, have income below 300% of the federal poverty level, and not be eligible for employer-

sponsored health coverage. There is no asset test for this group. During the first 6 months, these individuals and families will not pay a premium share. During the second 6-month period, those whose income exceed 200% of the FPL will be responsible for premium share. DHS will notify the plans of changes to the members' expiration of the twelve-month eligibility.

The medical plans shall be responsible for providing all medical and behavioral health services covered under the QUEST-Net program to the members. QUEST-Net children receive the same benefit package as QUEST children and the State reimburses the medical plan the QUEST rate for each QUEST-Net child. For purposes of QUEST-Net, children include any child up to the age of 21. Individuals 21 and over in QUEST-Net are subject to limited medical and behavioral health benefits and are not eligible for enrollment into the Behavioral Health Managed plan, or other services such as case management, outreach services, and transportation. Dental benefits are the same for QUEST and QUEST-Net adults.

QUEST-Net has approximately 7,000 members.

30.500 Department of Human Services

MQD is the organizational unit within DHS that is responsible for the operation and administration of the medical assistance programs including QUEST, QUEST-Net and Medicaid fee-for-service program. For purposes related to this RFP, the basic functions or responsibilities of MQD include:

- Developing and defining the medical, dental, and behavioral health benefits to be provided through the QUEST and Medicaid Fee-For-Service Programs.

- Developing the rules, policies, regulations and procedures to be followed under the Medicaid fee-for-service program, QUEST and QUEST-Net

- Negotiating and contracting with selected medical, dental, case management organizations and behavioral health plans

- Determining initial and continued eligibility of members

- Enrolling and disenrolling members
- Monitoring the quality assurance/improvement programs of plans and providers
- Reviewing utilization of services provided by the plans and care coordination organizations.
- Handling unresolved patient grievances with the plans and providers
- Billing and collecting premium share
- Monitoring the financial status of QUEST, QUEST-Net and the medical, dental and behavioral health plans
- Analyzing the effectiveness of QUEST and QUEST-Net in meeting its objectives
- Managing the Hawaii Prepaid Medical Management Information System (HPMMIS) and the Premium Share Billing System
- Providing member information to the health plans

(Refer to the organization charts and functional statement in the documentation library for additional information on the functions of DHS and MQD)

SECTION 40 SCOPE OF SERVICES

40.100 Offeror's Role

The Offeror shall provide services in the community to identify potential beneficiaries, and assist them in applying for DHS services. The Offeror shall also provide assistance to families in the redetermination process, as necessary and appropriate.

40.200 Statewide Organization

Proposals shall be for services statewide. Only one organization shall be awarded a contract.

40.300 Reimbursement

The method of reimbursement from DHS to the Offeror shall be a monthly invoice itemizing the services provided. The invoice shall be based on actual expenditures.

40.400 Educational and Outreach Activities

The Offeror shall engage in activities to educate the community about the Department's available financial and medical programs for families with children. Through its educational and outreach efforts, the Offeror shall also identify potential recipients and assist them in completing and submitting applications as desired.

The Offeror shall identify the target at-risk families geographically (i.e., by island or major portions of the island such as East or West Hawaii). The Offeror shall select and implement educational and outreach activities to reach the target population. The Offeror shall employ non-traditional work hours, culturally and linguistically appropriate approaches to educate families about the DHS programs and to encourage families to submit applications.

Educational and outreach activities may be performed in a variety and combination of ways including, but not limited to the following:

- Meeting individually with community leaders, Medicaid providers and others who may be in contact with potential recipients
- Participating in local community activities including health fairs
- Attending and participating in community meetings and town meetings
- Participating in activities with and within schools
- Public service announcements on television, radio and print
- Paying for television, radio and/or print coverage
- Mailing of publications
- Printing and mailing postcards to households in the area
- Printing and posting flyers
- Operating telephone "hotline" services
- Operating a walk-in service
- Establishing and maintaining a web-site

All printed materials, video presentations, and any other information prepared by the Offeror that pertain to or reference a State program shall be reviewed and approved by the MQD before use or distribution.

If awarded a contract, the Offeror shall produce a pamphlet or brochure to be distributed to Medicaid providers and the communities-at-large that will describe information on the following:

- The services available by the organization;
- The location and work hours of the office(s);
- Contact information (mailing address, telephone, fax, e-mail, website, etc.)
- Any limitations or restrictions (e.g., no guarantee of eligibility)

The brochure or pamphlet shall provide information in at least the following languages:

- English
- Ilocano
- Tagalog
- Chinese
- Korean

The Offeror shall certify that the transcription of the information to the different languages has been reviewed by a qualified individual for accuracy.

40.500 Application and Benefit Re-Determination Assistance

40.510 Assistance with Applications

If requested, the Offeror shall explain the various DHS programs for which the family could potentially qualify and shall assist families in completing the necessary applications for program eligibility for TANF, TAONF, and/or Medicaid/QUEST. The Offeror's employees or subcontractors shall use the process outlined for outstationed eligibility workers when assisting applicants. The Offeror's employees or subcontractors shall verify information and ask necessary appropriate questions to assure the accuracy of the application. The Offeror may follow-up with the applicant and the DHS office until final determination or disposition is made. Note that the determination by DHS will be sent to the applicant and not the Offeror.

The Offeror shall not create its own eligibility related forms or modify any of the DHS forms. Additionally, the Offeror shall abide by department rules for the submission of an application. The Offeror does not have authority for eligibility determination so the Offeror shall not state or imply that eligibility is assured.

40.520 Assistance with Re-Determination

The department is required by its various programs to re-determine continued eligibility. The TANF and TAONF programs review eligibility on a monthly basis and QUEST/Medicaid programs review eligibility on an annual basis. Beginning June 1, 2004, the MQD will be implementing a passive renewal process for QUEST families. If there is no change in information,

the family does not have to return the form, and continued eligibility will be based on existing information that was previously reported. Families with members in the Medicaid fee-for-service program will be required to complete and return the renewal form.

40.600 Administrative Oversight

The Offeror is responsible for securing resources either through the hiring of employees or subcontracting services to develop an effective educational and outreach program. The Offeror shall implement a process for evaluating the effectiveness of its various educational and outreach efforts. The Offeror shall have office locations on all of the islands throughout the state, and shall be responsible for providing an adequate staffing level to ensure both telephone and in-person coverage.

The Offeror is responsible for providing the necessary training and administrative oversight of the outreach workers (employees or contract) to ensure that the information disseminated related to the DHS programs is current and accurate. The Offeror shall have a program in place for screening and qualifying language translators to ensure the accuracy of the translation. The Offeror shall be able to offer Braille, large print and sign language to those who require it. The Offeror may use the Out-stationed Eligibility Handbook to train its workers on the application process.

The Offeror shall monitor its employees' and subcontractors' performance, and take corrective action as appropriate. At a minimum, the Offeror shall have a process for receiving and evaluating complaints and conducting regular staff performance reviews.

40.700 Reporting Requirements

The Offeror shall prepare and submit reports specified in this Section to the MQD as required. The Offeror should be clear to report only the activities associated with the funding of this contract. As an example, MQD provides funding for outstationed eligibility workers at the Federally Qualified Health Centers, and certain DSH hospitals. If the Offeror chooses to subcontract portions of work of this contract to the FQHCs, the Offeror shall

be responsible to assure the reporting of information and application outreach for this contract be separate from the any current FQHC outstationed worker contract. The subcontracted FQHC must choose to report the applications either under the outstationed worker contract or this contract.

40.710 Quarterly Reports on Educational and Outreach Activities

The Offeror is responsible to submit a quarterly report (based on the State fiscal year of July 1, – June 30) to the State. The report must be submitted within 45 days after the end of the quarter, and quarterly for the term of the contract. The Offeror shall establish a data collection system to provide the following data:

- A listing of the various activities engaged in for the quarter (meeting with Medicaid providers, maintaining a hotline, town meetings, etc.) and the number of contacts per activity. The MQD recognizes that certain activities such as placing posters in stores, community halls, etc. may not result in any contacts.
- The number of non-application or non-renewal contacts made in the quarter. The Offeror shall break down the contacts by contact type (e.g., face-to-face, telephone, mail, faxes, website, etc.)
- Number and nature of complaints received from recipients and non-recipients, and the nature of the complaints
- Number of applications completed by island and program type.
- Number of renewal forms completed by island and program type.

40.720 Annual Financial Reports

The Contractor shall provide financial reports on the expenditures of the contract on a fiscal year basis (July 1 through June 30). Reports must be submitted within 6 months after the close of the fiscal year.

SECTION 50 TERMS AND CONDITIONS

50.100 General

This RFP, any amendments, appendices, and an Offeror's proposal submitted in response to this RFP form an integral part of the contract between an Offeror and DHS. In exchange for payment from DHS for Educational and Outreach Services, the Offeror shall perform all of the services and shall develop, produce and deliver to DHS all of the data requirements described in this RFP.

In the event of a conflict between the contract or agreement, and applicable statutes and regulations, the latter shall prevail. In the event of conflict among the contract documents, the order of precedence shall be as follows: (1) Agreement, including all general conditions, special conditions, attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) Offeror'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 QUEST and the Fee-For-Service Program. 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 contract shall be construed in accordance with the laws of the State of Hawaii.

The Offeror shall comply with all laws, ordinances, codes, rules and any way affect its performance under the contract. The standard State general terms and conditions found in Appendix C shall become part of the contract between the Contractor and the State.

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 offer shall be executed by the Hawaii Department of Human Services in accordance with the Hawaii Revised Statutes, Chapter 103F, and the administrative rules promulgated thereunder.

50.200 Term of the Contract

The contract term shall begin on July 1, 2004 and shall continue through June 30, 2005.

DHS shall have the option to extend the contract with the contractor for two (2) fiscal years beyond June 30, 2005. Any renewal or extension of the contract will be subject to the appropriation and availability of funds and acceptable performance by the Offeror (to be determined by the State).

The Offeror acknowledges that other unanticipated uncertainties may arise that may require an increase in the original scope of services from the Contractor awarded this contract. In the event that additional services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the State for the additional work. The supplemental agreement may also include an extension of the period of performance and a respective increase in the compensation.

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of Human Services. The contract is for the initial period of July 1, 2004 to June 30, 2005. Unless terminated, the contract shall be extended without the necessity of re-bidding, for not more than two (2) additional 12-month period or parts thereof, upon mutual agreement in writing, at least sixty (60) days prior to expiration of the contract, provided that the contract price for the extended period shall remain the same or lower than the initial bid price or as adjusted in accordance with the CONTRACT PRICE ADJUSTMENT provision herein. Funds are available for only the initial term of the contract, and the contractual obligation of both parties in each fiscal period succeeding the first initial term is subject to the appropriation and availability of funds to DHS.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however this does not affect either the State's rights or the Contractor's rights under any termination clause of the contract. The State must notify the Contractor, in writing, at least sixty (60) days prior to the expiration of the contract whether funds are available or not available for the continuation of the contract for each succeeding contract extension period. In the event of cancellation, as provided in this paragraph, the Contractor will be reimbursed for the unamortized, reasonably incurred, nonrecurring costs, in accordance with HRS 103F-315(c) and § 3-122-149 (g), HAR.

50.300 Contract Changes

Administrative, procedural and system changes to this contract for the scope of the work as defined in this RFP shall be accomplished by written contract amendment. There are two types of contract amendments.

- Administrative and procedural changes shall be made utilizing a process whereby a contract amendment is written describing the new or changed requirement, approved as to form by the Department of Attorney General, and signed by the Director of DHS and the authorized representative of the Contractor
- Changes to the scope of services to be provided by a Contractor shall be negotiated by the parties and rates established. If the parties reach an agreement, the contract terms shall be modified accordingly by a written amendment signed by the Director of DHS and an authorized representative of the Contractor

If the parties are unable to reach an agreement within 30 days of the Contractor's receipt of a contract change, the MQD Assistant Administrator shall make a determination as to the revised price, and the Contractor shall proceed with the work according to a schedule approved by DHS, subject to the Contractor's right to appeal the MQD Assistant Administrator's determination of the price.

50.400 Inspection of Work Performed

DHS, 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 Investigation Division of the Department of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of an 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. All inspections and evaluations shall be performed in such a manner as to not unduly delay work. All records and files pertaining to the CC services must be located in Hawaii at the CCO's principal place of business or at a storage facility on Oahu that is accessible.

50.500 Wages, Hours and Working Conditions of Employees Providing Services

Services to be performed by an Offeror and its subcontractors or providers shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work. Additionally, an Offeror shall comply with all applicable laws of Federal and State government relative to workers compensation, unemployment compensation, payment of wages and safety.

50.600 Standards of Conduct

The Contractor shall certify that the Contractor (1) has not been represented or assisted personally in the proposal nor has been represented in the procurement process by a person who has been an employee of DHS in the preceding year and has participated in the current Medicaid program operation, (2) has not been assisted or represented by a legislator or employee (as defined in Section 84-3, HRS) for a fee or other compensation to obtain the contract, or (3) will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of the contract, if the legislator or employee was involved in the development or award of the contract. The Contractor shall execute the Contractor's Standards of Conduct Declaration, a copy of which is found in Appendix H, and which

shall become part of the contract between the Contractor and the State.

50.700 Disputes

Any dispute concerning a question of fact arising under the contract which is not disposed of by mutual agreement shall be decided by the Director of DHS or his/her duly authorized representative who shall reduce his/her decision to writing and mail or otherwise furnish a copy to the Contractor within ninety 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, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith. In connection with any dispute proceeding under this clause, a 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.

50.800 Audit Requirements

The State and Federal standards for audits of DHS agents, contractors and programs conducted under contract are applicable to this subsection and are incorporated by reference into this RFP. DHS may inspect or audit any financial records of an Offeror and its subcontractors or providers.

50.900 Offeror Accounting Records Requirements

An Offeror shall, in accordance with generally accepted accounting practices, maintain fiscal records and supporting documents and related files, papers and reports that adequately reflect all direct and indirect expenditures and management and fiscal practices related to the Offeror's performance of services under this contract.

An Offeror's accounting procedures and practices shall conform to generally accepted accounting principles and the costs properly applicable to the contract shall be readily ascertainable from the records.

51.100 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

- 42 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 that does not identify particular individuals, provided that deidentification of protected health information must be in compliance with the HIPAA Privacy Rule.

Contractors acknowledges that the Security Standards for the Protection of Electronic Protected Health Information, 45 CFR Part 160 and Part 164, Subpart C (the Security Rule), promulgated under the HIPAA, are effective April 20, 2005, and that Contractor will be required to enter into a supplemental agreement with terms deemed necessary by the State to evidence State's compliance with the requirements of section 164.314 of the Security 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 F, which shall become part of the contract between the Contractor and the State.

51.200 Liquidated Damages

DHS acknowledges that in the event of breach of this contract, it would be difficult to measure damages. Therefore, in the event of any breach of the terms of the contract by the Contractor, liquidated damages shall be assessed against the Contractor in an amount equal to the costs of obtaining alternative services for the members. The damages shall include the difference in the administrative rates paid to the Contractor and the rates paid to a replacement Contractor.

Notwithstanding the above, a Contractor shall not be relieved of liability to the State for any damages sustained by the State due to the Contractor's breach of the contract.

DHS may withhold from payments to a Contractor, amounts for liquidated damages until such damages are paid in full.

51.300 Monthly Invoice

The Contractor shall submit an original and one copy of the monthly invoice for reimbursements to the following address.

Department of Human Services
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707

51.400 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.

51.500 Performance Bond

The performance bond shall be liable to forfeit by a Contractor in the event the Contractor is unable to properly, promptly and efficiently perform the contract terms and conditions and/or the contract is terminated by the default or bankruptcy of the Contractor. The Contractor shall obtain a performance bond, with the Department of Human Services, State of Hawaii designated as the sole payee, in the amount of $5,000.00 (Five Thousand Dollars) issued by:

- a reputable surety company authorized to do business in the State of Hawaii conditioned upon the prompt, proper, and efficient performance of the contract, and shall submit the same to DHS prior to, or at the time of the execution of the contract (Appendix I-Exhibit B)

- Certificate of deposit; share certificate; or cashier's, treasurer's, teller's, or official check drawn by, or a certified check and made payable to the Department of Human Services, State of Hawaii, issued by a bank, a savings institution, or credit union that is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration, and payable at sight or unconditionally assigned to the procurement officer advertising for offers. These instruments may be utilized only to a maximum of

$100,000 each and must be issued by different financial institutions (Appendix I-Exhibit C)

51.600 Warranty of Fiscal Integrity

An Offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. An Offeror shall provide sufficient financial data and information to prove its financial solvency.

51.700 Full Disclosure

An 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.

An Offeror shall not, without DHS' prior approval, lend money or extend credit to any related party. An Offeror shall fully disclose such proposed transactions and submit a formal written request for review and approval.

An Offeror shall include such provisions in any contract or agreement made with subcontractors or providers.

51.800 Insurance

In addition to the insurance requirement in the general conditions found in Appendix C, the Contractor shall obtain, maintain, and keep in force throughout the period of the contract automobile liability insurance issued by an insurance company authorized to do business in the State of Hawaii, or meet the requirements of section 431.8-301, Hawaii Revised Statutes, if utilizing an insurance company not licensed by the State of Hawaii and complying with the Hawaii No Fault Insurance Law. The coverage limits shall be at least THREE HUNDRED THOUSAND AND NO/100 DOLLARS ($300,000.00), each person with respect to bodily injury and FIFTY THOUSAND AND NO/100 DOLLARS ($50,000.00) each occurrence with respect to property damage. Prior to or upon execution of the contract, the Contractor shall furnish State with a Certificate of Insurance

verifying the existence of such insurance. Such certificate shall also contain an endorsement that such insurance may not be cancelled, except upon thirty (30) calendar days written notice to the State of Hawaii.

Contractor's employees that are required to use personally owned vehicles to carry out services specified in the contract shall be required to have a valid driver's license and to use only vehicles with at least minimum no-fault coverage required by law.

51.900 Termination of the Contract

This contract may terminate or may be terminated by DHS for any or all of the following reasons in addition to the general conditions in Appendix C:

- For any default by an Offeror
- In the event of the insolvency of or declaration of bankruptcy by an Offeror
- In the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder

Each of these is described in the following subsections.

51.910 Termination for Default

The failure of an Offeror to comply with any term, condition, or provision of this contract shall constitute default by the Offeror. In the event of default, DHS shall notify the Offeror by certified or registered mail, return receipt requested, of the specific act or omission of the Offeror which constitutes default. The Offeror shall have 15 days from the date of receipt of such notification to cure such default. In the event of default, and during the above-specified grace period, performance under the contract shall continue as though the default had never occurred. In the event the default is not cured in 15 days, DHS may, at its sole option, terminate the contract for default. Such termination shall be accomplished by written notice of termination forwarded to the Offeror by certified or registered mail and shall be effective at the close of business on the date specified in the notice. If it is determined, after notice of termination for default, that the Offeror's failure was due to causes beyond the control of and

without error or negligence of the Offeror, the termination shall be deemed a termination for convenience.

DHS' decision not to declare default shall not be deemed a waiver of such default for the purpose of any other remedy an Offeror may have.

51.920 Termination for Bankruptcy or Insolvency

In the event that an 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 a 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.

51.930 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 an Offeror the occurrence thereof, and such certification shall be conclusive.

52.100 Procedure for Termination

Regardless of the circumstances of the termination (for reasons by Offeror or State) the contracting organization shall:

- Stop work under the contract on the date and to the extent specified in the notice of termination

- Notify the members and providers of the termination and assist the State in an orderly transition to the new Contractor

- Place no further orders or subcontracts for materials, services, or facilities, 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 Assistant Administrator of the right, title, and interest of an 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 Assistant 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 the work as shall not have been terminated by the notice of the termination

- Take such action as may be necessary, or as the MQD Assistant 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 an 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. An Offeror agrees that DHS or its agent shall have a non-exclusive, royalty-free right to the use of any such documentation.

52.200 Termination Claims

After receipt of a notice of termination, an Offeror shall submit to the MQD Assistant Administrator any termination claim in the form and with the certification prescribed by the MQD Assistant Administrator. Such claim shall be submitted promptly but in no event later than six months from the effective date of termination. Upon failure of an Offeror to submit its termination claims within the time allowed, the MQD Assistant 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 an 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, an 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. An Offeror shall be paid only the following upon termination:

- At the contract price(s) for the number of members enrolled in the Medicaid Fee-For-Service program at the time of termination; and/or

- At a price mutually agreed by an Offeror and DHS.

In the event of the failure of an 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.

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

52.300 Force Majeure

If a 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.

52.400 Conflict of Interest

An Offeror convenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with its performance hereunder. An Offeror further convenants that in the performance of the contract no person having any such interest is presently employed or shall be employed in the future.

52.500 Prohibition of Gratuities

Neither an Offeror nor any person, firm or corporation employed by an 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.

52.600 Attorney's Fees

In the event that DHS should prevail in any legal action arising out of the performance or non-performance of this contract, the Offeror shall pay, in addition to any damages, all expenses of such action including reasonable attorney's fees and costs. The term 'legal action' shall be deemed to include administrative proceedings of all kinds, as well as all actions at law or equity.

52.700 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

The following sections describe the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

The technical proposal shall include the following sections:

- Transmittal letter
- Executive Summary
- Company background and experience
- Organization and staffing
- Data collection and reporting
- Educational and outreach programs
- Timeline for implementation
- Insurance Certificate
- Proposal Bond
- Federal and State tax clearance certificates

Failure of an Offeror to comply with any of these mandatory requirements will result in a rejection of the proposal during this phase of the evaluation.

The Offeror must state specifically where each requirement noted above is met within the RFP.

60.200 Transmittal Letter

The transmittal letter shall be on official 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 prime Offeror and each subcontractor, as measured by percentage of total contract price. If

subcontractors will not be used for this contract a statement to this effect shall be included.

- A statement that the Offeror is/will be registered to do business in Hawaii and has or will obtain a State of Hawaii General Excise Tax License by the start of work.

- 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 or 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 or 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.

- A Hawaii Excise tax number (if applicable)

- Registration Form completed and submitted (Appendix G)

- Standards of Conduct Declaration completed and submitted (Appendix H)

60.300 Executive Summary

The executive summary should provide DHS with a broad understanding of the entire proposal; the executive summary shall clearly and concisely condense and highlight the contents of the technical proposal in such a way as to provide MQD with a broad understanding of the Offeror's qualifications and approach to meeting the requirements of this RFP.

The executive summary chapter shall highlight the Offeror's:

- Understanding of the scope of services
- Overall approach to the project and a summary of the contents of the proposal
- Qualifications to serve as MQD Contractor for the project

60.400 Company Background and Experience

The company background and experience section shall include for an Offeror and each subcontractor (if any): details of the background of the company, its size and resources, and details of company experience relevant to this RFP.

60.410 Background of the Company

A description of the history of the company to include but not limited to:

- a general description of the primary business of your organization and its client base
- a brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile. 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, including the officers of the corporation, and the name and address of its registered agent
- Home office location and all other offices (by city and state)
- Location of office from which any contract would be administered
- Name, address and telephone number of the Offeror's point of contact for a contract resulting from this RFP
- Number of employees both locally and nationally
- The size of organization in assets, revenue and people
- The areas of specialization

60.420 Company Experience

The details of company experience relevant to the RFP include but not limited to:

- Experience in providing the required services
- Experience working with healthcare providers and persons in the community
- Experience working with educational and outreach services and programs
- Other relevant experience

60.500 Organization and Staffing

The organization and staffing section shall include organization charts of proposed personnel and resumes of all management, supervisory and key personnel. The information should provide the State with a clear understanding of the organization, functions of key personnel and on-site personnel during start-up and on-going operations.

The Offeror shall provide a metric formula used to estimate the proposed number of staff to be engaged to complete the contracted activities. The proposed staff to workload ratio

should include but not be limited to the number of hours estimated to complete an application or eligibility re-determination, the number of projected home visits, follow-up contacts, number of community activities/meetings, or development of Public Service media announcements.

60.510 Organization Charts

The organization charts shall show:

- The structure of the organization and identification of the proposed staff positions to be utilized in this project, including full-time equivalents (FTE)
- All proposed key personnel, including an indication of their major areas of responsibility and position within the organization
- Geographic location of the Offeror's personnel

60.520 Personnel Resumes

The resumes of key personnel proposed shall include, if applicable:

- Experience with the Medicaid program
- Experience in educational/outreach programs
- Relevant education and training
- Names, position titles and phone numbers of references who can provide information on the individuals' experience and competence.

Resumes should be provided, at a minimum, for the Program Director, and any supervisors. The Offeror shall identify an individual within the organization who will be the key contact person for MQD. The resume for this individual shall be included with any other relevant resumes.

If an Offeror seeks confidentiality on a part of a submission, each page of the section of that submission which is sought to be protected must be marked as "Proprietary" and an explanation of

how substantial competitive harm would occur if that information was released upon request. If the explanation is sufficient, then, to the extent permitted by the exemptions in Section 92F-13, HRS, 45 CFR Part 5, and Office of Information Practices, or a Court, the affected section may be deemed confidential. Blanket labeling of the entire document as "Proprietary," however, is inappropriate.

60.600 Data Collection and Reporting Capabilities

This section shall explain the Offeror's system to collect, maintain and process the required information and reports to MQD. This section shall also include explanations as to any modifications or expansions needed in order to meet the specified data requirements.

60.700 Educational and Outreach Programs

The Offeror shall describe in this section, the target populations on each island and the proposed educational and outreach programs. The Offeror shall identify the process or methodology used to identify the target population(s), and describe how the proposed educational and outreach programs will reach those population(s). The proposed educational and outreach programs may be different for each island and for each specific target population. To the extent possible, the Offeror shall provide demographic data on each of the target populations. The Offeror shall identify the objectives of each educational and outreach program and the desired outcome.

If the Offeror intends to use employees and subcontractor resources within the various island offices, the Offeror shall identify which FTEs will perform the work in the staffing portion of the proposal. The resumes of these FTEs should reflect qualifications to perform the outreach and educational work.

60.800 Work plan and Timeline for Implementation

The Offeror shall provide a work plan and timeline for implementation identifying the required actions and the timeline for completing each of the actions. The timeline should specify whether the action will be completed by the Offeror's staff or subcontractor.

SECTION 70 BIDDER'S BUSINESS PROPOSAL SUMMARY STATEMENT

70.100 Cost Proposal

The offeror shall provide a cost per service for the scope of work specified in the RFP. The offer submitted will be the offeror's best and final offer. The cost proposal shall include the schedule in Appendix J.

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 mandatory requirements (15%)
- Review of background and experience of the organization (25%)
- Proposed educational and outreach activities (35%)
- Data collection and reporting capabilities (15%)
- Timeline for implementation (10%)

80.200 Evaluation Committee

DHS shall establish an evaluation committee that will evaluate the proposals. The committee shall consist of persons familiar with the Hawaii Medicaid programs and the minimum standards or criteria for this RFP. Additionally, DHS, may, at its discretion, designate additional representatives to assist in the evaluation process. The committee shall evaluate the assigned section(s) of each qualifying proposal and document their comments, concerns and questions.

The evaluation committee may contact the references in Appendix B provided in response to Section 20.600. Additionally, the evaluation committee may engage in follow-up telephone calls to others to clarify any offeror comment or information in its proposal; contact any current users of an offeror's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process.

Upon completion of the evaluation and review of business proposals, MQD shall forward its recommendation to the Director of Human Services or designate for approval of award.

80.300 Mandatory Requirements

Proposals shall first be reviewed to ensure that all mandatory requirements have been met. Only proposals which have satisfied the mandatory requirements as set forth in Section 60 shall be reviewed further. Proposals shall comply with the instructions to Offerors contained throughout this RFP. Failure to comply with the instructions shall deem the proposal non-responsive and subject to disqualification. MQD reserves the right to waive minor irregularities.

The minimum requirements for a proposal to be given consideration are:

Closing Date: The proposal shall have been received, as provided in Section 20, before the closing of acceptance of proposals in the number of copies specified.

Compliance: The proposal shall comply with all of the format requirements and the Technical Proposal requirements described in Section 60.

Mandatory Conditions: All mandatory General and Specific Terms and Conditions contained in Sections 50 and 60 shall be accepted.

80.400 Technical Proposal Evaluation

80.410 Evaluation Criteria

Following the determination that the proposal meets the mandatory requirements, the Evaluation Committee will complete its evaluation of the Technical Proposal. Proposals shall comply with the instructions to Offerors contained throughout this RFP. Failure to comply with the instructions shall deem the proposal non-responsive and subject to disqualification without further consideration. MQD reserves the right to waive minor irregularities.

Proposals shall be evaluated by MQD using but not limited to the following criteria:

- Offeror's approach to identifying target populations and educating providers, community groups, and others to maximize outreach efforts to families who could qualify for medical assistance.
- Innovation and experience of the Offeror in implementing and administering educational and outreach programs and other services required in the RFP in the Medicaid and other similar environments.
- Demonstration in the written proposal of the Offeror's ability, facilities, and capacity to provide all required services in a timely, efficient and professional manner.
- Staffing described in Section 60.500 and appropriateness of staff experience and expertise to assigned functions and responsibilities.
- Work plans described in Section 60.800
- Quality of references (i.e., references who clearly address the nature and satisfaction of the work performed by the Offeror).

80.500 Award

80.510 Business Proposal

The MQD will open the cost proposals for all offerors whose proposals meet the mandatory and minimum technical requirements. Proposals which fail to meet the mandatory or minimum technical requirements will be returned to the offeror.

80.520 Award

The bidder with the lowest cost proposal will be awarded the contract. In the event of a tie on the lowest cost proposal by any of the offerors, the offeror with the highest technical proposal score will be awarded the contract.