

STATE OF DELAWARE



DELAWARE HEALTH
AND SOCIAL SERVICES

DIVISION OF
MANAGEMENT
SERVICES

1901 N. DuPont Highway
New Castle, DE 19720

REQUEST FOR PROPOSAL NO. PSC-0728

FOR

ACTUARIAL CONSULTANT SERVICES

FOR

DIVISION OF MEDICAID & MEDICAL ASSISTANCE

HERMAN M. HOLLOWAY SR. CAMPUS

LEWIS BUILDING

1901 N. DUPONT HIGHWAY

NEW CASTLE, DE 19720

Deposit	Waived
Performance Bond	Waived

Date Due: April 17, 2007
11:00 a.m. LOCAL TIME

A mandatory pre-bid meeting will be held on February 14, 2007 at 9:30 a.m. at the Herman M. Holloway Sr. Campus, Lewis Building, Second Floor, Room #258, 1901 N. DuPont Highway, New Castle, DE 19720.

DELAWARE HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
PROCUREMENT BRANCH
HERMAN M. HOLLOWAY SR.CAMPUS
1901 N. DUPONT HIGHWAY
NEW CASTLE, DELAWARE 19720

REQUEST FOR PROPOSAL #PSC-0728

Sealed proposals for External Quality Review Organization for Delaware Health and Social Services, Division of Medicaid & Medical Assistance, Herman M. Holloway Sr. Campus, 1901 N. DuPont Highway, New Castle, DE 19720 will be received by Delaware Health and Social Services, Herman M. Holloway Sr. Campus, Procurement Branch, Main Administration Building, South Loop, Second Floor, Room #259, 1901 North DuPont Highway, New Castle, Delaware 19720, until 11:00 a.m. local time, on April 17, 2007. At which time, the proposals will be opened and read. A mandatory pre-bid meeting will be held on February 14 at 9:30 a.m. at Delaware Health and Social Services, Herman M. Holloway Sr. Campus, Lewis Building, Second Floor, Room #258, 1901 N. DuPont Highway, New Castle, DE 19702.

For further information concerning this RFP, please contact Mary Marinari at (302) 255-9548 or mary.marinari@state.de.us.

All RFP-PSCs can be obtained online at <http://www.state.de.us/dhss/rfp/dhssrfp/htm>. A brief "Letter of Interest" must be submitted with your proposal. Specifications and administration procedures may be obtained at the above office or phone (302) 255-9290. **NOTE TO VENDORS:** Your proposal must be signed and all information on the signature page completed.

If you do not intend to submit a bid and you wish to be kept on our mailing list you are required to return the face sheet with "NO BID" stated on the front with your company's name, address and signature.

IMPORTANT: ALL PROPOSALS MUST HAVE OUR SEVEN-DIGIT PSC# NUMBER ON THE OUTSIDE ENVELOPE. IF THIS NUMBER IS OMITTED YOUR PROPOSAL WILL IMMEDIATELY BE REJECTED.

FOR FURTHER BIDDING INFORMATION PLEASE CONTACT:

SANDRA SKELLEY
DELAWARE HEALTH AND SOCIAL SERVICES
PROCUREMENT BRANCH
MAIN BLD-2ND FLOOR –ROOM #259
1901 NORTH DUPONT HIGHWAY
HERMAN M. HOLLOWAY SR. HEALTH AND
SOCIAL SERVICES CAMPUS
NEW CASTLE, DELAWARE 19720

PHONE: (302) 255-9290

This contract resulting from this RFP shall be valid for the period of time as stated in the contract. There will be a ninety (90) day period during which the agency may extend the contract period for renewal if needed.

If a bidder wishes to request a debriefing, they must submit a formal letter to the Procurement Administrator, Delaware Health and Social Services, Main Administration Building, Second Floor, (South Loop), 1901 North DuPont Highway, Herman M. Holloway Sr., Health and Social Services Campus, New Castle, Delaware 19720, within ten (10) days after receipt of "Notice of Award". The letter must specify reasons for request.

IMPORTANT: DELIVERY INSTRUCTIONS

IT IS THE RESPONSIBILITY OF THE BIDDER TO ENSURE THAT
THE
PROPOSAL HAS BEEN RECEIVED BY THE DEPARTMENT OF
HEALTH AND SOCIAL SERVICES BY THE DEADLINE.



STATE OF DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Certification Sheet

As the official representative for the proposer, I certify on behalf of the agency that:

- a. They are a regular dealer in the services being procured.
- b. They have the ability to fulfill all requirements specified for development within this RFP.
- c. They have independently determined their prices.
- d. They are accurately representing their type of business and affiliations.
- e. They will secure a Delaware Business License.
- f. They have acknowledged that no contingency fees have been paid to obtain award of this contract.
- g. The Prices in this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other contractor or with any competitor;
- h. Unless otherwise required by Law, the prices which have been quoted in this offer have not been knowingly disclosed by the contractor and prior to the award in the case of a negotiated procurement, directly or indirectly to any other contractor or to any competitor; and
- i. No attempt has been made or will be made by the contractor in part to other persons or firm to submit or not to submit an offer for the purpose of restricting competition.
- j. They have not employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and they have not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission percentage or brokerage fee contingent upon or resulting from the award of this contract.
- k. They (check one) operate ____ an individual; ____ a Partnership ____ a non-profit (501 C-3) organization; ____ a not-for-profit organization; or ____ for Profit Corporation, incorporated under the laws of the State of _____.
- l. The referenced proposer has neither directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services
- m. The referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions.

- n. They (check one): _____are; _____are not owned or controlled by a parent company. If owned or controlled by a parent company, enter name and address of parent company:

Violations and Penalties:

Each contract entered into by an agency for professional services shall contain a prohibition against contingency fees as follows:

1. The firm offering professional services swears that it has not employed or retained any company or person working primarily for the firm offering professional services, to solicit or secure this agreement by improperly influencing the agency or any of its employees in the professional service procurement process.
2. The firm offering the professional services has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working primarily for the firm offering professional services, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this agreement; and
3. For the violation of this provision, the agency shall have the right to terminate the agreement without liability and at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

The following conditions are understood and agreed to:

- a. No charges, other than those specified in the cost proposal, are to be levied upon the State as a result of a contract.
- b. The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

Date

Signature & Title of Official Representative

Type Name of Official Representative

Notification to Bidders

“Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware; during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection Review Committee will consider these Additional references and may contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored in the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid.”



**OFFICE OF MINORITY AND WOMEN BUSINESS ENTERPRISE
SELF-CERTIFICATION TRACKING FORM**

IF YOUR FIRM WISHES TO BE CONSIDERED FOR ONE OF THE CLASSIFICATIONS LISTED BELOW,
THIS PAGE MUST BE SIGNED, NOTARIZED AND RETURNED WITH YOUR PROPOSAL.

COMPANY NAME- _____

NAME OF AUTHORIZED REPRESENTATIVE (Please print) _____

SIGNATURE _____

COMPANY ADDRESS _____

TELEPHONE

FAX # _____

EMAIL ADDRESS _____

FEDERAL EI# _____

STATE OF DE BUSINESS
LIC# _____

Note: Signature of the authorized representative must be of an individual who
legally may enter his/her organization into a formal contract with the State
of Delaware, Delaware Health and Social Services.

Organization Classifications (Please circle)
Women Business Enterprise (WBE) Yes/No
Minority Business Enterprise (MBE) Yes/No
Please check one---Corporation _____
Partnership _____ Individual _____

For appropriate certification (WBE), (MBE), (DBE) please apply to Office of
Minority and Women Business Enterprise Phone # (302) 739-4206 L. Jay
Burks, Executive Director Fax# (302) 739-1965 Certification
_____ Certifying Agency _____
<http://www.state.de.us/omwbe>

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY OF _____ 20_____

NOTARY PUBLIC _____ MY COMMISSION EXPIRES _____

CITY OF _____ COUNTY OF _____ STATE OF _____

Definitions

The following definitions are from the State Office of Minority and Women Business Enterprise.

Women Owned Business Enterprise (WBE):

At least 51% is owned by women, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by women; or any business enterprise that is approved or certified as such for purposes of participation in contracts subject to women-owned business enterprise requirements involving federal programs and federal funds.

Minority Business Enterprise (MBE):

At least 51% is owned by minority group members; or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any business enterprise that is approved or certified as such for purposes of participation in contracts subjects to minority business enterprises requirements involving federal programs and federal funds.

Corporation:

An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by law to the entity.

Partnership:

An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.

Individual:

Self-explanatory

For certification in one of above, the bidder must contract:

L. Jay Burks

Office of Minority and Women Business Enterprise

(302) 739-4206

Fax (302) 739-1965

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CHAPTER I OVERVIEW OF REQUEST FOR PROPOSAL

I.1. Introduction to the Diamond State Health Plan

- A. Under the authority of a section 1115 waiver received from the Center for Medicare and Medicaid Services (CMS) the State of Delaware began enrollment into the Diamond State Health Plan (DSHP), a Medicaid managed acute care program, in January 1996. Both the categorically eligible population under Medicaid eligibility guidelines, as well as uninsured non-categorically eligible citizens with incomes below 100 percent of the Federal Poverty Level (FPL), are covered by this program. The DSHP was established as a mandatory program and had enrolled 100,000 plus or minus clients or roughly eighty percent (80%) of the total Medicaid population as of June 2006. Currently, all Medicaid clients are eligible for the DSHP except those in long-term care and home- and community-based waiver programs, and dual eligibles.

In addition, the State implemented the Delaware Healthy Children Program (DHCP) in 1999. This program, with a possible 11,000 children, currently enrolls 4,500 plus or minus children.

The State implemented Diamond State Partners in July 2002. This program is a State operated fee for service, case management program that is currently capped at 12,500 clients.

- B. The basic concept behind the Delaware Medicaid and Medical Assistance (DMMA) initiative was to use managed care principles and a strong quality assurance program to revamp the way health care is delivered to Delaware's most vulnerable populations and to reinvest program savings into Medicaid program eligibility expansions (adults at or below 100 percent of poverty). Individuals and families eligible for coverage under the DSHP are enrolled into comprehensive, prepaid managed care organizations (MCOs) that contract with the State. Participating MCOs provide and coordinate a specified scope of health care services (the DSHP benefit package) for each enrollee in return for a capitated payment made on a per member per month (PMPM) basis. Currently, the Division of Medicaid and Medical Assistance (DMMA) Managed Care programs contracts with one Managed Care Organization (MCO) to provide services to its clients. This contract continues through the end of State Fiscal Year 2007 (June 30, 2007). The DMMA are reviewing MCO Proposals with the intent of beginning a new MCO contract SFY08 (July 1, 2007). The State began operating Diamond State Partners (DSP), a fee for service case management program in July 2002. DSP has become another choice for members eligible for the

(DMMA) State Managed Care programs. DSP is a fee-for-service reimbursement program based on DMAP reimbursement rates.

- C. All traditional Delaware Medicaid benefits are included in the capitated benefit package with some notable exceptions. Pharmacy, non-emergency transportation, extended long-term care and behavioral health benefits, and other services such as specialized services for children i.e. PPEC (Prescribed Pediatric Extended Care) are all excluded from the capitated benefit package. All non-capitated services, however, continue to be available to DSHP recipients on a fee-for-service (FFS) basis. The MCOs coordinate participants' access to these Medicaid covered services that remain on a fee-for-service basis outside of the DSHP benefit package.
- D. Delaware currently contracts with one (1) private MCO under a one-year agreement with two, one-year options to renew. The DSP is another choice of health plan for Medicaid eligibles enrolled in DSHP. In addition, a Health Benefits Manager (HBM) was contracted to provide outreach, education, and enrollment services for all DSHP clients.
- E. Contract Period. The contract period for this RFP will be a five year period from July 1, 2007 through June 30, 2012.

I.2. Purpose and Intent of Request for Proposal

- A. The Delaware Department of Health and Social Services (hereafter referred to as "DHSS" or "the Department") seeks to contract for the following actuarial services:
 - 1. Review the adequacy of the current rate structure for the population and service requirements. Development of Medicaid managed care capitation rates for the DSHP program for the next contract year. Assist the State in developing a rate update process.
 - 2. Assure that the Risk is adjusted correctly using a Risk Adjustment model.
 - 3. Technical assistance in the procurement process between the Department and MCOs. Such assistance shall include the preparation of a rate book detailing the methodology by which the rates were developed, preparation of other rate-related materials required for the Request for Proposal (RFP) process between the Department and the MCOs and participation in technical bidders' conferences during the procurement process.
 - 4. Assist the State, where necessary, with MCO rate negotiations.

5. Assist the State in the continuing development of Diamond State Partners (DSP) a State-operated health plan choice for DSHP eligibles. This will include rate development, contract negotiations and reporting models.
 6. Assist the State in the development of Managed Long-Term Care initiative including but not limited to managing program's dual eligibles, Medicare advantage, SNIP, and PACE programs. This may include rate development for three combined community-based services waiver and rate development for services for the Seriously and Persistently Mentally Ill (SPMI) population.
 7. List under optional services those services the contractor would offer the State in addition to required services under the Actuarial Consultant proposal. The contractor shall state an upper limit price for the optional services. Provide a separate detailed cost sheet for the optional services.
 8. Demonstration of actuarial soundness as defined in Code of Federal Regulations - 42CFR438.6(3).
- B. The overall scope of actuarial work may be categorized into the following key activities:
1. Development of a state-specific rate-setting work plan;
 2. Analysis of costs, utilization and current capitated payments and calculation of updated rates;
 3. Assistance in rate-setting portion of procurement.;
 4. Provision of other technical actuarial assistance as requested;
 5. Development and completion of quarterly CMS financial reports including but not limited to budget neutrality and actuarial soundness.
 6. Demonstration of actuarial soundness per 42CFR438.6.

I.3 Contracting Agency Background

- A. The Delaware Department of Health and Social Services, the contracting agency, is an umbrella agency responsible for most of the State's health-related services. Included in its twelve (12) divisions are:
1. Medicaid and Medical Assistance
 2. Social Services
 3. Substance Abuse and Mental Health, which serves adults
 4. Public Health
 5. Developmental Disabilities Services
 6. Services for Aging and Adults with Physical Disabilities
 7. Visually Impaired
 8. State Service Centers, which operates a Statewide network of integrated service delivery locations
 9. The Office of the Chief Medical Examiner
 10. Child Support Enforcement
 11. Management Services, which is a support Division for the Entire Department
 12. Long Term Care Resident Protection
- B. The Department is designated as the single State agency responsible for the overall administration of the Medical Assistance/Medicaid program. This administrative responsibility is discharged at the operational level through the Medicaid Managed Care Unit in the Division of Medicaid and Medical Assistance. The Medicaid Managed Care Unit will be responsible for the daily execution and monitoring of this contract with the successful bidder.

I.4 Actuarial RFP Time Frame

- A. Managed Care rates for SFY08 and SFY09 have been developed. The successful bidder will assist the State in ensuring that these rates are actuarially sound. The Actuarial contract will be a five-year contract. Therefore, the following time frame for award and completion of this contract reflects this effective date.
1. Release of Actuarial RFP: February 5, 2007
 2. Effective date of contract July 1, 2007
 3. Review and evaluation of capitation rates: March 2008
 4. Effective date of new capitation rates: July 2008
 5. End of actuarial contract: June 30, 2012

I.5 REVISIONS TO THE RFP

- A. In the event it becomes necessary to revise, modify, clarify or otherwise alter the RFP for this procurement, revisions will be made in the form of addenda to this RFP and distributed as follows:
1. Addenda issued prior to the pre-Bidder's Conference will be distributed to all bidders who received the initial RFP. Addenda will be posted on the State's website.
 2. All addenda to the original RFP become part of the RFP and shall become part of the final contract resulting from this RFP.

CHAPTER II SCOPE OF WORK

II.1. Overview of General Bidder Requirements

- A. This chapter contains a description of the key responsibilities and essential tasks and deliverables that the successful bidder will be required to provide. Proposals should not only directly address the approach that bidders would take towards the issues raised in this RFP but should also demonstrate the bidder's understanding of the tasks involved by identifying problems that may be encountered and potential approaches for identifying and selecting solutions.

- B. The successful bidder will demonstrate in their proposal an understanding of:
 - 1. The Delaware Medicaid population and Diamond State Health Plan, the State's managed care program;
 - 2. The Delaware Healthy Children Program (the State's SCHIP program)
 - 3. Risk Adjustment and Risk Adjustment methodologies;
 - 4. Managed care operational and financial principals; and
 - a. commercial managed care, in terms of populations, services and regulatory issues.
 - 5. State of Delaware environment; prior experience with State of Delaware programs will be considered a plus.
 - 6. Managed Long Term Care and Home and Community Based Waiver programs.
 - 7. 42CFR438 with an emphasis on actuarial soundness principles for rate setting in a managed care environment as required by CMS.
 - 8. Quality control processes and its impact on deliverables.

- C. The proposal should clearly identify how the bidder approaches a new project of this scope. For example, if the bidder has a standard approach used to set Medicaid managed care rates, this standard approach or framework should be described as well as examples of how this framework can be modified to address different health care markets. If the bidder has no standard framework, then the process used by the bidder to develop a state-specific approach to developing the capitation rates should be described.

II.2. Task 1: Develop State-Specific Rate-Setting Work plan

- A. At the outset of the contract, the successful bidder will meet with State staff to discuss a work plan for the entire scope of the project. The agenda for this discussion will include project goals and objectives, data requirements, key tasks,

necessary deliverables, and a project timeline. The contractor will also be given information concerning data and policy issues that were the basis for the current capitation rates. The successful bidder will assist the State in the development of reporting requirements in accordance with the 1115 waiver (Appendix H). After the provision of this background information, the contractor will be responsible for developing a final detailed State-specific work plan and for carrying out the following tasks and related deliverables. It is anticipated that the bidders will include a work plan in their proposal and that this proposed work plan will be the basis for the initial contract meeting and detailed final work plan.

- B. Since January 1996, the State has been receiving both FFS claims and encounters as documentation of the services provided to those covered by the DSHP. Prior to the effective date of enrollment in a MCO, all services are received on a FFS basis and claims are submitted for these services. After the effective date of enrollment in a MCO, FFS claims continue to be submitted for those Medicaid covered services that are not included in the DSHP benefits package. However, for those services included in the DSHP benefits package, the MCOs submit encounters. All encounters must meet the HIPAA 837 requirements. At this time, 90 percent of encounters are being submitted within 30 days of service. Approximately 95% percent of encounters are meeting the edits when initially submitted; with the remaining 5% percent pending for revisions and re-submittal by the MCOs. The successful contractor will need to include in their proposal a description of the process which will be used to incorporate this encounter data into the rate setting process. Again, anticipated problems and potential solutions should be discussed.

Subtask I.1 Meet with State staff to review the proposed work plan and have a preliminary discussion regarding the proposed capitation, risk adjustment rate-setting approach, goals and objectives, data needs, timelines, and potential concerns.

Subtask I.2 Review and evaluate existing capitation rates, including the adjustments and assumptions used in the initial rate-setting process and the continued applicability of these adjustments and assumptions. Assumptions pertain to both included and excluded services, utilization and trend assumptions, administrative assumptions, medical cost ratio requirements, and MCO financial and other reporting requirements. The contractor's analysis should, at a minimum, incorporate relevant actuarial literature, recent Medicaid practices in other states, and historical Delaware Medicaid FFS and managed care data.

Subtask I.3 Complete an assessment of key DMAP financial design issues. This should include an evaluation examination of both policy and

non-policy decisions that would affect capitation rates, including MCO administrative costs, auto-assignment algorithms, reinsurance, and third-party liability collections.

Subtask I.4 Review policy and program changes that have occurred since the implementation of the DSHP and DHCP and study outcomes that may have resulted from incentives implicit in previous contract awards. Specifically, provide an analysis of new benefits that emerge due to technological innovations.

Subtask I.5 Meet with State staff to discuss proposed capitation rate-setting approach, goals and objectives, data needs, timelines, and potential concerns.

Deliverable 1 Develop a detailed work plan to encompass the entire scope of contract responsibilities along with a detailed project timeline.

Deliverable 2 Report summarizing findings of (1) rate methodology review, (2) review of DMAP financial design issues, and (3) proposed rate methodology (including data sources, draft data request, assumptions, and adjustments).

II.3. Task II: Rate Analysis and Development of Updated Capitation Rates

A. During Task II the successful bidder will take the lead in the calculation of capitation rates and the preparation of a data book for use in contracting with MCOs. The successful bidder will assist the State in calendar years 08 and 09 to ensure that managed care rates for SFY08 and SFY09 are re-evaluated and are actuarially sound. The tasks described below are essential and should be considered minimal contractor requirements.

Subtask II.1 Request, obtain, clean, and examine all data necessary for rate calculations. This should include, but not be limited to, eligibility and utilization data, trend rates, and catastrophic claim data. Obtain data necessary to estimate adjustments to base year data and prepare correction factors.

Deliverable 3 Data request for eligibility and utilization data and other information necessary for the development of the data book (including figures necessary for verification of calculations).

Subtask II.2 Analyze data requested in Subtask II.1 and carry out an actuarially sound capitation rate methodology in order to establish rates or rate ranges for the State's MCO bidding process.

Subtask II.3 Prepare, on an ongoing basis, documentation of issues and responses that arise during the capitation rate-setting process.

Deliverable 4 Reports to document rate-setting issues, as they arise. These reports should facilitate an ongoing dialogue between the State and the contractor for raising, discussing, and resolving outstanding issues. (These may be as short as 1 - 2 pages in length, but will serve as both a framework for discussions during the contract and historical documentation after the contract is complete).

Subtask II.4 Develop draft data book. This will include the identification of data elements needed to compile the necessary summary information, the processing of the information, and the production of the data books.

Deliverable 5 Draft data book for review and comment by the State.

Subtask II.5 Assist the State with development and completion of CMS financial reports, including but not limited to Budget Neutrality, completed quarterly and annually as requested by CMS. (See Appendix H)

Subtask II.6 Complete an assessment of the state budgetary impact of the new capitation rates. This should include an (1) analysis of the budget neutrality/actuarial soundness of the DSHP to-date (per the terms and conditions of the section 1115 waiver award and 42CFR438) and the continued actuarial soundness of the program and (2) the impact on state budget expenditures.

Deliverable 6 DSHP budget neutrality /actuarial soundness and financial impact report (see Appendix H)

II.4. Task III: Rate Setting Implementation Activities

A. Task III encompasses those subtasks related to the procurement process and the development of procurement materials.

Subtask III.1 Write and edit portions of MCO RFPs related to rate-setting and bid evaluation. This will include, but not be limited to, requirements or specifications on the bid process and cost proposals, auto-assignment, fiscal solvency, financial and encounter reporting, and evaluation criteria for bids.

Deliverable 7 Selections of RFP text concerning rates, the cost evaluation process, and other relevant financial sections.

Subtask III.2 Finalize data book and rate setting documents. Develop scoring methodology for evaluation of MCO financial bids.

Deliverable 8 Final data book for distribution to potential bidders.

Deliverable 9 Final scoring methodology for evaluating bids and forms to be used for evaluating the financial and rate portions of proposals (only necessary if competitive bidding within rate ranges is used).

Subtask III.3 Meet with prospective MCOs in a group setting (e.g., bidders' conferences) to discuss the bid process and the development of the capitated rates. When applicable, the contractor will prepare written answers to bidders' questions as they pertain to the actuary's scope of work.

Deliverable 10 Presentation materials for bidders' conferences and responses to bidders' questions as necessary.

Subtask III.4 Evaluate MCOs' financial solvency and reporting capability during procurement process.

Deliverable 11 Documentation of bid evaluation to the extent necessary under State procurement regulations.

II.5. Task IV: Other Unspecified Technical Actuarial Services

- A. The contractor may be requested to provide actuarial analysis in support of managed long-term care initiatives. The Department may ask the contractor to provide the actuarial services necessary to incorporate the long-term care into the broader service package now covered by the DSHP benefit package. This would necessitate reflecting the associated costs in the rate preparation described in Tasks I - III. Otherwise, the contractor may be asked to calculate distinct capitation rates for these services under a separate bidding process.
- B. Over the life of the contract, these services are to be included in the current MCOs' capitation rates or provided under a separate contract (e.g., long-term care services alone), responsibilities of the actuarial contractor will follow those outlined in Tasks I - III above. The deliverables associated with these tasks will be identified during the course of this engagement and would follow those listed for the current acute, physical health care services. The proposed hourly rates for

the completion of Responsibility IV work should be submitted separately by the bidder.

Deliverable 12 Description of “other optional services” offered with separate detailed cost sheet for each service.

CHAPTER III PROPOSAL SUBMISSION

III.1. State Contact for RFP Questions

- A. All contact with the State regarding this RFP must be directed to:
Mary E. Marinari
Delaware Health & Social Services
Herman M. Holloway Sr. Campus
H150 Lewis Building
1901 N. Dupont Highway
New Castle, DE 19720
- Telephone Number:
(302) 255-9548
- B. Discussions regarding this proposal or requests for information with State employees other than the official RFP contact noted above will be grounds for proposal dismissal.
- C. Solicitation packages will be available beginning February 5, 2007 at 12:00 p.m., at the Procurement Branch, Delaware Health and Social Services, Main Building, Second Floor, 1901 N. DuPont Highway, New Castle, Delaware 19720. The Request for Proposal can also be obtained through the Department of Health and Social Services website: <http://www.dhss.delaware.gov/dhss/rfp/dhssrfp.htm>.

It is the responsibility of prospective bidders to watch for any addendum's to the RFP. All addendum's will be posted through the Department of Health and Social Services website listed above.

III.2. Mandatory Pre-Bid Conference

- A. A Mandatory Pre-Bidder's Conference is scheduled for February 14, 2007 at the Department of Health and Social Services, 1901 N. DuPont Highway, New Castle DE 19720 Lewis Building, 2nd Floor, Room 258 at 9:30 a.m.
- B. The purpose of the conference is to provide a structured and formal opportunity for the State to accept questions from bidders on the RFP document as well as to clarify the contents of the RFP. Any major revisions to the RFP as a result of the conference, or answers to deferred questions, will be made in the form of written addenda to the original RFP. The State may also distribute additional background information or material at the conference.

- C. The closing date for receipt of written questions is February 16, 2007. Questions regarding this RFP will be received anytime between 12:00 P.M. February 5, 2007 and 4:00 P.M. February 16, 2007. Questions will be entertained at the Pre-bid conference and a written summary of all questions and answers will be provided to each proposer who attends the Pre-bid meeting. Responses will be sent out by February 23, 2007. Questions regarding this request may be submitted either by fax (302) 255-4481 or by e-mail to mary.marinari@state.de.us by the 4:00 P.M. February 16, 2007.

All questions submitted in writing will be answered in writing by the State.

- D. Please advise the State at least five (5) business days before the conference of any special accommodations needed for persons with disabilities who will be attending.

III.3. Proposal Delivery and Identification

- A. In order to be considered for selection, proposals must arrive at the issuing office on or before the date and time specified on the cover sheet to this RFP. Anticipate potential delivery delays by allowing adequate time for hand, postal, courier or other delivery service. Proposals not received by the stated date and time will not be opened and will be returned to the bidder. Proposals must be signed in ink by a company official who has authorization to do so. Proposals may be withdrawn, modified, and re-submitted prior to the formal proposal opening time. Modifications submitted in any other manner will not be considered.

- B. Proposals may be submitted in person, by mail, or by overnight delivery to the following address:

Sandra Skelley
Delaware Health & Social Services
Herman M. Holloway Sr. Campus
Main Bldg, 2nd Floor Room 259
1901 N. Dupont Highway
New Castle, DE 19720

Telephone Number:
(302) 255-9291

- C. Proposals may not be sent by facsimile.
- D. State Agency Responsibilities
Pursuant to the administration of this contract, the State agency shall:

1. General responsibilities
The State Agency shall assume the following responsibilities with regard to this contract:
 - 1.1 Notify the contractor in a timely manner of all pertinent changes in Medicaid policy, procedures or operational systems that affect or depend upon contractor operations or activities.
 - 1.2 Provide to the contractor, in a timely manner, any information regarding State or federal regulations, policies, or statutes, or changes thereof, that are relevant to the contractor's performance.
 - 1.3 Review and approve or indicate necessary changes in all informational and enrollment materials within fifteen (15) business days of receipt of said material.
 - 1.4 Provide to the Contractor any other information that the State deems relevant in order for the contractor to fulfill the duties required by this RFP.
2. Contract administration
 - 2.1 Designate a project manager to represent the State on all matters pertaining to the contract. As part of general contract administration, the project manager or other designated entities will:
 - 2.2 Regularly monitor contractor compliance with contract provisions, monitor progress towards improvement goals, meet with contractor staff regularly and on an as-needed basis to respond to contractor inquiries and to resolve problems associated with the implementation and operation of the HBM program.
 - 2.3 Approve in writing all deliverables due under this contract, all corrective action plans submitted by the contractor, all notices regarding potential or actual liquidated damages, and all invoices for payment to the contractor.
 - 2.4 Conduct or oversee periodic audits of contractor operations under this contract.
 - 2.5 Reimburse the contractor on a monthly basis in accordance with procedures described elsewhere in this RFP, upon receipt of a properly completed payment voucher.

III.4. Oral Presentations

- A. Bidders who submit a response to this RFP may be required to give an oral presentation of their proposal to the State. The purpose of such a presentation is to provide an opportunity for the bidder to clarify or elaborate on the proposal. Original submissions cannot be supplemented, changed or corrected in any way. No comments regarding other bidders or proposals are permitted and bidders may not attend presentations by their competitors.
- B. Bidders must clearly understand that it is the State's sole option to determine which bidders, if any, will be invited to make oral presentations. Bidders shall not construe the list of firms invited, if any, to imply acceptance or rejection of any bid(s).

III.5. General Proposal Preparation and Submission Instructions

- A. It should be noted that failure to submit the information required in the RFP may result in a determination that the bidder's proposal is non-responsive to the RFP requirements.
- B. Bidders are encouraged not to take exception to the State's terms, conditions or specifications. In the event that a bidder wishes to take exception to any of the State's terms, conditions or specifications, such exceptions should be detailed in a cover letter to the bid response proposal and must cross reference the applicable RFP page(s) and section(s) reference number(s).

III.6. Proposal Format and Content

- A. Bidders are required to submit both a technical proposal and cost proposal. The technical and cost proposals should be bound separately. Bidders will submit a total of ten (10) proposals. Bidders must submit eight (8) complete bound copies of each proposal to include two (2) signed originals, as well as a CD for each proposal. Two (2) copies of each volume must be unbound. One of the eight (8) bound technical proposals must have a cover letter with original signature and all required forms containing original signatures in ink of a person legally empowered to bind the organization in a contractual relationship. The technical proposal should be submitted in one volume where practical. All documentation submitted with the proposal should be bound in that single volume and all pages numbered consecutively.

- B. Proposals should be prepared simply and economically, providing a straightforward, concise description of the bidder's capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content. Bidders are to number their proposals using the same section numbers as used in this RFP.
- C. All required assurances and attachments must be included with the response. Required attachments must be included in the body of the response where possible. Attachments that are included in appendices must clearly reference the section and response number they support.
- D. The proposal should not be a submission of large volumes of "off the shelf" information, nor should it be mere reiterations of the RFP scope of work and tasks or simple statements that the bidder will perform the tasks necessary to complete the scope of work. Rather, the proposal should contain information specific to this project and should demonstrate an understanding of the work to be performed.
- E. Signatures
The bidder must sign, date and return the RFP cover page, or if applicable, the cover page of the last amendment thereto in order to constitute acceptance by the bidder of all RFP terms and conditions. Proposals must be completed, signed, sealed, and returned to the Procuring Agency as indicated on the cover page of the RFP the receipt date and time specified in the cover page in order to be considered. Each pricing page must also be signed.

III.7. Letter of Transmittal

- A. The bidder shall submit a letter of bid transmittal, attached to the technical proposal and signed by an individual legally authorized to bind the bidder's organization.

III.8. Table of Contents

- A. The bidder shall submit a detailed Table of Contents with page number references.

III.9. Section I: Affirmative Action

- A. The bidder shall include a signed statement that the bidder will meet all affirmative action requirements

III.10. Section II: Certificate of Incorporation/Certificate of Authority

- A. This documentation may be submitted with the proposal or within seven (7) working days of receipt of a notice of intent to award.

III.11. Section III: Understanding of the Project

- A. The contents of this narrative should contain sufficient detail and be designed to satisfy the State that the bidder understands the nature and objectives of the required work and the level of effort necessary to successfully provide the required services. In addition, this narrative should satisfy the State that the bidder's general approach and plans to undertake the provision of the required services are appropriate to the required level of effort necessary to insure successful contract performance.

III. 12. Section IV: Project Schedule, Detailed Plans, Approaches, and Deliverables

- A. A comprehensive project schedule appropriate to the complexity of the project must be submitted with the bidder's proposal. This schedule must set forth in detail the bidder's plans and approach for completing all tasks required by the scope of work. A summary work schedule and Gantt chart at the task level must be included. A critical path for the completion of the project must be indicated and task numbers as detailed in this RFP must be included.
- B. The bidder's response must cover each task set forth in the Scope of Work section of this RFP and must detail how the bidder intends to complete the required tasks and deliverables. Time estimates and resource requirements delineated in person-hours must be provided at the responsibility and task levels.

III.13. Section V: Project Management Techniques, Controls, and Tools

- A. The bidder will describe the general approach to managing the delivery of the required services. This section will also include the bidder's plans to manage, control and supervise the delivery of the required services in order to insure satisfactory contract performance. The description will also include the bidder's approach to liaison with the State's designated Project Manager, including communications, project coordination, status meetings and reports.

- B. Project management techniques, controls, and tools the Project Manager will use in the execution of the requirements of this RFP must be described. The bidder is required to address each of the following items:
 - 1. Describe your approach to Project Management - Methods/Techniques (CPM, PERT, etc.) and Tools to be utilized.
 - 2. Describe the Development Methodology to be utilized.
 - 3. Describe your Change Control/Problem Reporting Methodology/Techniques.
- C. The bidder's response must describe the project management and control concepts used to ensure successful and timely completion of the requirements of this RFP. The bidder must identify how critical problems will be resolved. Assumptions upon which the plan is based and any constraints that may affect its successful execution must be identified.
- D. The contents of the bidder's response to this section of the RFP should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the required Scope of Work are realistic, attainable and appropriate and that the proposed plans will lead to successful provision of the required services. Mere reiterations of RFP tasks are strongly discouraged as they do not provide insight into the bidder's understanding of and ability to provide the required services.
- E. The bidder should feel free to propose additional deliverables if the bidder feels that it would be in the best interests of the State or would ensure the successful completion of the project. The bidder should propose the appropriate deliverable and include any and all costs associated with the completion of that deliverable on the appropriate Cost Proposal Worksheet.
- F. This section of the bidder's proposal must set forth a summary of the problems that the bidder anticipates will arise during the course of the contract period. For each problem identified, the bidder must propose a solution.

III.14. Section VI: Organization/Personnel/Experience

- A. This section shall contain all pertinent information relating to the bidder's organization, personnel, and experience, including but not limited to references, together with contract name and telephone number that will serve to substantiate the bidder's qualifications, and capabilities to perform the services required by the RFP. The following detail must be provided:

1. The bidder must indicate name, address and telephone number of the legal entity with whom the contract is to be written.
2. The bidder must indicate the location of the bidder's office that will be responsible for managing this contract. The telephone number and name of contact individual must be included.
3. The bidder must indicate the legal status of the company (for example, corporation, sole proprietorship, partnership).
4. The bidder must provide the name, address and telephone number of the principal officers (President, Vice President, Treasurer, Chairperson of the Board of Directors and other executive officers).
5. The bidder must provide a project organizational chart, with names, showing the individuals (including subcontractor's personnel) to be assigned to the project. The chart should include the labor category and title of each individual assigned and provide a summary of each individual's function and role on the project. The bidder may also list back up staff that may be called upon to assist or replace primary individuals assigned. Back up staff must be clearly identified as such. If the bidder cannot name the individuals to be assigned to the project, a full explanation must be submitted.
6. There will be no full time State staff assigned to this project. However, the bidder must detail what State staff will be needed as resources to the project and provide detail as to the expected State staff responsibilities.
7. The bidder must provide an organizational chart showing the firm's entire organizational structure. This chart will show the relationship of the individuals assigned to this project to the bidder's overall organizational structure.
8. The bidder must designate a Project Manager and provide the name, title, address and telephone number of the Project Administrator as well as a detailed resume that includes references.
9. A detailed resume must be submitted for each individual assigned to the project as identified on the project organizational chart and the comprehensive list of personnel assigned as required above. Resumes should be constructed to emphasize relevant qualifications and experience of the individuals assigned in successfully completing projects of a similar size and scope to those required by the RFP.

10. Dates and descriptions of previous projects should be given and should demonstrate how the individual's work on the completed projects relates to the individual's ability to contribute to the successful completion of the scope of work specified in the RFP. The name and address of a reference that includes the name and telephone number of a contact person should also be provided.
11. Resumes should include the following data:
 - a. Name
 - b. Skill Category(ies) for this study
 - c. Education, for each school list the school name and mailing address, dates attended, major(s), degree(s) conferred and date(s)
 - d. Employment History
12. The bidder must have at least five (5) years experience in providing services similar to those requested in this RFP. The bidder must provide a comprehensive list of projects that have been successfully completed by the bidding firm.

"Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection review Committee will consider these additional references and may contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored in the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid."
13. Emphasis should be placed on projects that are very similar in size and scope to that required by the RFP. Specifically describe any experience with State of Delaware government programs.
14. Dates and detailed descriptions of the projects should be included that demonstrate how the list of projects relates to the ability of the bidder to successfully complete the services specified in the RFP.
15. The bidder must submit with the bid package the name and address of three (3) professional references. The format of each reference shall be:
 - a. Customer name

- b. Business address of customer
 - c. Telephone number of customer contact
 - d. Description of work performed by the bidder (including period of performance)
16. Indicate whether the bidder has had a contract terminated for default within the last five years. Termination for default is defined as notice to stop performance delivered to the bidder due to bidder's nonperformance or poor performance and the issue of performance was either:
- a. Not litigated due to inaction on the part of the bidder or
 - b. Litigated and determined that the bidder was in default.
17. If the bidder has had a contract terminated for default in this period, then the bidder must submit full details including the other party's name, address and telephone number.

III.15. Section VII: Information on Subcontractors (if applicable)

- A. In addition, the bidder will supply the following detailed information concerning any subcontractors proposed to be used during the contract performance period:
- 1. Name and address of subcontractor(s) including the names of all officers.
 - 2. Detailed description of services to be provided by the subcontractor.
 - 3. Names of subcontractor personnel assigned to the project including the labor category and title of each individual assigned.
 - 4. Detailed resumes for subcontractor personnel assigned to the project that demonstrate the individuals knowledge, ability and experience as it relates to the project to be completed.
 - 5. Documented experience of the subcontractor in successfully performing work on projects of a similar size and scope to that required by the RFP.
 - 6. Copy of the proposed contractual agreement with the subcontracting organization.
 - 7. For each proposed subcontractor, the bidder must submit with the bid package the name and address of three (3) professional references. The format of each reference shall be:

- a. Customer name
- b. Business address of customer
- c. Name and address of customer contact
- d. Telephone number of customer contact
- e. Description of work performed by the subcontractor
- f. Dates outlining period of performance

III.16. Section VIII: Financial Capability

- A. Evidence of financial capacity and capability to fulfill the RFP requirements is a prerequisite for the award of a contract regardless of any other consideration. Bidders must include in their proposal such financial documentation as they believe sufficient to establish their financial capability.
- B. The bidder must submit the following financial reports for the company for the most recent three fiscal years:

For a publicly held corporation, a copy of the audited financial reports and financial statements with the name, address and telephone number of a responsible person in the company's principal financial banking organization and/or its auditor(s).

For a privately held corporation, proprietorship, or partnership, either a financial report that has been audited by the independent Certified Public Accountant or financial information similar to that included in an annual report, to include at a minimum: an income statement, a statement of cash flow, a balance sheet, and the name, address and telephone number of a contact in the company's principal financial or banking organization and its auditor(s).

III.17. Section IX: Business/Cost Proposal (Bound Separately)

- A. Each Responsibility of this contract as described in Chapter III will be costed separately. The Project Cost Proposal Form 5.1 shall be used to report the cost data for Task I, Project Cost Proposal Form 5.2 shall be used to report the cost data for Task II, Project Cost Proposal Form 5.3 shall be used to report the cost data for Task III and Project Cost Proposal Form 5.4 shall be used to provide data for Task IV. Summarize all information by task on the Project Cost Proposal Summary Form 5.5. One set of forms 5.1-5.5 must be submitted for each of the five (5) project years. Please indicate the budget year in the boxes at the top of each sheet. Rates provided must be all inclusive, incorporating all direct and indirect costs including, but not limited to: fee or profit, clerical support, safety equipment, materials, supplies, managerial support, and all documents, forms and

reproductions thereof. Hourly rates also include portal to portal expenses. Time spent in traveling to and from the work site or employee's normal work station will not be reimbursed and should not be included in any estimates.

- B. The bidder shall report the hourly rate for each skill level category of the staff assigned to this project on the Project Cost Proposal Form.

III.18. Section X: RFP Price Sheets

- A. The bidder must submit their prices on the price sheets contained within the RFP. Failure to use the attached price sheets and/or to submit all of the requested information will result in the bid being considered non-responsive. Typographical or transitional errors may be corrected following bid acceptance.
- B. Costs or discounts expressed in any area or section of the bid proposal other than those on the attached price sheets will neither be considered nor evaluated by the State. Conversely, failure to include a cost in the price sheets shall result in the State's assumption that said cost(s) was absorbed elsewhere in the bidder's cost section. The total five (5) year fixed price is to be displayed on the price sheet summary page.

III.19. Section XI: Person-Hour/Labor Category

- A. The bidder must submit a comprehensive chart showing the person-hours proposed to meet the requirements of this RFP. This chart must be designed to correlate to the tasks required in this RFP. The bidder must set forth, for each task, the total number of person-hours, broken down by labor category, proposed to complete the project.

III.20. Section XII: Other Unspecified Technical Actuarial Services

- A. Bidders shall also provide a comprehensive listing of staff necessary to perform additional work. Please provide a chart similar to section III.19 above.

III.21. Firm Pricing

- A. All pricing proposed by the bidder in response to this RFP must remain firm.

III.22. Proposal Evaluation

- A. **“All proposals received will be reviewed and evaluated by an evaluation committee composed of State personnel. The evaluation committee will review all the technical and cost volume information contained in the proposal. The evaluation committee will then present recommendations to the division director. The division director will consider the proposals and recommendations of the evaluation committee and will select the proposal that most closely meets the requirements of the RFP.”**

A weighted approach will be used to evaluate each qualified proposal, using the following criteria:

Technical approach of contractor to scope of work.....	60%
Experience/expertise of contractor.....	20%
Cost Proposal.....	20%

The evaluation shall consider:

1. The proposal’s adherence to the required format, completeness of response and demonstration of understanding of the RFP requirements.
2. The bidder’s past performance in similar contracts. References will be checked and detailed discussions may be held with each suitable reference.
3. An assessment of the bidder’s overall organizational structure, operations, equipment and qualifications of personnel regarding the bidder’s ability to successfully meet the RFP requirements.
4. The financial capacity and capability of the bidder, as judged by the State, to fulfill the RFP requirements.
5. The bidder’s general approach, proposed methodology and detailed plans for project management in meeting the RFP requirements.
6. The overall capability of the bidder, all factors considered, as judged by the State, to successfully meet all of the RFP requirements.
7. The bidder’s provisions for providing all required documentation and deliverables stipulated in the RFP. Also, the quality of any provided sample documentation/deliverables will be evaluated.

8. The bidders understanding of the State's needs that generated the RFP, of the State's objectives in asking for the services, and of the nature of the scope of the work involved.
- B. The total bid price of individual tasks, the staff hours and value per hour, and the overall bid price plus the costs of the provision of required office space and support, if any, will also be considered in the selection of the proposals. Weight of the Cost Proposal is 20%.
 - C. Negotiation of proposals
Notwithstanding anything to the contrary, the State agency reserves the right to:
 1. Select proposals other than that with the lowest cost;
 2. Reject any and all proposals received in response to this RFP;
 3. Waive or modify any information, irregularities or inconsistencies in proposals received;
 4. Negotiate any aspect of the proposal with any bidder; and negotiate with more than one bidder at the same time.

If negotiations fail to result in an agreement within fourteen (14) calendar days, the State agency may terminate negotiations and select the next responsive bidder, prepare and release a new RFP, or take such other action as the State agency may deem appropriate.

III.23. Contract Award

- A. The bidders will be notified in writing of the State's intent to award a contract(s). Following award notification, the successful bidder will receive formal contract(s) and/or purchase order(s) to the contract(s). The anticipated contract effective date appears on the cover sheet to this RFP. Any contract resulting from this RFP will terminate five (5) years from the date of award subject to other provisions governing extension, renewal and cancellation as detailed in the RFP.
- B. However, the State shall have the right to delay the beginning of all work or any part of the work covered under the contract. In the event that delays in the bid process result in a postponement of the anticipated effective date, or the State elects to delay the beginning of work or any portion thereof, the bidder agrees to accept a contract for the full contract period for the prices quoted in the bid response proposal, as long as the prices quoted are still valid in accordance with

the time limit, in days for acceptance, as listed by the bidder on the cover sheet to this RFP. Any such delay shall not give rise to any claim against the State.

I. Exhibits.

1. Exhibit A Deliverables
2. Exhibit B Project Cost Proposal Form 5.1
3. Exhibit C Project Cost Proposal Form 5.2
4. Exhibit D Project Cost Proposal Form 5.3
5. Exhibit E Project Cost Proposal Form 5.4
6. Exhibit F Project Cost Proposal Summary Form 5.5
7. Exhibit G Invitation to Bid Letter
8. Exhibit H Procurement Timetable

II. Appendix

1. Appendix A Bidders Signature Form
2. Appendix B Statement of Compliance Form
3. Appendix C Contract
4. Appendix D Divisional Requirements
5. Appendix E Policy Memorandum #46
6. Appendix F Waiver of Insurance Coverage
7. Appendix G Letter of Interest
8. Appendix H 1115 Waiver

EXHIBIT A

LIST OF REQUIRED DELIVERABLES

- Deliverable 1 Detailed work plan to encompass the entire scope of contract responsibilities along with a detailed project timeline.
- Deliverable 2 Report summarizing findings of (1) rate methodology review, (2) review of financial design issues, and (3) proposed rate methodology (including data sources, draft data request, assumptions, and adjustments).
- Deliverable 3 Data request for eligibility and utilization data and other information necessary for the development of the data book (including figures necessary for verification of calculations).
- Deliverable 4 Reports to document rate-setting issues, as they arise. These reports should facilitate an ongoing dialogue between the State and the contractor for raising, discussing, and resolving outstanding issues. (These may be as short as 1 - 2 pages in length, but will serve as both a framework for discussions during the contract and historical documentation after the contract is complete).
- Deliverable 5 Draft data book for review and comment by the State.
- Deliverable 6 DSHP budget neutrality, actuarial soundness principles and financial impact report (see Appendix H)
- Deliverable 7 Selections of RFP text concerning rates, the cost evaluation process, and other relevant financial sections.
- Deliverable 8 Final data book for distribution to potential bidders.
- Deliverable 10 Presentation materials for bidders' conferences and responses to bidders' questions as necessary.
- Deliverable 11 Documentation of bid evaluation to the extent necessary under State procurement regulations.
- Deliverable 12 Description of "other optional services" offered with separate detailed cost sheet for each service.

Exhibit B

Project Cost Proposal Form 5.1

Bidder:

Year One	Year Two	Year Three	Year Four
-----------------	-----------------	-------------------	------------------

Check Budget Year

Actuarial Services Project Cost Proposal Summary Form

	Position Title	Person Hours	Hourly Rate	Staff Costs	Admin. Costs	Total Costs
Task #						
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
Grand Total						0

*Itemize Actuary, Computer Services, Other Costs

Exhibit C

Project Cost Proposal Form 5.2

Bidder:

Year One	Year Two	Year Three	Year Four
-----------------	-----------------	-------------------	------------------

Check Budget Year

Actuarial Services Project Cost Proposal Summary Form

	Position Title	Person Hours	Hourly Rate	Staff Costs	Admin. Costs	Total Costs
Task #						
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
Grand Total						0

*Itemize Actuary, Computer Services, Other Costs

Bidder:

Year One	Year Two	Year Three	Year Four
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Check Budget Year

Actuarial Services Project Cost Proposal Summary Form

	Position Title	Person Hours	Hourly Rate	Staff Costs	Admin. Costs	Total Costs
Task #						
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
Grand Total						0

*Itemize Actuary, Computer Services, Other Costs

Exhibit E

Project Cost Proposal Form 5.4

Bidder:

Year One	Year Two	Year Three	Year Four
-----------------	-----------------	-------------------	------------------

Check Budget Year

Actuarial Services Project Cost Proposal Summary Form

	Position Title	Person Hours	Hourly Rate	Staff Costs	Admin. Costs	Total Costs
Task #						
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
SubTask #						
				0		
				0		
				0		
				0		
Staff SubTotal				0		
Travel						
Operating Costs						
Sub-Contracted Costs*						
Total SubTask Costs						0
Grand Total						0

*Itemize Actuary, Computer Services, Other Costs

Bidder:

Year One	Year Two	Year Three	Year Four
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Check Budget Year

**Actuarial Services Project Cost Proposal
Summary Form**

	Staff Costs	Administrative Costs	Total Costs
Task I			0
Task II			0
Task III			0
Task IV			0
Task V			0
Task VI			0
Task VII			0
Total	0	0	0

Exhibit G



Invitation to Bid Request for Proposal PSC #0728 For Actuarial Consultant Services

Sealed proposals for the following contract will be received by the Procurement Branch, Delaware Health and Social Services, Main Building, Second Floor, 1901 N. DuPont Highway, (South Loop), Herman M. Holloway Sr. Health and Social Services Campus, New Castle, Delaware 19720, as indicated below and thereafter shall be publicly opened, read and recorded.

The Division of Medicaid and Medical Assistance (DMMA) requests proposals for an actuarial consultant for the Medicaid program.

- 1) This Solicitation is for a five (5) year period, beginning July 1, 2007 and ending June 30, 2012.
- 2) Details of the Actuarial Consultant request are included in the solicitation package.
- 3) CALENDAR:
 - a) The request for proposal will be available on the website <http://www.dhss.delaware.gov/dhss/rfp/dhssrfp.htm> beginning February 5, 2007 at 12:00 P.M. The official notification of the advertisement and issuance and any subsequent appendixes or amendments will be posted on the DHSS website: <http://www.dhss.delaware.gov/dhss/rfp/dhssrfp.htm>.
 - b) February 16, 2007 - Closing date for receipt of written questions. Questions regarding this Request for Proposal will be received anytime between 12:00 February 5, 2007 12:00 P.M., and 04:00 P.M. February 16, 2007. Questions will be entertained at the Pre-Bid Conference and a written summary of all questions and answers will be posted on the Department's website. Questions regarding this request may be submitted by e-mail to mary.marinari@state.de.us by the 04:00 P.M. February 16, 2007 deadline.
 - c) A Mandatory Pre-Bid Conference will be held February 14, 2007, beginning at 09:30 A.M., at the Delaware Department of Health & Social Services, Herman M.

Holloway Sr. Campus, 1901 North DuPont Highway, **Lewis Building, Room 258**, New Castle, Delaware 19720.

- d) Applicants must submit a total of ten (10) copies. Two (2) must be signed originals, six (6) bound copies, and two (2) unbound copies of the completed solicitation by 11:00 a.m. on April 17, 2007 to the Procurement Branch, Delaware Health and Social Services, Main Building, Second Floor, 1901 N. DuPont Highway, (South Loop), Herman M. Holloway Sr. Health and Social Services Campus, New Castle, Delaware 19720. Proposals received after 11:00 a.m. will be returned to the proposers unopened. The bid opening for PSC# 0728 will take place at 11:00 a.m.

- e) A brief "Letter of Interest" must be submitted with the response to the Request for Proposal. A copy of the "Letter of Interest" can be found in the Request for Proposal.

- f) The review process will begin April 18, 2007 through April 30, 2007.

- g) Bidders awarded contracts will be notified of funding by May 18, 2007.

- h) Health and Social Services does not discriminate on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and for beneficiaries only, citizenship or participation in training programs.

All dates and time listed in this invitation to Bid are tentative. The final dates are those included in the Request for Proposal. The times and dates indicated may be changed at the discretion of the Division of Medicaid and Medical Assistance.

It is the responsibility of prospective bidders to watch for any addendum to the RFP. All addenda will be posted through the Department of Health and Social Services' website: <http://www.dhss.delaware.gov/dhss/rfp/dhssrfp.htm>.

Specifications and Administrative procedures may be obtained at the Office of Procurement, phone (302) 255-9291.

Exhibit H

ACTUARIAL RFP PSC 728 PROCUREMENT SCHEDULE

The Department's proposed schedule for reviewing proposals is indicated below. The Department, in all cases, will determine the ultimate timing of events related to this procurement.

<u>EVENT</u>	<u>DATE</u>
RFP Advertised and Issued	February 5 & 12, 2007
Mandatory Pre-Bid Meeting	February 14, 2007 @ 9:30 a.m. 1901 N. DuPont Highway Lewis Building, Room #258 New Castle, DE 19720
Written Questions	February 16, 2007 by 4:00 p.m.
Bid Opening	April 17, 2007 @ 11:00 a.m.
Bids will be publicly opened at the Procurement Branch, Main Administration Building, 2 nd floor, on: <u>April 17, 2007 @ 11:00 a.m.</u>	
Review Process	April 18-30, 2007
Negotiations	May 7-8, 2007
Award Notices Issued	May 18, 2007
Contract Signed	May 31, 2007
P.O. Approval Process	June 4-29, 2007
Estimated Contract Start Date	July 1, 2007

Appendix A



STATE OF DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

BIDDERS SIGNATURE FORM

Name of Bidder _____
Signature of Authorized Person _____
Type in Name of Authorized Person _____
Title of Authorized Person _____
Street Name/Number _____
City, State, and Zip Code _____
Contact Person _____
Telephone Number _____
Fax Number _____
Date _____
Bidder's Federal Employers Identification No. _____
Delivery Day/Completion Time _____
F.O.B. _____
Terms _____

THE FOLLOWING MUST BE COMPLETED BY THE VENDOR

AS CONSIDERATION FOR THE AWARD AND EXECUTION BY DELAWARE HEALTH AND SOCIAL SERVICES OF THIS CONTRACT, THE _____ (COMPANY NAME) _____ HEREBY GRANTS, CONVEYS, SELLS, ASSIGNS, AND TRANSFERS TO THE STATE OF DELAWARE ALL OF ITS RIGHTS, TITLE AND INTEREST IN AND TO ALL KNOWN OR UNKNOWN CAUSES OF ACTION IT PRESENTLY HAS OR MAY NOW HEREAFTER ACQUIRE UNDER THE ANTITRUST LAWS OF THE UNITED STATES AND THE STATE OF DELAWARE, RELATING THE PARTICULAR GOODS OR SERVICES PURCHASES OR ACQUIRED BY THE DELAWARE

HEALTH AND SOCIAL SERVICES DEPARTMENT, PURSUANT TO
THIS CONTRACT.

Appendix B



STATE OF DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Statement of Compliance Form

As the official representative for the CONTRACTOR, I certify on behalf of the agency that:

They will comply with all Federal and Delaware laws and regulations pertaining to equal employment opportunity and affirmative action. In addition, compliance will be assured in regard to Federal and Delaware laws and regulations relating to confidentiality and individual and family privacy in the collection and reporting of data.

Authorized Signature _____
Title _____
Date _____



*DEPARTMENT OF HEALTH AND SOCIAL
SERVICES*

CONTRACT

A) Introduction

1. This contract is entered into between the Delaware Department of Health and Social Services (the Department), Division of _____ (Division) and _____ (the Contractor).
2. The Contract shall commence on _____ and terminate on _____ unless specifically extended by an amendment, signed by all parties to the Contract. Time is of the essence. (Effective contract start date is subject to the provisions of Paragraph C 1 of this Agreement.)

B) Administrative Requirements

1. Contractor recognizes that it is operating as an independent Contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the Contractor's negligent performance under this Contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the Contractor in their negligent performance under this Contract.
2. The Contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this Contract. The Contractor is an independent contractor and is not an employee of the State.
3. During the term of this Contract, the Contractor shall, at its own expense, carry insurance with minimum coverage limits as follows:

a) Comprehensive General Liability \$1,000,000

And

b) Medical/Professional Liability \$1,000,000/ \$3,000,000

- Or c) Misc. Errors and Omissions \$1,000,000/\$3,000,000
- Or d) Product Liability \$1,000,000/\$3,000,000

All contractors must carry (a) and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

If the contractual service requires the transportation of Departmental clients or staff, the contractor shall, in addition to the above coverage, secure at its own expense the following coverage:

- e) Automotive Liability (Bodily Injury) \$100,000/\$300,000
- f) Automotive Property Damage (to others) \$ 25,000

4. Notwithstanding the information contained above, the Contractor shall indemnify and hold harmless the State of Delaware, the Department and the Division from contingent liability to others for damages because of bodily injury, including death, that may result from the Contractor's negligent performance under this Contract, and any other liability for damages for which the Contractor is required to indemnify the State, the Department and the Division under any provision of this Contract.
5. The policies required under Paragraph B3 must be written to include Comprehensive General Liability coverage, including Bodily Injury and Property damage insurance to protect against claims arising from the performance of the Contractor and the contractor's subcontractors under this Contract and Medical/Professional Liability coverage when applicable.
6. The Contractor shall provide a Certificate of Insurance as proof that the Contractor has the required insurance. The certificate shall identify the Department and the Division as the "Certificate Holder" and shall be valid for the contract's period of performance as detailed in Paragraph A 2.
7. The Contractor acknowledges and accepts full responsibility for securing and maintaining all licenses and permits, including the Delaware business license, as applicable and required by law, to engage in business and provide the goods and/or services to be acquired under the terms of this Contract. The Contractor acknowledges and is aware that Delaware law provides for significant penalties associated with the conduct of business without the appropriate license.
8. The Contractor agrees to comply with all State and Federal licensing standards and all other applicable standards as required to provide services under this Contract, to assure the

quality of services provided under this Contract. The Contractor shall immediately notify the Department in writing of any change in the status of any accreditations, licenses or certifications in any jurisdiction in which they provide services or conduct business. If this change in status regards the fact that its accreditation, licensure, or certification is suspended, revoked, or otherwise impaired in any jurisdiction, the Contractor understands that such action may be grounds for termination of the Contract.

9. Contractor agrees to comply with all the terms, requirements and provisions of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and any other federal, state, local or any other anti discriminatory act, law, statute, regulation or policy along with all amendments and revision of these laws, in the performance of this Contract and will not discriminate against any applicant or employee or service recipient because of race, creed, religion, age, sex, color, national or ethnic origin, disability or any other unlawful discriminatory basis or criteria.
10. The Contractor agrees to provide to the Divisional Contract Manager, on an annual basis, if requested, information regarding its client population served under this Contract by race, color, national origin or disability.
11. This Contract may be terminated in whole or part:
 - a. by the Department upon five (5) calendar days written notice for cause or documented unsatisfactory performance,
 - b. by the Department upon fifteen (15) calendar days written notice of the loss of funding or reduction of funding for the stated Contractor services as described in Appendix B,
 - c. by either party without cause upon thirty (30) calendar days written notice to the other Party, unless a longer period is specified in Appendix A.

In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, models, maps, photographs, and reports or other material prepared by Contractor under this contract shall, at the option of the Department, become the property of the Department.

In the event of termination, the Contractor, upon receiving the termination notice, shall immediately cease work and refrain from purchasing contract related items unless otherwise instructed by the Department.

The Contractor shall be entitled to receive reasonable compensation as determined by the Department in its sole discretion for any satisfactory work completed on such documents and

other materials that are usable to the Department. Whether such work is satisfactory and usable is determined by the Department in its sole discretion.

Should the Contractor cease conducting business, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or 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 protection of the rights of creditors, then at the option of the Department, this Contract shall terminate and be of no further force and effect. Contractor shall notify the Department immediately of such events.

12. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested or by registered or certified mail with return receipt requested. Either Party may change its address for notices and official formal correspondence upon five (5) days written notice to the other.
13. In the event of amendments to current Federal or State laws which nullify any term(s) or provision(s) of this Contract, the remainder of the Contract will remain unaffected.
14. This Contract shall not be altered, changed, modified or amended except by written consent of all Parties to the Contract.
15. The Contractor shall not enter into any subcontract for any portion of the services covered by this Contract without obtaining prior written approval of the Department. Any such subcontract shall be subject to all the conditions and provisions of this Contract. The approval requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, rentals, leases and other day-to-day operational expenses in support of staff or facilities providing the services covered by this Contract.
16. This entire Contract between the Contractor and the Department is composed of these several pages and the attached:

Exhibit A - Services Description/Deliverables

Exhibits B-F - Contract Budget

Appendix D - Divisional Requirements

Appendix

17. This Contract shall be interpreted and any disputes resolved according to the Laws of the State of Delaware. Except as may be otherwise provided in this contract, all claims, counterclaims, disputes and other matters in question between the Department and Contractor arising out of

or relating to this Contract or the breach thereof will be decided by arbitration if the parties hereto mutually agree, or in a court of competent jurisdiction within the State of Delaware.

18. In the event Contractor is successful in an action under the antitrust laws of the United States and/or the State of Delaware against a vendor, supplier, subcontractor, or other party who provides particular goods or services to the Contractor that impact the budget for this Contract, Contractor agrees to reimburse the State of Delaware, Department of Health and Social Services for the pro-rata portion of the damages awarded that are attributable to the goods or services used by the Contractor to fulfill the requirements of this Contract. In the event Contractor refuses or neglects after reasonable written notice by the Department to bring such antitrust action, Contractor shall be deemed to have assigned such action to the Department.
19. Contractor covenants that it presently has no interest and shall not acquire any interests, direct or indirect, that would conflict in any manner or degree with the performance of this Contract. Contractor further covenants that in the performance of this contract, it shall not employ any person having such interest.
20. Contractor covenants that it has not employed or retained any company or person who is working primarily for the Contractor, to solicit or secure this agreement, by improperly influencing the Department or any of its employees in any professional procurement process; and, the Contractor has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for the Contractor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this agreement. For the violation of this provision, the Department shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.
21. The Department shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Contract. Contractor shall have no right to copyright any material produced in whole or in part under this Contract. Upon the request of the Department, the Contractor shall execute additional documents as are required to assure the transfer of such copyrights to the Department.

If the use of any services or deliverables is prohibited by court action based on a U.S. patent or copyright infringement claim, Contractor shall, at its own expense, buy for the Department the right to continue using the services or deliverables or modify or replace the product with no material loss in use, at the option of the Department.

22. Contractor agrees that no information obtained pursuant to this Contract may be released in any form except in compliance with applicable laws and policies on the confidentiality of information and except as necessary for the proper discharge of the Contractor's obligations under this Contract.
23. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by authorized representatives of all parties and attached to the original Contract.
24. If the amount of this contract listed in Paragraph C2 is over \$100,000, the Contractor, by their signature in Section E, is representing that the Firm and/or its Principals, along with its subcontractors and assignees under this agreement, are not currently subject to either suspension or debarment from Procurement and Non-Procurement activities by the Federal Government.

C) Financial Requirements

1. The rights and obligations of each Party to this Contract are not effective and no Party is bound by the terms of this contract unless, and until, a validly executed Purchase Order is approved by the Secretary of Finance and received by Contractor, *if required by the State of Delaware Budget and Accounting Manual*, and all policies and procedures of the Department of Finance have been met. The obligations of the Department under this Contract are expressly limited to the amount of any approved Purchase Order. The State will not be liable for expenditures made or services delivered prior to Contractor's receipt of the Purchase Order.
2. Total payments under this Contract shall not exceed \$ _____ in accordance with the budget presented in Appendix C. Payment will be made upon receipt of an itemized invoice from the Contractor in accordance with the payment schedule, if any. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions. Contractor is responsible for costs incurred in excess of the total cost of this Contract and the Department is not responsible for such costs.
3. The Contractor is solely responsible for the payment of all amounts due to all subcontractors and suppliers of goods, materials or services which may have been acquired by or provided to the Contractor in the performance of this contract. The Department is not responsible for the payment of such subcontractors or suppliers.

4. The Contractor shall not assign the Contract or any portion thereof without prior written approval of the Department and subject to such conditions and revisions as the Department may deem necessary. No such approval by the Department of any assignment shall be deemed to provide for the incurrence of any obligations of the Department in addition to the total agreed upon price of the Contract.
5. Contractor shall maintain books, records, documents and other evidence directly pertinent to performance under this Contract in accordance with generally accepted accounting principles and practices. Contractor shall also maintain the financial information and data used by Contractor in the preparation of support of its bid or proposal. Contractor shall retain this information for a period of five (5) years from the date services were rendered by the Contractor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Department shall have access to such books, records, documents, and other evidence for the purpose of inspection, auditing, and copying during normal business hours of the Contractor after giving reasonable notice. Contractor will provide facilities for such access and inspection.
6. The Contractor agrees that any submission by or on behalf of the Contractor of any claim for payment by the Department shall constitute certification by the Contractor that the services or items for which payment is claimed were actually rendered by the Contractor or its agents, and that all information submitted in support of the claims is true, accurate, and complete.
7. The cost of any Contract audit disallowances resulting from the examination of the Contractor's financial records will be borne by the Contractor. Reimbursement to the Department for disallowances shall be drawn from the Contractor's own resources and not charged to Contract costs or cost pools indirectly charging Contract costs.
8. When the Department desires any addition or deletion to the deliverables or a change in the services to be provided under this Contract, it shall so notify the Contractor. The Department will develop a Contract Amendment authorizing said change. The Amendment shall state whether the change shall cause an alteration in the price or time required by the Contractor for any aspect of its performance under the Contract. Pricing of changes shall be consistent with those prices or costs established within this Contract. Such amendment shall not be effective until executed by all Parties pursuant to Paragraph B 14.

D) Miscellaneous Requirements

1. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 46, (PM # 46, effective 5/23/97), and divisional procedures regarding the reporting and investigation of suspected abuse, neglect, mistreatment, misappropriation of property and significant injury of residents/clients receiving services. The policy and

procedures are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the position(s) responsible for the PM46 process in the provider agency. Documentation of staff training on PM46 must be maintained by the Contractor.

2. The Contractor, including its parent company and its subsidiaries, and any subcontractor, including its parent company and subsidiaries, agree to comply with the provisions of 29 Del. Code, Chapter 58: "Laws Regulating the Conduct of Officers and Employees of the State," and in particular with Section 5805 (d): "Post Employment Restrictions."
3. *When required by Law*, Contractor shall conduct child abuse and adult abuse registry checks and obtain service letters in accordance with 19 Del. Code Section 708; and 11 Del. Code, Sections 8563 and 8564. Contractor shall not employ individuals with adverse registry findings in the performance of this contract.

E) Authorized Signatures:

For the Contractor:

For the Department:

Name

Vincent P. Meconi Secretary

Title

Date

Date

For the Division:

Director

Date

Appendix D

Divisional Requirements

1. The Contractor agrees to meet or exceed all minimum service standards as indicated in the service specifications and all other requirements contained in Request for Proposal PSC# 0704.
2. The Contractor must maintain documentation, as identified in the RFP to support all payment claims submitted to and paid by the Division of Medicaid and Medical Assistance (DMMA) (The Division).
3. The Contractor agrees to submit monthly, quarterly, and annual program performance reports, as well as other reports as required by the Division ten (10) days after the end of the reporting period. Payments for the following months may be withheld if the Contractor fails to comply with these requirements.
4. The Contractor's fiscal records and accounts, including those involving other programs that may be substantially related to this contract, shall be subject to audit by duly authorized Federal and State officials.
5. The Contractor agrees that the project will be carried out in accordance with the policies and procedures established by the Department, and the terms and conditions of this contract and RFP application as approved by the Department.
6. The Contractor agrees to cooperate and assist in efforts undertaken by the Division, the U.S. Department of Health and Human Services, or any other agency or organization duly authorized by any of the preceding to evaluate the effectiveness, feasibility and cost of the program.
7. The Contractor agrees that no personal information obtained from an individual in conjunction with the project shall be disclosed in a form that identifies an individual without the written and informed consent of the individual concerned.
8. If, at any given time, the Contractor cannot provide the contracted and authorized services, the Division has the authority to remove the funds from the contract.
9. The Contractor will provide the program coordinator (i.e. name as provided on the Certificate of Insurance, in the Certificate Holder location) with copy of insurance held and will provide copy of it when there is any change in status to policy.

APPENDIX E

Policy Memorandum #46
(Not Applicable)

Appendix F
Waiver of Insurance Coverage

Background

The Department's new standard contract boilerplate contains a set of updated clauses relating to the type and amounts of insurance coverage required of contractors/vendors that do business with the Department. These clauses were developed with the input and guidance of the Attorney General's Office and the State Office of Risk Management.

In certain instances, the cost of obtaining such insurance coverage, although nominal, may cause an undo burden to the contractor/vendor and jeopardize the ability of the Department to complete the agreement.

In such cases, the affected Division Director may request a waiver of the insurance coverage amounts, using the following procedure. This waiver process is for the coverage limits only. As in the past, all contractors must maintain general and liability coverage, or submit to the Division proof of sufficient assets for self-insurance. The Department will not waive the requirement for insurance or self-insurance under any circumstances.

Procedure

1) During the contract negotiating process, should a potential vendor voice concern that the required insurance coverage amounts will cause them to withdraw from consideration, the Division shall request the vendor to submit the following information in writing:

- a description of its current insurance type and coverage amount,
- a quote from its insurance provider of choice for a policy that will meet the minimum requirements of the contract. This quote shall be on the insurance carrier's corporate letterhead.
- a statement as to why the required coverage amounts are burdensome.

2) The Division Director will then submit a request to waive the Department's insurance coverage amounts to the Director, Division of Management Services. This request shall contain the following information:

- information from the vendor and its insurance carrier gathered as part of Step #1 above,
- a statement describing the type of service to be provided under the proposed agreement, the frequency of delivery, the location of service delivery,
- the period of performance of the proposed agreement

- any other information regarding the proposed agreement that will enable the Office of Risk Management to make an informed judgment on the waiver request.
- 3) The waiver request will be reviewed by the Division of Management Services and forwarded to the State Office of Risk Assessment for an opinion.
 - 4) The decision of the Office of Risk Assessment will be returned to the Division of Management Services, which will in turn, inform the requesting Division.
 - 5) It is expected this process will take approximately five working days once the waiver request has been submitted to the Division of Management Services with all the required information.

Appendix G

Letter of Interest

Ms. Sandra Skelley
Department of Health and Social Services
Division of Management Services, Procurement Branch
Herman M. Holloway, Sr. Health and Social Services Campus
1901 N. DuPont Highway
Administration Building, 2nd Floor
New Castle, Delaware 19720

Dear Ms. Skelley:

Please consider this as the brief letter of interest to submit a proposal for RFP
PSC# 0728 Actuarial Consultant Services.

Sincerely,

_____ Proposer Authorized Representative
_____ Proposer Organization
_____ Proposer Address